The Fair Work Monitor

A Policy Note for the RSPO: What the Fair Work Monitor tells us about the working and living conditions of palm oil workers in Central America and Indonesia

Interested in working together?

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The Fair Work Monitor developed by CNV Internationaal, is a participatory tool that empowers workers and unions to provide direct insights into labour conditions, supported by expert data analysis. By linking workplace realities with management decisions, the Fair Work Monitor delivers actionable intelligence on social compliance and human rights risks.

For RSPO members, the Fair Work Monitor offers evidence-based guidance to strengthen labour practices across palm oil supply chains. Findings from Central America and Indonesia demonstrate how the tool can inform targeted interventions, support meaningful social dialogue, and enhance RSPO's commitment to fair, responsible labour standards.

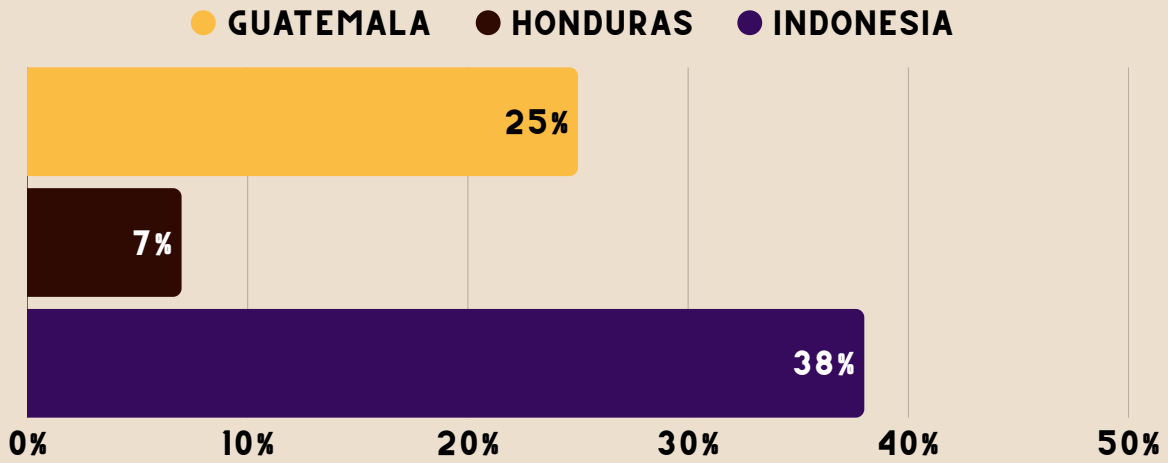
The Fair Work Monitor in Indonesia surveyed 1,072 workers across the provinces of Jambi and East Kalimantan. In Guatemala and Honduras, respectively 203 and 227 workers participated. This policy note offers important insights into the key topics of contractual vulnerability, living wages, living conditions and social dialogue. The full reports include the methodological approach and complete findings of the Fair Work Monitor in Central America and in Indonesia.

Contractual vulnerability

The Fair Work Monitor shows that in all countries a substantial number of workers do not have a contract. The results also demonstrate that this is a particularly vulnerable group of workers. Across both provinces in Indonesia, workers without contracts are more likely to be subject to poor wages, excessive overtime, and inadequate living conditions.

In Guatemala and Honduras, the Fair Work Monitor included questions to further assess contract vulnerability. Low literacy proved to be an obstacle, limiting the ability of people to fully comprehend their contracts. For example, 48% of workers in Guatemala indicated they do not understand the content of their contracts, while nearly one-fifth of workers in Honduras reported confusion about their contracts.

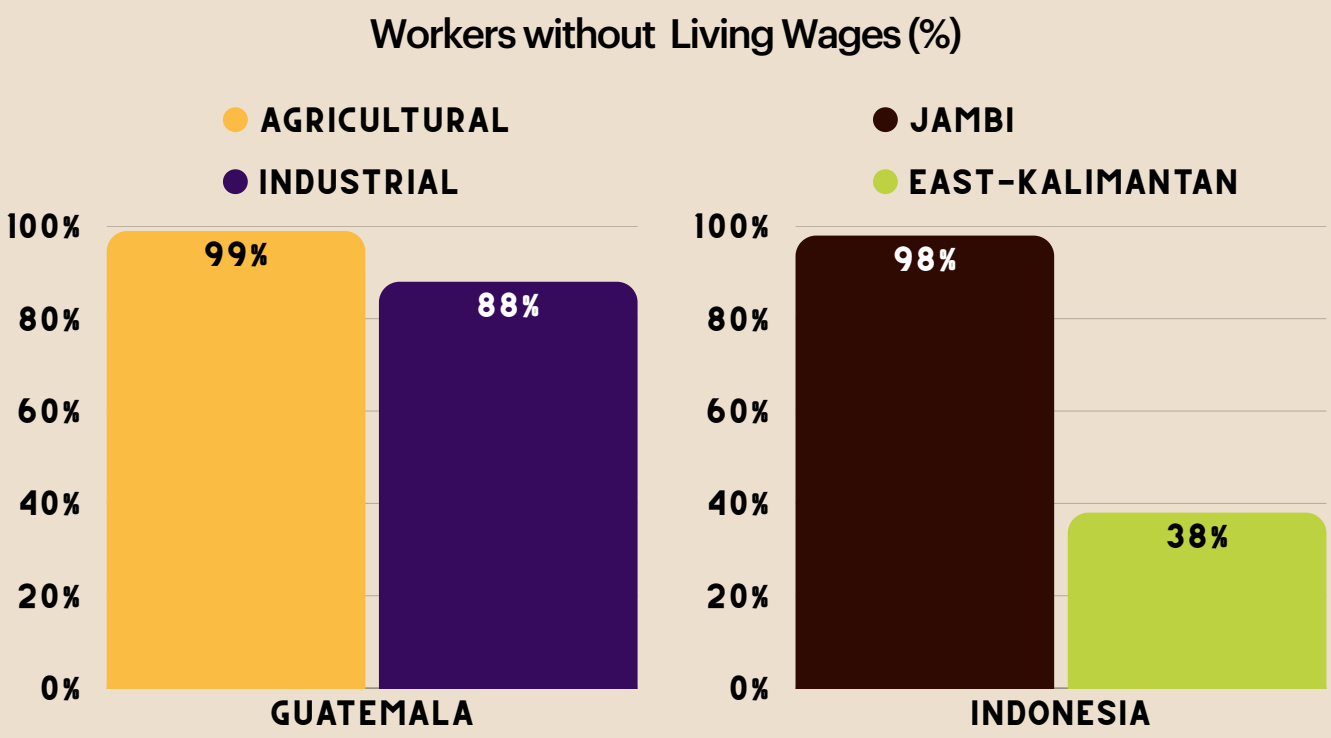
Workers without a Contract (% of total respondents)



Living wage

The Fair Work Monitor for palm oil workers in Indonesia shows differences across districts. In Jambi, 98% of palm oil workers do not earn a living wage. In East Kalimantan, strong union presence has enabled sectoral minimum wages, so many workers earn around a living wage. However, high transportation costs and limited local markets make goods expensive, meaning even those earning a living wage struggle to cover basic needs.

Similarly, the Central America report shows differences between neighbouring countries. In Guatemala, 99% of palmoil workers in the agricultural sector earn less than a basic living wage, whereas this is 88% in the industrial sector. In Honduras, 30% of workers receive below a living wage, and just under 10% earn below the statutory minimum wage of 9,053 lempiras.



Living conditions

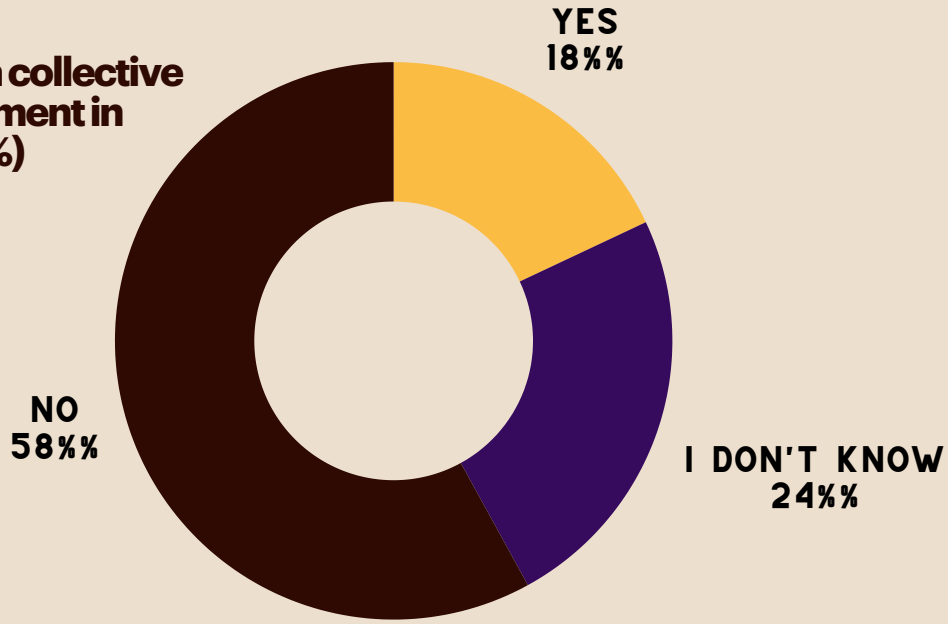
In order to draw conclusions on living wages, the Fair Work Monitor in Indonesia included questions on living conditions of workers, especially on the topics of housing, illnesses, food insecurity, and health insecurity. In Jambi, higher wages are consistently linked with better outcomes across multiple well-being indicators, underlining the need for wage increases. In East Kalimantan, even workers earning the official living wage often face poor living conditions, showing that wages alone are not sufficient without supporting infrastructure and services.

Social Dialogue

One explanatory factor for poor working and living conditions in the palm oil sector is a weak social dialogue and the absence of collective bargaining agreements. Indeed, in the Fair Work Monitor, in all three countries, workers indicated that – to their knowledge – collective bargaining agreements were often not in place.

In Honduras, 58% of workers report no collective bargaining agreement, while only 18% confirm its existence. In Guatemala, no current agreements are in place. In Indonesia, 46% respond no collective bargaining agreement or is not aware of its existence.

Workers that report a collective bargaining agreement in Honduras (%)



Recommendations

- Institutionalise regular, participatory data collection through the Fair Work Monitor as a permanent monitoring and learning mechanism.
- Address identified challenges through collective action, with leadership from RSPO and participation of all actors in the supply chain, to ensure coherent solutions across the system.
- Place worker participation at the heart of sectoral agreements through effective social dialogue and robust collective agreements that ensure sustainable compliance to the RSPO Principles and Criteria.
- Deepen and broaden the dissemination of RSPO Principles and Criteria through outreach campaigns targeting all workers in the palm oil sector. Such initiatives would not only raise general awareness of the certification but also strengthen worker participation in sustainability and labor rights processes, helping to prevent gaps in knowledge that could lead to exclusion or violations. Therefore it is important to develop advocacy or training initiatives in the medium term.

Additionally, on **closing the living wage gap**:

- For the first phase of the RSPO Living Wage Strategy, workers' data, such as that from the Fair Work Monitor, should be used to calibrate the methodology for calculating salient wages in the pilot projects and become a standard part of RSPO's wage data system.
- Complement the benchmarks for living wages with worker-driven data.
- Promote and facilitate collective action projects between producers, buyers, and unions, encouraging the calculation of salient wages and the implementation of strategies to close the gap toward living wages.

The 2025 Fair Work Monitor report on palm oil workers in Indonesia

The 2025 Fair Work Monitor report on palm oil workers in Honduras and Guatemala

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