

## COUNTRY REPORT



# Colombia

## Wages and Labour Rights in the Palm Oil Sector

WageIndicator Foundation · IPOWU · Mondiaal FNV

May 2026

**261**workers interviewed  
Round 1 · 8 companies**60**workers interviewed  
Round 2 · 3 plantations**8**CBAs collected and  
analysed**18**Key Informant  
Interviews

This report presents worker-level evidence on wages and labour rights in the palm oil sector in Colombia, based on two rounds of data collection in 2025 and 2026. Round 1 covered a broader group of plantation and mill workers, while Round 2 focused on plantation workers in harvesting and maintenance roles.

The report examines wage levels, minimum wage and living wage estimate gaps, target-based pay, wage theft, CBA coverage, and gender inequalities. It is intended as a practical evidence base for IPOWU-affiliated trade unions in negotiations, advocacy, and engagement with companies and policymakers in the Colombian palm oil sector. The report aims to answer the below five research questions:

### Five Research Questions

**RQ1** What are the wage levels across different groups and contracts?**RQ2** How are wages calculated, and are targets reasonable and transparent?**RQ3** To what extent are Collective Bargaining Agreements implemented?**RQ4** Is there evidence of wage theft or unpaid overtime?**RQ5** What is the size and structure of gender pay gaps and other inequalities?

## Table of contents

|                                                                    |    |
|--------------------------------------------------------------------|----|
| 1. Introduction                                                    | 3  |
| 2. Sector Context and Industrial Relations                         | 4  |
| 3. Legal and Regulatory Framework                                  | 5  |
| 4. Methodology                                                     | 8  |
| 5. Wage Levels Across Worker Groups and Contracts                  | 10 |
| 6. Compliance with Minimum Wage and Living Wage estimates          | 12 |
| 7. Wage Calculation: Transparency, Targets, and Working Conditions | 14 |
| 8. Collective Bargaining Agreements: Coverage and Implementation   | 17 |
| 9. Wage Theft and Unpaid Overtime                                  | 19 |
| 10. Gender Pay Gaps and Structural Inequalities                    | 21 |
| 11. Recommendations for Trade Unions                               | 23 |

A report made by WageIndicator Foundation



in partnership with the International Palm Oil Workers United (IPOWU) network and with support from Mondiaal FNV





## 1. Introduction

Colombia is the largest producer of palm oil in the Americas<sup>1</sup>. The trade unions that organise its palm oil workers have fought for decades in difficult and sometimes dangerous conditions to defend workers' rights. It means that the trade unions using the results from this report are not starting from zero; they have experience, networks, and in many workplaces, collective bargaining agreements. But they need specific, current, worker-level data and input on how wages are set and paid, how large the gap is to a living wage for palm oil workers, how target systems work in practice, what deductions are being made, and how women experience the sector differently from men.

This report is produced for the trade unions affiliated with the International Palm Oil Workers United (IPOWU) network in Colombia. The research was commissioned by IPOWU and implemented by the WageIndicator Foundation, with funding from Mondiaal FNV. It is one of three country reports produced simultaneously for Colombia, Indonesia, and Ghana, the three countries where IPOWU organises and supports palm oil workers.

Colombia's situation is distinct. Unlike Indonesia, where low union density and a weakened legal framework create structural barriers, Colombia has ratified multiple relevant ILO Conventions and translated these into national law, has active sector-level trade union organisations, and, as of 2026, new labour law reforms and legislation that opens the door to industry-level collective bargaining for the first time. The challenge in Colombia is not the absence of rights on paper, but ensuring those rights are enforced in practice, and that the target-based wage systems, wage caps for tasks and outsourcing practices that dominate the sector do not systematically undermine the income adequacy and security of the people working in the palm oil sector.

The findings in this report are based on surveys with 261 workers across plantations and mills in the Magdalena Medio and Llanos Orientales regions which are in the Central and Eastern zones of the Colombian palm oil industry, supplemented by a second round of more targeted interviews with 60 plantation workers, a desk review of laws and regulations and an analysis of eight collective bargaining agreements (CBAs). The samples of surveys and CBAs are not (meant to be) representative of Colombia's diverse palm oil sector across all four producing zones. What it provides is documented, worker-level evidence of recurring problems in the sampled workplaces:

- One in six workers earns below the minimum wage;
- Evidence of target systems that can result in workers losing payment for extra effort on days when the required targets are not met;
- Evidence of unpaid waiting time; and
- A gender gap rooted in structural inequality of access to secure contracts and higher-paid roles.

The evidence from this study can be used in CBA negotiations at company level, in building the case for a sectoral CBA, in advocacy, where appropriate complaints under Colombia's ILO Convention commitments.

---

<sup>1</sup> Palm Oil Production, USDA, 2026. [URL](#)



## 2. Sector Context and Industrial Relations

**Colombia** is the largest producer of palm oil in the Americas and the fourth largest in the world. After coffee, palm oil is Colombia's second most produced commodity, with production increasing by more than 5% annually into the 2025–2026 period.<sup>2</sup> The industry is spread across four major geographical zones (North, East, Central, and South-West), each with different characteristics. Most of the sector consists of smallholders.<sup>3</sup> The Colombian palm oil sector has been historically and significantly affected by the country's armed conflict. Trade unionists have faced and still face stigmatisation, systematic violence, threats, and killings. This context continues to shape the risk environment for union activity.<sup>4</sup>

The practice of *tercerización* (outsourcing/subcontracting) is widespread. Law 1258 of 2008 and Law 1429 of 2010 introduced and supercharged the use of Sociedades por Acciones Simplificadas (SAS) – SAS workers are typically paid by output and engaged on short one-year contracts, reducing incentives and opportunities for unionisation.<sup>5</sup> The combination of Laws 1258/2008 and 1429/2010 enabled businesses to utilise these entities as bridging companies to hire workers, effectively bypassing direct employment relationships while simultaneously taking advantage of tax breaks.

**Legislative shift (2026):** In March 2026, the Ministry of Labour issued Decree 234, which introduces multi-level collective bargaining, allowing unions and federations to bargain at industry level rather than only company level.<sup>6</sup> In 2026, through labour reforms, Law 2466 was enacted which aims to restrict SAS contracts to exceptional cases (capped at four years maximum), prohibit pressure on or dismissal of union members, and prohibit individual agreements that undermine collective bargaining. Labour authorities will be able to sanction anti-union retaliation.<sup>7</sup>

**Key sector organisations:** Fedepalma (main employers' association), SINTRAPROACEITES (the palm oil and edible oils sector union), SINTRAINAGRO (agricultural sector backbone union), and SINTRAIMAGRA (food processing union). These collaborate through the National Coordination of Palm Oil Workers' Unions (CSP) and the Palm Workers' Union School (Escuela Sindical Palmera), which serves 14 palm oil trade unions. Approximately 20–30% of Colombian palm oil companies are RSPO certified.<sup>8</sup>

The International Palm Oil Workers United (IPOWU) network, established in 2022 and involving unions from Indonesia, Colombia, Ghana, and the Netherlands (FNV/Mondiaal FNV), aims to provide a platform for joint strategies to improve working conditions across borders.

<sup>2</sup> Ibid

<sup>3</sup> *Colombia Steps up Sustainable Palm Oil Support in Joint Declaration*, RSPO, 2022. [URL](#)

<sup>4</sup> *SOCIAL DIALOGUE AND TERCERIZADOS IN COLOMBIA'S PALM OIL INDUSTRY*, Mondiaal FNV. [URL](#)

<sup>5</sup> Ibid

<sup>6</sup> Decree 234, General Secretariat of the Mayor's Office of Bogotá, 2026. [URL](#)

<sup>7</sup> *Labor reform in Colombia: key points of Law 2466 of 2025*, Englobally LATAM, 2025. [URL](#)

<sup>8</sup> *Actions for the Certification of Sustainable Palm Oil Production*, RSPO, 2025. [URL](#)



### 3. Legal and Regulatory Framework

The Substantive Labour Code (*Código Sustantivo del Trabajo*) is Colombia's principal labour law, complemented by the Political Constitution of 1991, Law 278 of 1996 on wage commissions, and annual government decrees establishing the statutory minimum wage. The minimum wage applies to all workers without discrimination by occupation, sector, or region, and is set by a tripartite Permanent Commission. When no consensus is reached by 30 December, the government sets the minimum wage by decree (as occurred for the 2025 rate).<sup>9</sup> The 2025 and 2026 minimum wage rates were both set by government decree after tripartite negotiations failed to reach consensus.<sup>10 11</sup>

The standard workweek is undergoing a gradual reduction from 48 to 42 hours under Law 2101 of 2021: 46 hours in 2023, 44 hours in 2025, and 42 hours by 2026.<sup>12</sup> The minimum wage used in this study's calculations corresponds to COP 8,515.52 per hour (based on the national minimum wage, calculated at 44 hours per week).<sup>13</sup> Overtime is limited to 2 hours per day and 12 hours per week. Daytime overtime is paid at 125% of the regular rate, night overtime at 175%.<sup>14</sup> Work on rest days or public holidays is compensated at 180%, rising to 190% in July 2026 and 200% in July 2027.<sup>15</sup> Night work (from 7 p.m. under the 2025 reform) is covered by a 35% night premium.<sup>16</sup>

Colombia has the strongest ILO convention ratification profile of the three countries studied. Colombia has ratified three out of four wage-related ILO Conventions and the major wage-related instruments, including Minimum Wage-Fixing Machinery, 1928 (C.26), Protection of Wages, 1949 (C.95), and Minimum Wage Fixing Machinery in Agriculture, 1951 (C.99).<sup>17</sup> These ratifications provide the international framework for wage protection and labour inspection. In addition, the Colombian Equal Pay Law (Law No. 1496 of 2011) includes provisions requiring equal pay for work of equal value and mechanisms to eradicate pay discrimination.<sup>18</sup>

According to the WageIndicator Labour Rights Index (2024), Colombia scores 80 out of 100 on Fair Wages, the highest of the three countries, and 80 out of 100 on Decent Working Hours. It scores 100 on both Maternity at Work and Social Security. The score of 0 on weekly rest day compensation reflects a legal design choice rather than an absence of protection: Colombian law gives workers a choice between extra pay and a substitute rest day, which the Index's methodology does not credit. Colombia scores 75 on Trade Union Rights.<sup>19</sup> Since the Labour Rights Index is a de-jure index, it scores countries on legal protection but cannot verify whether these countries actually implement the laws that are on paper in practice.

<sup>9</sup> Substantive Labour Code, Constitution 1991, Law 278 of 1996, tripartite Permanent Commission, Ministry of Labour. [URL](#)

<sup>10</sup> Colombia minimum wage to increase 9.54% to \$323 per month in 2025, Reuters, Dec 24, 2024. [URL](#)

<sup>11</sup> 23.7% Minimum Wage Hike, Stirs Inflation and Informality Fears, The City Paper. [URL](#)

<sup>12</sup> Law 2101 of 2021, progressive reduction of working hours.

<sup>13</sup> Minimum Wage Colombia, WageIndicator Foundation. [URL](#)

<sup>14</sup> Substantive Labour Code (Código Sustantivo del Trabajo, 1951)

<sup>15</sup> Colombia: The Labour Reform Officially Becomes Law Upon its Sanction by President Petro, L&E Global. [URL](#)

<sup>16</sup> Labour Reform Decree 2025 (redefinition of night work).

<sup>17</sup> Ratifications for Colombia, ILO. [URL](#)

<sup>18</sup> Pay Equity Laws in Colombia, L&E Global. Oct 22, 2024. [URL](#)

<sup>19</sup> Labour Rights Index, WageIndicator Foundation. [URL](#)

For international buyers and export-oriented supply chains, RSPO certification may be commercially important. RSPO's 2024 Principles and Criteria include Indicator 6.3.1 (living wage paid progressively) and 6.2.7 (piece-rate wages not less than the legal minimum).<sup>20</sup>

The WageIndicator Living Wage used in this study (Typical Family lower-bound, October 2025) ranged from COP 9,829.72 to COP 10,391.17 per hour across the Santander, Cesar, and Meta provinces.<sup>21</sup> Adjusted for caloric needs of heavy physical labour, the estimate ranged from approximately COP 10,912 to COP 11,460 per hour.

### Key legal figures at a glance

| Element                                        | Provision                                          |
|------------------------------------------------|----------------------------------------------------|
| <b>Minimum wage (hourly)</b>                   | COP 8,515.52 (at 44 hrs/week, 2025)                |
| <b>Standard work week</b>                      | 44 hours (2025); reducing to 42 by 2026            |
| <b>Overtime limit</b>                          | 2 hours/day, 12 hours/week                         |
| <b>Daytime overtime rate</b>                   | 125% of regular rate                               |
| <b>Night overtime rate</b>                     | 175% of regular rate                               |
| <b>Living wage (lower bound)<sup>22</sup></b>  | COP 9,830 – 10,391 per hour (Oct 2025)             |
| <b>Living wage (caloric adj.)<sup>23</sup></b> | COP 10,912 – 11,460 per hour (Oct 2025 - adjusted) |

### ILO Convention Ratifications

| Convention          | Subject                           | Colombia          |
|---------------------|-----------------------------------|-------------------|
| <b>C.26 (1928)</b>  | Minimum Wage-Fixing Machinery     | ✓ Ratified (1933) |
| <b>C.95 (1949)</b>  | Protection of Wages               | ✓ Ratified (1963) |
| <b>C.99 (1951)</b>  | Minimum Wage Fixing – Agriculture | ✓ Ratified (1969) |
| <b>C.100 (1951)</b> | Equal Remuneration                | ✓ Ratified (1963) |
| <b>C.131 (1970)</b> | Minimum Wage Fixing               | × Not ratified    |

<sup>20</sup> 2024 Principles & Criteria, Roundtable for Sustainable Palm Oil, 2024. [URL](#)

<sup>21</sup> FAQ - Living Wage, WageIndicator Foundation. [URL](#)

<sup>22</sup> WageIndicator calculates Living Wages in a range. The lower bound Living Wage is calculated using prices at the 25th percentile of all prices collected, while the higher bound uses the 50th percentile (or median) figure. This reflects price variation in a region. The lower bound uses the 25th percentile, meaning only 25% of collected prices are cheaper than this amount. The higher bound uses the 50th percentile (the median), representing the exact middle of the market where half of the prices are cheaper and half are more expensive.

<sup>23</sup> The caloric adjustment is an indicative adjustment to the food component of the WageIndicator Living Wage estimate, reflecting the higher energy needs of sustained, physically demanding plantation and mill work. It uses 2,100 kcal/day as the standard adult baseline and applies a heavy-labour assumption of approximately 2,850 kcal/day on average across high and low seasons. This should be read as a sensitivity analysis for heavy physical work, not as a separate official WageIndicator Living Wage estimate.

**WageIndicator Labour Rights Index (2024)<sup>24</sup>**

| Indicator                      | Score (0-100)     |
|--------------------------------|-------------------|
| <b>Fair Wages</b>              | 80                |
| <b>Decent Working Hours</b>    | 80                |
| <b>Maternity at Work</b>       | 100 - very strong |
| <b>Social Security</b>         | 100 - very strong |
| <b>Child and Forced Labour</b> | 75                |
| <b>Employment Security</b>     | 60 - moderate     |

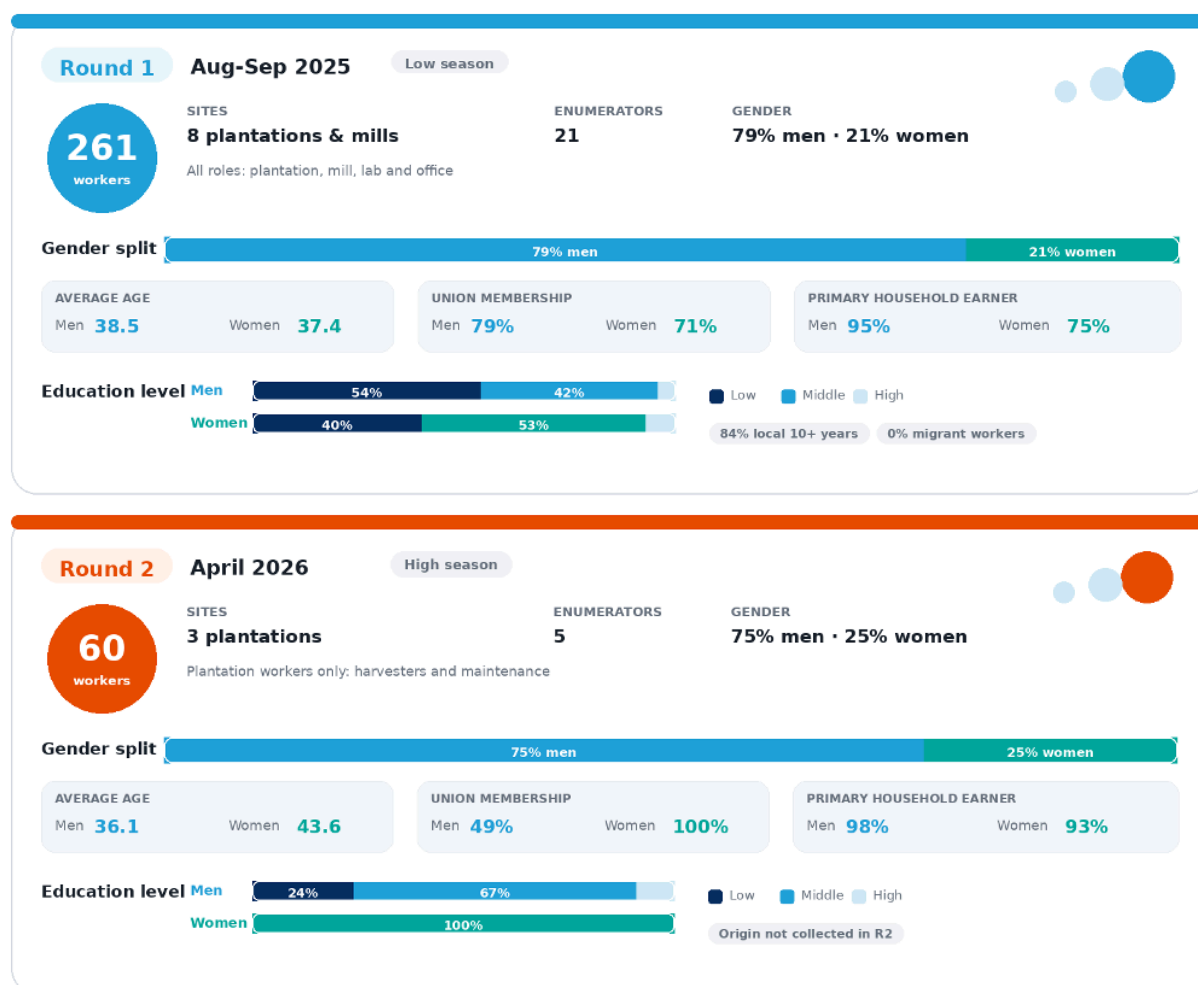
---

<sup>24</sup> Labour Rights Index, WageIndicator Foundation. [URL](#)



## 4. Methodology

The study applied a mixed-methods approach combining two rounds of worker surveys, key informant interviews, CBA analysis, and desk research. Data collection took place in two rounds. Round 1, rolled out between August - September 2025, covered a broader group of plantation and mill workers across job roles, contract types, and genders. Round 2, rolled out between March - April 2026, focused specifically on plantation workers in target-based or output-linked roles, especially harvesting and maintenance, to better understand how targets, workload, and productivity-linked pay affect wages in practice. Data collection was carried out in collaboration with IPOWU-affiliated trade unions. The demographic of the two rounds of data collection are as follows:



The visual above summarises the sample profile for Round 1 and Round 2. The results should not be interpreted as statistically representative of the Colombian palm oil workforce. Worksites and respondents were selected through IPOWU-affiliated union networks and snowball sampling, reflecting the workers and companies that could be reached through the project. This is a significant limitation in terms of sector-wide representativity. The Colombian palm oil sector employs around 200,000 workers<sup>25</sup>, of whom approximately 2% are estimated to be union members<sup>26</sup>. The surveyed workers therefore reflect conditions in unionised workplaces, which are likely better than those

<sup>25</sup> Fedpalma. 2018. [URL](#)

<sup>26</sup> Colombia: Diagnóstico situación de las y los trabajadores de la agroindustria de la palma en el Magdalena Medio y Meta. 2015. [URL](#)

experienced by the vast majority of workers in the sector who have no collective representation.

Round 1 covered a broader set of workers across plantations and mills, while Round 2 focused specifically on plantation workers in harvesting and maintenance roles. For this reason, Round 1 and Round 2 findings are not directly comparable and are presented separately where relevant. Interviews were conducted face-to-face using KoboToolbox. No names or email addresses were registered. For an extensive overview of this study's methodological choices, the desk review and CBA data collection, we refer to Annex 1 - *Methodological Report & Results - IPOWU*.

Round 2 recorded 100% union membership among female workers in Colombia — compared to 71% in Round 1 and 49% among male workers in Round 2. While this represents a significant organisational achievement, it should be interpreted with caution. The Round 2 sample of Colombian women is small and recruitment took place largely through union meetings, meaning non-unionised women — who may face significantly worse working conditions — are not represented. The figure reflects the work of organised workers within the union network, not the situation of female and male workers in the Colombian palm oil sector as a whole. Women especially remain trapped in irregular employment arrangements — historically, in regions like Magdalena Medio, women worked under absolute informality, without contracts or access to the rights provided by a Collective Bargaining Agreement. This highlights the need to expand formalisation programs to the entire sector.



## 5. Wage Levels Across Worker Groups and Contracts

**Key finding:** The **median** hourly wage (COP 12,500) among workers interviewed in Colombia sits above both the statutory minimum wage (COP 8,516) and the regular Living Wage estimate (COP 9,830–10,391).

→ However, **wage adequacy remains uneven:** only 54% of surveyed workers reached the Living Wage estimate and some reported being paid below the minimum wage. This is especially true for women, fixed-term workers, seasonal workers, and third-party/contractor workers.

Wages were converted to hourly rates, adjusted for seasonal variation. The pay cycle in Colombia is predominantly biweekly (92.3% of workers), which is structurally different from the predominantly monthly payment cycles in Ghana and Indonesia. Only 53% of male workers and 13% of female workers in Colombia have their working hours formally agreed in their employment contract; the lowest rate for women across the three countries. In survey Round 2, approximately half of male Colombian workers received wages in cash rather than by bank transfer (47%), compared to all female workers receiving wages by bank account. Cash payment without documentation increases vulnerability to unverified deductions and reduces workers' ability to challenge payment errors.

**Average and median wages<sup>27</sup>:** The average net hourly wage (take-home pay) was approximately COP 13,363, and the median COP 12,500. Wages ranged from approximately COP 5,400 (below the minimum wage) to COP 113,700 per hour. Colombia shows the most equal relationship between average and median wages across the three countries, reflecting a less extreme distribution.

**By gender:** Men earned a slightly higher average (COP 13,625; median COP 12,864) than women (COP 12,044; median COP 11,568). This difference was not statistically significant ( $t=1.87$ ,  $p=0.06$ ). The effect size was small (Cohen's  $d=0.24$ ), and the key wage differentiator was the term of the contract rather than gender itself.

**By worksite:** Plantation workers tended to have the highest average wage (COP 13,590; median COP 12,733), compared to mill workers (COP 12,554; median COP 11,096). This is the inverse of the Indonesia and Ghana pattern, potentially reflecting the higher output-based earnings for plantation harvesters in Colombia's piece rate-dependent system.

**By contract type:** Permanent contract workers had an average wage of COP 14,302 per hour. Workers in the 'other' category (including SAS and seasonal) averaged approximately COP 9,432. 50.6% of surveyed workers held permanent contracts; 43% were on fixed-term contracts.

Almost half (46.4%) of workers are paid according to output or target per unit. Output-based workers earned more on average than time-based workers ( $p=0.01$ ). The

<sup>27</sup> The average is the sum of all values divided by the number of values, whereas the median is the exact middle point of all data. While the average can be heavily skewed by a few extremes, the median reflects what the "typical" person earns.

dominant occupation in the sample was harvester (28.7%), whose pay is most closely linked to output volume.

The Round 2 surveys (April 2026) showed that:

- Male harvesters in Colombia had an average wage of COP 2,252,414 per month;
- Male maintenance workers COP 2,334,867; and
- Female maintenance workers COP 2,145,908.

The gender pay gap was approximately 1% — the smallest across the three countries — though with strong occupational segregation underlying the close averages.

### Wage summary table — Round 1<sup>28</sup>

| Measure                          | Overall           | Men        | Women      |
|----------------------------------|-------------------|------------|------------|
| Average hourly wage (net)        | COP 13,363        | COP 13,625 | COP 11,757 |
| Median hourly wage (net)         | COP 12,500        | COP 12,864 | COP 11,568 |
| Minimum wage (reference) (gross) | COP 8,516         | —          | —          |
| Living wage lower bound (gross)  | COP 9,830–10,391  | —          | —          |
| Wage range                       | COP 5,400–113,700 | —          | —          |

| Contract / Worksite    | Average hourly wage (net)  | Share of sample |
|------------------------|----------------------------|-----------------|
| Permanent contract     | COP 14,302                 | 50.6%           |
| Fixed-term contract    | COP ~12,500                | 43%             |
| SAS / seasonal / other | COP 9,432                  | ~6%             |
| Plantation workers     | COP 13,590 (median 12,733) | —               |
| Mill workers           | COP 12,554 (median 11,096) | —               |

<sup>28</sup> **Note:** Wage comparisons in this report should be interpreted with caution. Surveyed workers reported wages as received by them, which in most cases refers to net wages after deductions, or 'take-home pay'. These reported net hourly wages are compared with statutory minimum wage and WageIndicator Living Wage estimates, which are gross reference levels. This means the comparison may overstate the gap between reported wages and the reference levels. However, the comparison remains useful as an indication of workers' actual take-home wages in relation to legally and socially relevant wage thresholds.



## 6. Compliance with Minimum Wage and Living Wage estimates

**Key finding:** Minimum wage compliance is relatively high in Colombia, but wage adequacy remains uneven. The median wage is above both the statutory minimum wage and the regular WageIndicator Living Wage estimate, yet a substantial minority of workers still fall below key adequacy thresholds. The gender compliance gap is the largest of the three countries: 91% for men versus 62% for women.

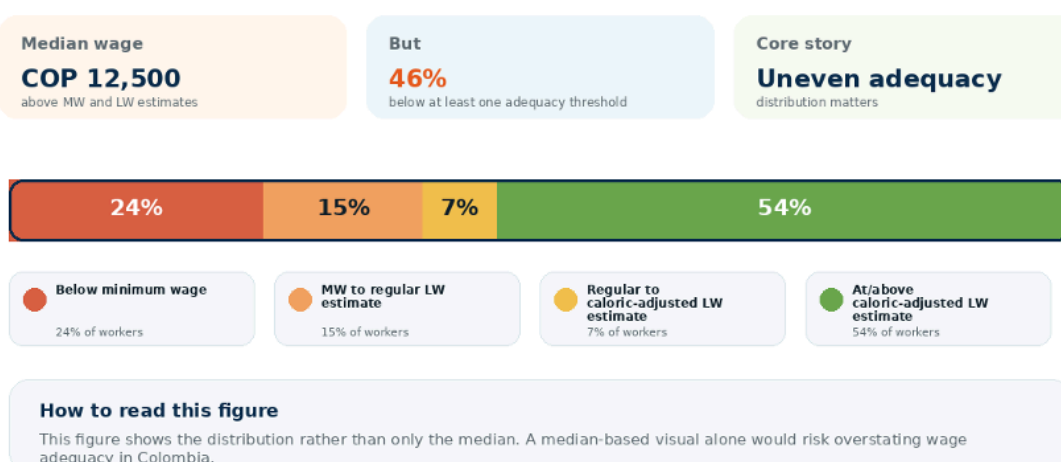
From the wages reported, compliance with the legal minimum wage was generally high but uneven across gender, worksite, and contract type. Of 261 workers from the sample in Round 1, 221 (85%) reported wages at or above the minimum wage. This is higher than Indonesia (62%) but lower than Ghana (99%).

Women's wages showed a significantly lower level of compliance with the minimum wage (62%) than men (91%). This is the largest gender compliance gap among the three countries. Compliance was 100% in mills, 93% in mills within plantations, and 82% in plantations. Fixed-term workers' wages showed 81% compliance; seasonal workers only 50%; and third-party/labour contractor workers only 33%. The Round 2 survey, based on a smaller plantation-only sample, showed a different pattern: approximately 40% of male workers earned below the minimum wage, while no female workers in that sample did. This suggests substantial variation between samples, job roles, and survey rounds, and should be interpreted cautiously. Round 2 figures are included as indicative findings from a smaller, targeted plantation-only sample and should not be read as directly comparable to Round 1.

In the wage adequacy figure below, wages are converted to hourly rates using actual hours worked rather than contracted hours, then compared against three thresholds: the statutory minimum wage, WageIndicator's Typical Family lower-bound Living Wage estimate, and the caloric-adjusted Living Wage reflecting the higher energy needs of heavy physical labour.

### Wage adequacy distribution

Colombia: the median wage is above key thresholds, but wage adequacy is uneven across the sample.



Source: WageIndicator analysis of Colombia Round 1 worker survey. Thresholds use statutory minimum wage, regular WageIndicator Living Wage estimate and caloric-adjusted estimate.

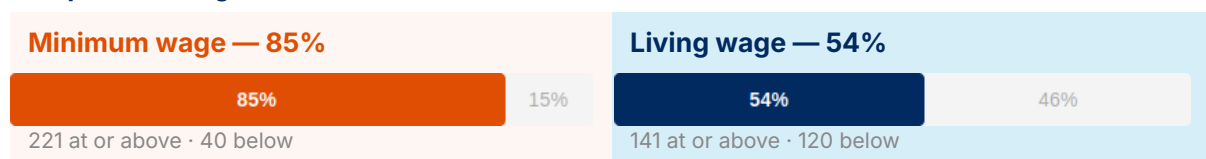
Having a wage that lies at or above the Living Wage estimate threshold as described above was the strongest among the three countries. 54% of surveyed workers earned at or above the Living Wage estimate, with approximately 59% of men and 36% of women. Permanent contract workers showed 67% living wage alignment; fixed-term workers 44%; third-party contractor workers 33%; seasonal workers 30%. The Round 2 survey found approximately 47% of both male and female workers below the living wage indicating the gap persists but is notably smaller than in Ghana or Indonesia.

The 85% compliance figure in the Round 1 overview below is based on reported monthly wages. Where wages are converted to hourly rates using actual working hours, the distribution may differ. The two figures should therefore not be read as contradictory.

### Round 1 wage overview of reported wages:

| Group                           | At or above minimum wage                | At or above living wage |
|---------------------------------|-----------------------------------------|-------------------------|
| <b>Overall (261 workers)</b>    | 85%                                     | 54%                     |
| <b>Men</b>                      | 91%                                     | 59%                     |
| <b>Women</b>                    | 62% — largest gender gap of 3 countries | 36%                     |
| <b>Mills</b>                    | 100%                                    | —                       |
| <b>Mills within plantations</b> | 93%                                     | —                       |
| <b>Plantations</b>              | 82%                                     | —                       |
| <b>Permanent contracts</b>      | ~87%                                    | 67%                     |
| <b>Fixed-term contracts</b>     | 81%                                     | 44%                     |
| <b>Seasonal workers</b>         | 50%                                     | 30%                     |
| <b>Third-party / contractor</b> | 33%                                     | 33%                     |

### Compliance at a glance — Round 1





## 7. Wage Calculation: Transparency, Targets, and Working Conditions

### Scope of this analysis

This section assesses how wages are calculated in practice and how workers experience the transparency, predictability, and consequences of target-based or performance-linked pay systems. It examines whether workers understand how their pay is calculated, whether targets affect their income, whether overtime and waiting time are recorded, and what happens when targets are not met.

**Transparency score<sup>29</sup>:** Colombia scores 6.3 out of 10 on the WageIndicator Transparency and Reasonableness Index, which can be categorised as moderate. Sub-scores for calculation clarity (4.0) and target dependency (3.0) were low, reflecting that many workers lacked clear information on how their pay was determined.

Colombia's Transparency and Reasonableness Index score was 6.3 out of 10. Payment regularity was high as most workers are paid biweekly and on schedule. However, the sub-scores for calculation clarity (4.0) and target dependency (3.0) were low, reflecting that many workers lacked clear information on how their pay was determined.

Over half of respondents reported that their entire wage depended on productivity targets. This strong dependence increases income uncertainty. Workers rarely received documentation explaining how output translates into pay, and key informant interviews indicated that target systems were generally not specified in CBAs, limiting union oversight.

The Round 2 survey found that in Colombia, approximately 44% of male workers receive only a fixed rate, while all female workers receive a fixed rate plus a target-based rate. More than half of male workers' income depends on target rates (58%), compared to only 17% for female workers. Deductions are a significant feature: one in four male workers (25%) reported deductions from pay; no female workers did in the Round 2 sample.

| Measure                                 | Men                                     | Women                               |
|-----------------------------------------|-----------------------------------------|-------------------------------------|
| <b>Pay structure (R2)</b>               | 44% fixed rate only; 56% fixed + target | 100% fixed rate + target-based rate |
| <b>Income dependent on targets (R2)</b> | 58%                                     | 17%                                 |
| <b>Deductions reported (R2)</b>         | 25%                                     | 0%                                  |
| <b>Working hours in contract</b>        | 53%                                     | 13% — lowest of 3 countries         |
| <b>Wages by bank transfer (R2)</b>      | 53%                                     | 100%                                |

<sup>29</sup> **Important limitation:** the Transparency Index measures workers' understanding of how wages are calculated. It does not measure whether workers and their representatives have had a meaningful role in setting those wages and targets. For more information about the Transparency and Reasonableness Index, please refer to the methodological report in Annex 1.

## Target Setting, Workload, and Working Conditions (Round 2)

**Note:** The following findings are drawn from Round 2 (N=60, plantation workers only, harvesters and maintenance workers, high season, April 2026). They are not directly comparable to Round 1 findings given the different sample scope.

Colombia had the highest daily harvesting targets of the three countries in the high season, at an average of 1,438 kg per day for male workers. Female harvesters were not present in sufficient numbers in the Colombia Round 2 sample to report separately. For maintenance work, the daily workload was approximately 1.0 hectare per day for almost all activities.

Despite the high targets, 63% of workers reached the target every day and 12% almost every day. However, enumerators documented a critical structural concern about how the target system operates in practice:

### Worker testimony (enumerator report, Round 2)

*"It is essential to complete a 'basic task' to receive the conventional salary, which is approximately equal to a daily minimum wage. Bonuses are only paid for extra units produced after this basic goal is met. To earn enough to survive, workers must always try to produce more. They do this within their normal shift, but they take significant physical risks and rely on teamwork to increase their production. If they do not reach the extra number set by the company on a given day, they only receive the basic salary. This means their extra effort is lost and not paid. Additionally, if they fall below the required task, they face the risk of disciplinary sanctions."*

This practice may suggest that the minimum wage functions as a ceiling rather than a floor: workers must exceed their basic task to earn above the minimum, and if they fall short, they risk disciplinary action on top of wage loss.

Results from the survey show that when targets are not met, wages are reduced. This was indicated by 85% of Colombian harvesters; the highest rate across the three countries. In the low season, pay is reduced for 79% of harvesters and 93% of maintenance workers, while 52–59% are assigned additional tasks.

Colombia had the highest reported work pressure: 100% of both harvesters and maintenance workers reported working under high pressure all day during high season; again the highest rate across all three countries. All workers (100%) described their work as physically heavy and unhealthy. Mental exhaustion was reported by 91% of men and 100% of women. Almost all workers experience uncertain job security: 98% of men and 100% of women; again the highest job insecurity rate across the three countries and both rounds. These conditions are compounded by wage structures that tie income directly to output, meaning workers must sustain maximum physical effort to meet even basic income thresholds. Yet in 38.7% of cases, overtime worked to achieve this was not always formally recorded — limiting workers' ability to claim or verify compensation for hours worked beyond their contract.

During the high season, 38% of male workers receive support from other persons in reaching targets. And none of the female workers report working alone and all have indicated that they receive support from others to reach their targets. In the Round 2

sample, female workers reported relying on assistance to meet their targets, a form of hidden labour subsidy that is not reflected in official wage or productivity figures.

| Indicator                                | Harvesters                            | Maintenance      |
|------------------------------------------|---------------------------------------|------------------|
| <b>Daily target (high season)</b>        | 1,438 kg/day — highest of 3 countries | ~1.0 hectare/day |
| <b>Reach target every day</b>            | 63%                                   | —                |
| <b>Wages reduced when target not met</b> | 85% — highest of 3 countries          | Varies by role   |
| <b>Wages reduced in low season</b>       | 79%                                   | 93%              |
| <b>Work under high pressure all day</b>  | 100%                                  | 100%             |
| <b>Job physically heavy</b>              | 100%                                  | 100%             |
| <b>Job unhealthy</b>                     | 100%                                  | 100%             |
| <b>Uncertain job security</b>            | 98% (men) / 100% (women)              | —                |

The analysis of workloads and the setting of targets reveals a precaritising dynamic that increases insecurity: the minimum wage functions as a ceiling rather than a floor. In practice, workers must exceed an exhausting task to earn above the minimum, and if they fall short, they risk disciplinary action in addition to direct wage loss. In fact, 85% of Colombian harvesters indicated that their wages are reduced when established targets are not met. Simply put, some workers go to work not knowing they will end up earning that day.



## 8. Collective Bargaining Agreements: Coverage and Implementation

**Coverage:** Eight CBAs were analysed for Colombia, making it the largest CBA sample across the three countries. Four were collected during fieldwork and four came from WageIndicator's existing database. 68% of surveyed workers confirmed CBA coverage, 32% lacked awareness.

Eight CBAs were analysed for Colombia. Four were collected during the study fieldwork and four additional CBAs were accessed from WageIndicator's existing database and used for broader pattern analysis. All eight CBAs are company-level agreements applicable to all workers that are working for the companies that signed onto the CBAs.

**Wages and bonuses:** All eight CBAs include wage clauses and more than 50% include pay scales. Only 2 of 8 include clauses on minimum wages. All eight include structural wage increase provisions. Five of eight grant yearly extra payment or bonus; one grants a once-only bonus.

Among plantations and mills covered by a CBA in the sample, 82.5% of reported wages were above the minimum wage. 17.5% were not, which may indicate that the CBA was not properly implemented. Where pay scales are included, Colombian CBAs provide detailed minimum and maximum wage ranges determined by job title and type of work, more specific than the Indonesian CBAs, which state a wage scale system exists but provide no nominal figures.

**Working hours:** All eight CBAs include working hour clauses. Only four explicitly mention overtime compensation. No CBAs set a maximum number of overtime hours. All set weekly rest of at least one day. Three CBAs specify 8 hours per day; weekly hours do not exceed 48 hours in any CBA. One CBA sets overtime allowance at 30% above the regular hourly rate. Notably, five of the eight Colombian CBAs contain no regulation on weekly working hours at all, and most do not specify daily hours. This is a weaker level of working time regulation than found in either Ghana or Indonesia, where all CBAs explicitly set weekly hours.

**Gender provisions:** Only one of eight CBAs explicitly mention equal pay for work of equal value, and only one makes a gender-specific reference to this principle. None contain clauses addressing sexual harassment at work. Only one addresses discrimination. This is the weakest gender provision coverage of the three countries.

**Benefits:** Five of eight CBAs include meal allowances; four include transport allowances. All eight include employer provision of protective clothing, gear, tools, boots, and gloves.

**Social security:** Five of eight CBAs include social security clauses, but only one clearly states employer pension fund contributions. None mention unemployment fund contributions. Three mention disability fund contributions. Four of eight include severance

pay provisions. Three of the eight Colombian CBAs contain no social security provisions at all.

**Worker representation:** Five CBAs include worker direct participation clauses and reference the right to strike (without specifying how). All eight provide paid leave for union activities.

**Childcare and maternity:** No CBAs include employer-provided childcare, however six CBAs provide tuition subsidies for children's education. Four include paid leave to care for dependents (one specifying 3 days/year). Only one CBA includes paid maternity leave, without specifying duration.

**CBA awareness:** Among 261 surveyed workers, 68% confirmed that they were covered by a CBA. 30% said no CBA existed, and 2% were unaware. 32% of the respondents indicated that they lack awareness of the rights and provisions of the CBA and if they are even covered, which is a significant gap given the high CBA presence reported by key informants.

**CBA coverage and outcomes:** Workers covered by a CBA showed significantly better wages and working conditions. Nearly 90% earned at or above the minimum wage (vs. just over 50% of non-CBA workers). Receiving a wage that was above the living wage estimate level was the case for approximately 65% for CBA-covered workers versus approximately 35% for non-covered workers. CBA-covered workers were overwhelmingly on permanent contracts, with no seasonal workers or contractor workers. In addition, more formal overtime procedures and payments were reported. These findings show a stronger positive correlation between CBA coverage and wage outcomes.

### CBA provisions at a glance

| Topic                            | Provision  | Assessment                                     |
|----------------------------------|------------|------------------------------------------------|
| <b>Wage clauses</b>              | All 8 CBAs | Complete                                       |
| <b>Pay scales</b>                | ~40%       | Partial — includes min/max ranges by job title |
| <b>Minimum wage reference</b>    | 2 of 8     | Weak                                           |
| <b>Structural wage increase</b>  | All 8      | Strong                                         |
| <b>Working hours clauses</b>     | All 8      | Present but weak in detail                     |
| <b>Weekly hours regulated</b>    | 3 of 8     | 5 CBAs have no weekly hours regulation         |
| <b>Overtime compensation</b>     | 4 of 8     | Partial                                        |
| <b>Overtime cap</b>              | 0 of 8     | Gap across all 3 countries                     |
| <b>Equal pay for equal value</b> | 1 of 8     | Weak — lowest of 3 countries                   |
| <b>Sexual harassment</b>         | 0 of 8     | ▲ Critical gap                                 |
| <b>Paid maternity leave</b>      | 1 of 8     | ▲ Critical gap — lowest of 3 countries         |
| <b>Social security clauses</b>   | 5 of 8     | Partial                                        |

| Topic                           | Provision | Assessment |
|---------------------------------|-----------|------------|
| Paid leave for union activities | All 8     | Strong     |



## 9. Wage Theft and Unpaid Overtime

**Key finding:** Colombia scores the highest Wage Theft Index of the three countries (approximately 4 out of 7 for male harvesters). Target deductions affect 35.2% of workers; the highest rate across all three countries. Union members show significantly lower exposure to wage theft across all indicators.

To understand to what extent wage theft occurred and unpaid overtime was structural, we looked at several issues, including the prevalence of unpaid overtime, unpaid waiting time, recording of overtime, halting work because of bad weather - and therefore not getting paid - and deductions from pay because of targets.

In general, payroll accuracy was high. Only 3.1% of workers reported late wages, 96.1% confirmed their payslip matched their take-home pay and only 1.2% reported receiving less. However, the survey results showed that structural underpayment occurs through specific mechanisms:

- **Unpaid overtime:** 4.6% of workers reported no overtime payment. Concentrated among men (5.3%) and plantation workers (5.9%).
- **Overtime recording gaps:** 38.7% of workers reported that overtime hours were not always recorded, rising to 41.2% in plantations.
- **Unpaid waiting time:** 31.6% of workers indicated that they were not paid during waiting periods.
- **Unpaid bad weather stoppages:** 26% of workers indicated that they were not paid during bad weather stoppages. Both waiting time and weather-related non-payment were practices concentrated in plantations. Poor weather and harsh terrain conditions are therefore transferred as a negative to workers, in the form of physical and mental hardship, as well as economically.

**Target deductions:** Deductions for unmet production targets are the most widespread form of wage loss in Colombia's palm oil sector, again the highest rate across the three countries. More than one in three workers (35.2%) reported deductions due to unmet targets, and nearly three-quarters (74.1%) lodged complaints.

The results from survey Round 2 provides the average monetary value of these deductions: COP 548,693 per incident (standard deviation COP 73,609, N=15). In one documented case, a worker's total monthly deductions, including legal deductions and authorised additional deductions, amounted to approximately 32% of monthly income, effectively cancelling out all extra productivity earnings above the basic task. Workers also reported a machine loan fee being deducted from wages in ten cases, described as a production expense that is listed as salary rather than equipment cost. In Round 2, 33% of male workers reported unauthorized deductions, while no female workers did. These results are consistent with male workers' higher output dependency in their tasks and in

addition, as indicated above, with the given that female workers all relied on support to meet targets rather than taking on additional individual output risk.

The analysis found a clear link between union membership and lower exposure to wage theft risks in Colombia: union members showed higher minimum wage compliance, higher payslip accuracy, more appropriate overtime compensation, and lower exposure to unauthorised deductions. Non-unionised workers were more vulnerable across all indicators. This is the strongest documented connection between unionisation and wage theft risk reduction across the three countries.

The Round 2 Wage Theft Index (scale 0–7)<sup>30</sup> showed Colombia scoring the highest of the three countries. This was especially true for male workers and harvesters, where approximately 4 out of 7 indicators for Wage Theft were reported by them. Female workers in Colombia showed very low wage theft indicators. The divergence between male and female workers on wage theft indicators in Colombia is a distinctive finding, indicating that male workers and harvesters are more at risk for wage theft.

Additionally, the overall system of piece-rate and task-based pay can be used to evade overtime pay and shift operational costs to the worker.

| Indicator                           | Overall | Men  | Plantation        |
|-------------------------------------|---------|------|-------------------|
| <b>Payroll late</b>                 | 3.1%    | 3.9% | 2.5%              |
| <b>Unpaid overtime</b>              | 4.6%    | 5.3% | 5.9%              |
| <b>Overtime hours not recorded</b>  | 38.7%   | —    | 41.2%             |
| <b>Unpaid waiting time</b>          | 31.6%   | —    | Concentrated here |
| <b>Unpaid bad weather stoppages</b> | 26.0%   | —    | Concentrated here |
| <b>Target deductions (R1)</b>       | 35.2%   | —    | —                 |
| <b>Unauthorised deductions (R2)</b> | —       | 33%  | —                 |

<sup>30</sup> For more information, please see Annex 1.



## 10. Gender Pay Gaps and Structural Inequalities

**Key finding:** The average gender pay gap is approximately 1%, the smallest across the three countries. But this masks structural inequalities: women face significantly lower minimum wage compliance (62% vs 91%), are concentrated in lower-earning time-based roles, and systematically rely on support labour to meet targets.

Women comprise 21.1% of the Round 1 survey sample and approximately 14.94% of the total reported workforce across sampled companies, indicating the lowest female representation in the workforce of the three countries. Women are predominantly concentrated in fixed-term or seasonal contracts (56% of women vs. 44% of men on permanent contracts).

Women are more likely to receive time-based pay (60%) while men are more likely to be output-based (51%). Given that output-based workers earn more than time-based workers in the sample ( $p=0.01$ ), this payment method differential structurally disadvantages women's earning potential even when average wages appear similar. Women show significantly lower minimum wage compliance (62% vs. 91% for men), indicating that for the bottom half of the female wage distribution, actual wages fall more frequently below the legal minimum.

The average gender wage gap in the Round 1 sample was not statistically significant (COP 13,625 men vs. COP 11,757 women, after correcting for some positions with data inconsistencies;  $t=1.87$ ,  $p=0.06$ ). The Round 2 survey found a 1% gender pay gap. However, the close averages mask structural inequalities, and while there may not be a statistically significant wage gap, there is a limitation on wage rights for women stemming from the division of their tasks.

When women are assigned tasks, the clarity of the wage per task is not clear. Every week the task may change for women and this is directly linked to their pay. The empirical data reveals a deep structural asymmetry in remuneration models that systematically disadvantages women. It is observed that women are more likely to receive time-based pay, representing 60%, while men are more likely to be paid based on production, at 51%. This lack of reliance on piece-rate wages by women is neither accidental nor does it reflect a preference; it is the direct result of the sexual division of labor and occupational segregation, upon which the Colombian palm oil unions request a greater emphasis.

Female workers are assigned tasks that capital perceives as extensions of care or support work (such as administrative, laboratory, or quality control functions). These activities, being excluded from the strict orbit of physical "production," are paid at a basic rate. Women are rarely allowed access to roles such as harvesting that would enable increased productivity and, therefore, an increase in their income through bonuses.

Due to their form of remuneration, women do not determine their own tasks or the value of them; these are imposed by section supervisors who plan the labor, anchoring it to a base salary. Consequently, compliance with the minimum wage for women is dramatically lower (62%) compared to that for men (91%). This demonstrates that women are systematically denied recognition as a productive workforce.

Occupational segregation is strong: harvesters (the most numerous role, 28.7% of the sample) are almost exclusively male. Women are concentrated in quality control, laboratory, and administrative functions which are often time-based roles with less earning upside under output systems. The absence of a gender pay gap on average does not imply absence of gender wage inequality: the inequality is structural rather than discriminatory within roles.

Round 2 confirms that male workers are the primary household earner in 98% of cases in Colombia, and female workers in 93% of cases, the smallest household income dependency gap across the three countries. This is consistent with Colombia's higher female wage levels relative to the other countries.

However, the finding that female workers in the Round 2 sample rely on support to meet their targets reflects that female workers organise collectively to meet daily targets — tasks such as covering a large area shared across a group of ten or more women, not achievable by one person alone. However, remuneration is strictly individual: each woman receives only her basic wage regardless of the group's collective output. This means women never negotiate beyond their base pay, while male workers negotiate their pay with supervisors daily based on individual output. What the data records as "assistance from non-family persons" is in reality a collective labour arrangement that the payment system fragments into individual transactions — rendering the collective effort invisible. This is a structural gender inequity that wage comparisons alone do not capture.

| Measure                             | Men                 | Women                | Note                                         |
|-------------------------------------|---------------------|----------------------|----------------------------------------------|
| <b>Average hourly wage (R1)</b>     | COP 13,625          | COP 11,757           | Not statistically significant (p=0.06)       |
| <b>Median hourly wage (R1)</b>      | COP 12,864          | COP 11,568           | Consistent gap                               |
| <b>Minimum wage compliance (R1)</b> | 91%                 | 62%                  | Largest gender compliance gap of 3 countries |
| <b>Living wage attainment (R1)</b>  | 59%                 | 36%                  | Significant gap                              |
| <b>Output-based pay</b>             | 51%                 | 40%                  | Men more output-dependent                    |
| <b>Primary household earner</b>     | 98%                 | 93%                  | Smallest gap of 3 countries                  |
| <b>Support labour (R2)</b>          | 38% receive support | 100% receive support | Women's supporters are paid with a "bonus"   |

#### Minimum wage compliance by gender

Men: 91%



Women: 62% — largest gap of 3 countries





## 11. Recommendations for Trade Unions

The following recommendations are derived directly from the research findings and are addressed to IPOWU-affiliated trade unions in Colombia (SINTRAPROACEITES, SINTRAINAGRO, SINTRAIMAGRA, and the Escuela Sindical Palmera network).

### 1. Use the documented wage theft data as the primary basis for enforcement complaints.

The Round 2 Wage Theft Index places Colombia highest among the three countries (score of approximately 4 out of 7 for male harvesters). The evidence covering overtime non-recording (38.7%), unpaid waiting time (31.6%), target deductions (35.2%), and individual cases of deductions reaching 32% of monthly income and machine loan fees charged as salary deductions is directly actionable in complaints to the Ministry of Labour under Colombia's ILO Convention C.95 commitments. Round 1 worker testimony documenting cases of workers being told that complainants are profiled to be fired provides an immediate basis for enforcement action under Law 2466's anti-retaliation provisions.

### 2. Prioritise improving CBA provisions on gender protections, sexual harassment, and maternity leave.

Only 1 of 8 CBAs include equal pay for work of equal value clauses; none address sexual harassment. Colombia's Equal Pay Law (No. 1496/2011) and Law 2466 provide statutory backing for demanding these provisions in the next CBA cycle. Round 2 additionally shows that all female workers surveyed rely on assistance to meet their targets with bonuses being paid to those supporting workers. There is potential for unions to demand CBAs to either set targets achievable without assistance, or require all persons working on a task to be formally registered and paid.

### 3. Leverage the new multi-level collective bargaining framework.

Decree 234 (March 2026) enables industry-level bargaining which is a significant structural shift. Unions should urgently develop a sector-level CBA strategy that can establish common floor standards on wages, overtime limits, and anti-deduction protections that currently vary widely across company-level CBAs. The Escuela Sindical Palmera provides an existing institutional infrastructure for this work.

### 4. Extend the union advantage in wage adequacy to non-organised workers.

The research shows a stark gap: 65% of workers that are covered by a CBA receive wages at a living wage level, versus only 35% for workers that are not covered by a CBA. This evidence can be used in organising campaigns to demonstrate the material benefits of unionisation, particularly among the large numbers of SAS and *tercerización* workers who are most exposed to non-compliance.

### 5. Demand explicit target-setting transparency and worker protections in CBAs.

Over half of male workers' income depends on targets, yet target systems are generally not specified in CBAs. Output-based pay creates a direct incentive for workers to maximise physical effort and production beyond safe limits within their contracted

hours in order to reach income levels that cover basic needs — meaning overproduction is systematically incentivised but undercompensated. CBAs should specify how targets are calculated, who sets them, how they are adjusted for seasonal conditions, and what the maximum deduction for not reaching them can be. In addition, they should explicitly prohibit disciplinary sanctions for failure to meet output above the basic task level.

#### **6. Address the situation of female workers in minimum wage compliance and contract security.**

Women's minimum wage compliance (62%) is dramatically lower than men's (91%), driven by their concentration in lower-wage roles and precarious contracts. Only 13% of female workers have working hours formally agreed in their employment contract, again the lowest rate across all three countries. Unions should file systematic compliance complaints, push for formal written contracts with explicit working hour agreements for all workers, and ensure women workers receive specific information about their minimum wage entitlements and grievance channels.

#### **7. Push for bank payment for all workers.**

In Round 2, 47% of male workers received wages in cash making deductions harder to verify and disputes harder to resolve. Unions should make bank payment a standard CBA provision, noting it is already standard practice for female workers in the sample.

#### **8. Build on female union membership strength.**

Round 2 recorded 100% female union membership in Colombia, the only instance across either round or country where female membership exceeded male membership. Unions should channel this organisational strength into targeted advocacy on the issues that most affect women: minimum wage compliance, support labour, and the absence of sexual harassment provisions in six of eight CBAs.

### **About this report**

This is one of three country reports produced by the WageIndicator Foundation for the International Palm Oil Workers United (IPOWU) network, with funding from Mondiaal FNV. The other two country reports cover Indonesia and Ghana. Data was collected in 2025–2026 through worker surveys, key informant interviews, and analysis of legal frameworks and collective bargaining agreements. All findings are based on non-representative samples and should be interpreted as evidence of structural patterns rather than sector-wide statistics.