

Cruces, Guillermo; Fields, Gary; Jaume, David; Viollaz, Mariana

**Working Paper**

## The growth-employment-poverty nexus in Latin America in the 2000s: Honduras country study

WIDER Working Paper, No. 2015/078

**Provided in Cooperation with:**

United Nations University (UNU), World Institute for Development Economics Research (WIDER)

*Suggested Citation:* Cruces, Guillermo; Fields, Gary; Jaume, David; Viollaz, Mariana (2015) : The growth-employment-poverty nexus in Latin America in the 2000s: Honduras country study, WIDER Working Paper, No. 2015/078, ISBN 978-92-9230-967-1, The United Nations University World Institute for Development Economics Research (UNU-WIDER), Helsinki, <https://doi.org/10.35188/UNU-WIDER/2015/967-1>

This Version is available at:

<https://hdl.handle.net/10419/126380>

**Standard-Nutzungsbedingungen:**

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

**Terms of use:**

*Documents in EconStor may be saved and copied for your personal and scholarly purposes.*

*You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.*

*If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.*

UNU-WIDER

30 YEARS OF RESEARCH  
FOR DEVELOPMENT

WIDER Working Paper 2015/078

## **The growth-employment-poverty nexus in Latin America in the 2000s**

Honduras country study

Guillermo Cruces,<sup>1</sup> Gary Fields,<sup>2</sup> David Jaume,<sup>3</sup> and Mariana Viollaz<sup>4</sup>

September 2015

**Abstract:** During the 2000s Honduras grew less than the average Latin American country and labour market indicators moved, in general, in a worsening direction. The only exceptions were the reduction in the unemployment rate and the improvements in the mix of employment by occupational group and educational level. The country underwent a recession as a consequence of the international crisis of 2008, from which it had not fully recovered by 2012. Most labour market indicators were affected negatively by the crisis, and the majority of them had not recovered their pre-crisis levels by 2012. Poverty has been rising steadily since 2008.

**Keywords:** Honduras, Latin America, inclusive growth, labour market, poverty

**JEL classification:** O15, J01, J30

**Figures and tables:** Provided at the end of the paper.

---

<sup>1</sup>CEDLAS, Universidad Nacional de La Plata, CONICET, and IZA; <sup>2</sup>Cornell University, IZA; corresponding author: [gsf2@cornell.edu](mailto:gsf2@cornell.edu); <sup>3</sup>Cornell University, CEDLAS, Universidad Nacional de La Plata; <sup>4</sup>CEDLAS, Universidad Nacional de La Plata.

This study has been prepared within the UNU-WIDER project ‘[The Growth-Employment-Poverty Nexus in Latin America in the 2000s](#)’, directed by Finn Tarp and Gary Fields.

Copyright © UNU-WIDER 2015

ISSN 1798-7237 ISBN 978-92-9230-967-1

Typescript prepared by Lesley Ellen for UNU-WIDER.

UNU-WIDER gratefully acknowledges the financial contributions to the research programme from the governments of Denmark, Finland, Sweden, and the United Kingdom.

The World Institute for Development Economics Research (WIDER) was established by the United Nations University (UNU) as its first research and training centre and started work in Helsinki, Finland in 1985. The Institute undertakes applied research and policy analysis on structural changes affecting the developing and transitional economies, provides a forum for the advocacy of policies leading to robust, equitable and environmentally sustainable growth, and promotes capacity strengthening and training in the field of economic and social policy-making. Work is carried out by staff researchers and visiting scholars in Helsinki and through networks of collaborating scholars and institutions around the world.

UNU-WIDER, Katajanokanlaituri 6 B, 00160 Helsinki, Finland, [wider.unu.edu](http://wider.unu.edu)

The views expressed in this publication are those of the author(s). Publication does not imply endorsement by the Institute or the United Nations University, nor by the programme/project sponsors, of any of the views expressed.

## 1 Introduction

Latin America in the 2000s witnessed an unprecedented period of growth with poverty and inequality reduction. The region also suffered from the economic crises in Europe and the United States from 2007/08 onwards.

Economic development has been defined as a widespread improvement in the material standards of living of a country's people. Economic growth is defined as an increase in the total amount of goods and services produced in an economy.

This paper on labour markets and growth in Honduras since 2000 is one of sixteen studies of Latin American countries, each of which aims to answer the following broad questions: Has economic growth resulted in economic development via improved labour market conditions in Latin America in the 2000s, and have these improvements halted or been reversed since the Great Recession? How do the rate and character of economic growth, changes in the various labour market indicators, and changes in poverty relate to each other?

More specifically:

- What was the country's economic growth experience?
  - Characteristics of economic growth: breakdown by sector (agriculture, industry, services).
- How have the following indicators of labour market conditions changed in the course of each country's economic growth?
  - 1. Employment and unemployment:
    - a. Unemployment rate, using International Labour Organization definition.
    - b. Employment-to-population ratio.
    - c. Labour force participation rate.
  - 2. Employment composition:
    - a. Occupational group—professional, managerial, and clerical, etc.
    - b. Occupational position—wage/salaried employee, self-employed, unpaid family worker, etc.
    - c. Sector of employment—agriculture, manufacturing, services, etc.
    - d. Education level—low, medium, high.

- e. Registered/unregistered with the nation's social security system.
- 3. Labour market earnings, real:
    - a. Overall.
    - b. Disaggregated by gender.
    - c. Disaggregated by age (youth/non-youth).
    - d. Disaggregated by occupational group.
    - e. Disaggregated by occupational position.
    - f. Disaggregated by sector (agriculture etc.).
    - g. Disaggregated by education level (low, middle, high).

The answers to the preceding questions are by no means obvious. Claims have been made that economic growth in Latin America has been jobless, that productivity has grown at the expense of employment, and that Latin America, having even greater economic inequality than the United States, may have been following the US's course of rising incomes for those at the very top of the income distribution and stagnating or even falling incomes for the great majority, especially the poor. It has also been claimed that Latin America is caught in a middle-income bind, squeezed between the advanced economies on the one hand and emerging economies, especially China, on the other.

Recent evidence has shown that economic growth generally leads to an improvement in labour market conditions and reductions in poverty within developing countries (Fields 2012). The relatively scarce evidence for Latin America, however, indicates some heterogeneity at the country level. In the case of Argentina, the strong growth that followed the economic meltdown of 2001–02 was accompanied by large employment gains and increases in labour earnings, with higher gains (in relative terms) for less skilled workers. This process led to a large reduction in poverty in the 2003–06 period (Gasparini and Cruces 2010). In Brazil, economic growth during the period 1996–2004 was relatively low. In this context, unemployment remained high and labour earnings low, while poverty increased (Fields and Raju 2007). Nicaragua also experienced economic growth during the period 2001–06, and although there were increases in employment levels, overall poverty did not fall significantly (Gutierrez et al. 2008). The 2000–06 period of economic growth in Mexico was accompanied by improvements in employment composition, rising real labour earnings, and falling poverty, although the country also experienced rising unemployment levels in those years (Rangel 2009). The relatively long period of economic growth in Costa Rica (1976–2000) took place with increases in labour income, a reduction of employment in agriculture, and improvements in education, with a reduction in poverty levels (Fields and Bagg 2003). Finally, the period of economic growth in Colombia between 2002 and 2011 led to a reduction in unemployment and poverty levels (Ham 2013). This mixed evidence indicates that the growth-employment-poverty nexus is fairly complex and the experiences of Latin American countries are far from homogeneous.

Limited evidence is available on the mechanisms underlying the growth-labour markets-poverty nexus in Latin America. For instance, a World Bank (2011) study finds that the increase in men's labour income was higher than that of women's in the 2000s, and that this was the most important factor in lifting households out of poverty, even though World Bank (2013) shows that the increase in the labour force over this period was mainly led by women. Inchauste (2012) reports that job-related events were the main escape route from poverty for Latin American households over the same period, and these events included household heads getting a new job, other family members starting to work, and those employed achieving higher labour earnings than before.

Overall, previous studies generally show a positive association between economic growth, improvement in labour market indicators, and reduction in poverty in Latin American countries. However, the tightness of these relationships is not always clear from these studies. Moreover, these regional aggregates mask the heterogeneity at the country level, which implies that little can be said about the underlying mechanisms at play. This paper on Honduras is one of sixteen case studies which, taken together, will allow us to separate and identify country-specific from region-wide factors in the relationship between the economy's overall performance and labour market outcomes in the decade of 2000s.

## **2 Data and methodology**

All the statistics in this paper are obtained using microdata from the Encuesta Permanente de Hogares de Propósitos Múltiples (EPHPM), for the years 2001 to 2012. The nationwide surveys were incorporated into the SEDLAC—Socio Economic Database for Latin American and the Caribbean (CEDLAS and the World Bank 2014); three of the authors of this paper were involved in this project at CEDLAS (Center for Distributive, Labor, and Social Studies), Universidad Nacional de la Plata in Argentina. The survey's sample size has changed over time, but has always been representative of the total population of the country (Table 1).

For this study, we processed the microdata from Honduras to construct time series of comparable data for a wide range of labour market and income distribution indicators. The resulting indicators are compiled into a large number of tables and figures, provided at the end of the paper, which form the basis for the text that follows. We use a vertical line in a figure or a horizontal line in a table when the series are consistent on each side of the line but not from one side of the line to the other, e.g. when the country changed a classification so that it is not possible to use a consistent definition throughout the full time period. Each time a line is used, a note stating its meaning is added to the table or figure.

Several definitions and classifications are used in order to assess whether the labour market has improved or deteriorated. Unemployment is defined as usual, i.e. the share of unemployed people over the economically active population. A person is unemployed if s/he is 15 years old or more and during the reference period (one week in the Honduran surveys), s/he was without work, available for work and seeking work. Youths are those between 15 and 24 years old, while adults are those between 25 and 65 years old.

Occupational groups are defined according to the following classification:<sup>1</sup> management; professionals; technicians and associate professionals; clerical; service and sales workers; agricultural, forestry and fishery workers; craft and related trades workers; plant and machine operators and assemblers; elementary and armed forces. From 2001 to 2004, Honduras used its own categories to classify occupations and, since 2005, it has used the International Standard Classification of Occupations of 1988 (ISCO-88) whose primary categories correspond to the classification systems endorsed by the authors. We adapted the classification systems used between 2001 and 2004 to match the categories described above. However, we were not able to obtain the ten occupational categories. Consequently, we present the statistics only for the 2005–12 period.

The occupational position is classified into four categories: employer, wage/salaried employee, self-employed and unpaid worker. Given the nature of labour markets in Latin America, the analysis of the employment structure according to occupational positions will identify a decrease in self-employment and an increase in wage/salaried employees as an improvement in the labour market.

The sector of employment was divided into: primary activities; low-tech industry; high-tech industry; construction; commerce; utilities and transportation; skilled services; public administration; education and health; and domestic workers. When looking at the sectoral distribution of employment, an improvement in the labour market is implied by an increase in the share of the sectors with higher earnings.

Turning now to the educational level of employed workers, we define three categories for the analysis: low (eight years of schooling or less); medium (from nine to thirteen years of schooling); and high (more than thirteen years of schooling). An increase in the education level of the employed population is considered as an improvement in the labour market as the share of workers that are expected to receive high levels of earnings increases and the share of workers with low earnings' levels decreases.

We also classify employed workers according to whether they are registered with the social security system or not. Household surveys from Honduras started to ask about enrolment in the social security system in 2006 and this question is only posed to wage/salaried workers. We assume that it is better for employed workers to be registered, so an increase in this indicator will be interpreted as an improvement in the labour market.

Labour earnings are expressed on a monthly basis in 2005 purchasing power parity (PPP) dollars, and higher earnings represent an improvement in the labour market. To compute poverty and inequality statistics, we use the per capita household income. Household income is the sum of labour income plus non-labour income; included in non-labour incomes are capital income, pensions, public and private transfers, and the imputed rent from own-housing.

Poverty rates are estimated considering the national lines for moderate and extreme poverty. We compute the poverty headcount ratio for each. We also calculate the share of working poor households (those with at least one member employed and a per capita family income below the

---

<sup>1</sup> This is the International Standard Classification of Occupations of 2008 (ISCO-08) at one digit level.

moderate poverty line), and the poverty rate according to the international poverty lines of 4 dollars-a-day and 2.5 dollars-a-day. Income inequality is calculated using the Gini coefficient of per capita household income and labour earnings.

### 3 Empirical results

*Honduras experienced slow economic growth during the 2000s. The country underwent a recession as a consequence of the international crisis of 2008. While GDP returned to its pre-recession output level in 2010, GDP per capita did the same in 2012 (Figures 1 and 2).*

During the period 2000 to 2012 Honduras experienced slow economic growth by Latin American standards. GDP per capita increased by 27.0 per cent, while the average for the eighteen Latin American countries was 36.2 per cent during the same period. GDP (measured at PPP dollars of 2005) grew by 61.6 per cent, and GDP per employed person exhibited a rise of 21.3 per cent. The annual growth rate of GDP per capita was 2.2 per cent, and it varied from a minimum of -4.4 per cent in 2009 to a maximum of 4.5 per cent in 2006 (Table 2). The beginning of the period was characterized by slow growth in Honduras. The economy was recovering from Hurricane Mitch that in 1998 affected four out of five Hondurans (García Merino 2009). However, the policy efforts were erratic and adulterated by institutional weaknesses which contributed to widespread social unrest (IMF 2006). In 2001, the country was also affected negatively by the slowdown of growth in the US and the collapse in world coffee prices (IMF 2001). Between 2000 and 2003, the GDP growth rate averaged 4.2 per cent and GDP per capita grew at 2.1 per cent annually. Growth rebounded strongly in 2004 reflecting favourable external conditions that allowed for export increases and rising consumption through the strong growth in remittances (IMF 2006). From 2004 to 2008, the economy grew rapidly at 5.9 per cent a year, while GDP per capita increased at 3.8 per cent annually. Despite the strong economic growth, some social tensions re-emerged as a result of the implementation of a fiscal adjustment, of which the key element was the limitation of increases in the wage bill (IMF 2006). The international crisis of 2008 affected the country negatively, mostly in terms of a drop in exports, foreign direct investment, and remittances (Johnston and Lefebvre 2013). GDP declined by 2.4 per cent in 2009 while GDP per capita fell by 4.4 per cent the same year. Besides the international crisis, the country experienced problems stemming from a military coup in 2009. At the time of the coup, Honduras had proven itself relatively capable of responding to the recession and of stimulating growth. The debt-to-GDP ratio, debt-servicing costs, and fiscal deficit were at low levels, enabling an expansionary fiscal policy (Johnston and Lefebvre 2013). The political instability, though, prevented the country from adopting the measures needed to counteract the effects of the global recession, e.g. the new government reduced the public expenditure level (Cordero 2009). The economy returned to the pre-recession GDP level in 2010, but GDP per capita did not recover until 2012. After the crisis, annual GDP and GDP per capita growth rates stabilized at around 3.8 and 1.7 per cent respectively led by increases in the external demand for Honduran exports, increases in their prices, and rises in remittances (Otter and Borja 2010).

The share of the service sector in the economy increased, while the shares of industry and agriculture diminished between 2000 and 2012. The share of the service sector, the largest one in the Honduran economy, increased from 51.7 per cent in 2001 to 57.3 per cent in 2012 (Table 2). The share of the industry sector, on the other hand, diminished during the period, dropping from 32.5



per cent in 2001 to 27.9 per cent in 2012. The share of the agricultural sector also fell from 15.9 per cent in 2001 to 14.8 per cent in 2012. Industry was the sector most affected by the international crisis of 2008 due to the reduction in exports which come from the *maquila* subsector mainly. In 2009, the value added of this sector declined by 7.7 per cent. The pre-crisis value added level was not regained until 2012. The agricultural sector suffered a smaller decline in its value added (a drop of 2.0 per cent) and it recovered immediately. The upward trend of the service sector was slowed down by the crisis. The average annual growth rate of the service sector was 7.2 per cent from 2004 to 2008 and only 2.8 per cent from 2009 to 2012.

*The unemployment rate fell from 2001 to 2012, though erratically. It decreased for youths, adults, and for men, but it had a mild increase for women. During the international crisis, the unemployment rate increased and had not fully recovered by 2012 (Figure 3).*

The unemployment rate (measured as the ratio of unemployment to labour force) decreased from 4.6 per cent in 2001 to 3.7 per cent in 2012. The number of unemployed people, though, increased from 107,036 in 2001 to 120,832 in 2012. The downward general pattern in the unemployment rate over the period was driven by a more rapid increase in the number of people in the labour force (from 2,328,949 in 2001 to 3,237,912 in 2012).<sup>2</sup> The behaviour of the unemployment rate over the period was erratic. The years 2001 and 2002 witnessed a drop from 4.6 to 4.2 per cent that was followed by an increase to 6.0 per cent in 2004. The increase in the unemployment rate in 2004 took place in the context of a rapidly growing economy and an expanding labour market (GDP increased by 6.2 per cent in 2004). The more rapid increase in the number of unemployed people compared to the rise in the number of persons in the labour force indicates that the labour market was not able to absorb all new entrants. A major decline in the unemployment rate was observed in the following years. The unemployment rate fell as low as 3.1 per cent in 2008. During and after the Great Recession and as GDP growth slowed, though, the unemployment rate increased and reached 4.4 per cent in 2011. Interestingly, the number of people in the labour force barely changed in 2011 and the number of employed persons declined (9,565 fewer employed persons), suggesting a reduction in the number of jobs. A major increase in the minimum wage implemented in 2008 is a factor that, jointly with the international crisis, had a worsening impact on the unemployment rate. There is evidence for Honduras showing that increases in the minimum wage led to disemployment effects in the private sector (Gindling and Terrel 2007). Specifically, the increase in the minimum wage in 2008 led to job losses in small and medium enterprises and in the industry sector (Villa and Lovo 2009). By 2012, a recovery took place, but the unemployment rate was still above the pre-crisis level (3.1 per cent in 2008 and 3.7 per cent in 2012).

The unemployment rate decreased for men, youth, and adult workers, while it increased slightly for women. Between 2001 and 2012, the unemployment rate for young workers fell from 8.0 to 6.9 per cent, while it decreased from 3.2 to 2.7 per cent for adults. When broken down by gender, the unemployment rate fell from 4.5 per cent in 2001 to 3.0 per cent in 2012 for men and increased slightly from 4.8 to 5.1 per cent for women during the same period. The effect of the international crisis on the unemployment rate was clear in 2010 and 2011. Adults and women suffered the largest

---

<sup>2</sup> A more rapid increase in the number of working age people with respect to people in the labour force determined a reducing labour force participation rate in Honduras over the period.

increases in their unemployment rates compared to young workers and men. The youth unemployment rate increased by just 0.7 percentage points between 2008 and 2011 while the adult unemployment rate rose by 1.8 percentage points over the same period. These figures were 0.4 and 3.0 percentage points for men and women respectively. The unemployment rates of all population groups fell in 2012, but for adults and women they were still above their pre-crisis level of 2008.

*The composition of employment by occupational group exhibited little changes between 2005 (when data on this variable started becoming available) and 2012. The few changes can be interpreted as an improvement as there was a shift overall from low-earning occupations such as elementary and trades occupations to better-paying occupations such as management and services and sales jobs. All population groups benefited especially adult workers and women. During the international crisis of 2008 the composition of employment by occupational group worsened for all population groups (Figure 4).*

The occupational structure of employment had a mild change over the period 2005–12.<sup>3</sup> The few changes that did occur in the occupational composition of employment can be interpreted as an improvement insofar as the share of low-earning occupations (elementary, agricultural, and craft and trade occupations) decreased by 0.6 percentage points, while the share of mid-earning (clerical, services and sales jobs, plant and machine operators) and high-earning occupations (management, professionals and technicians) increased by 0.5 and 0.1 percentage points. The small reduction in the share of low-earning occupations is explained by a fall in the share of craft and related trades jobs (drop of 3.0 percentage points) that was counteracted by an increase in the share of agricultural, forestry and fishery occupations (rise of 2.8 percentage points). Among high-earning occupations, management jobs increased its share by 0.6 percentage points, and this change was almost offset by a reduction in the shares of professional and technical occupations. Finally, the small increase in mid-earning jobs was related to the rise in services and sales jobs (increase of 0.8 percentage points) (Tables 3 and 6).

Adult workers and women appear to have benefited from the changes in the structure of employment by occupational group more than young workers and men respectively. Adult workers enjoyed a slight improvement in their occupational composition of employment. There was a negative change in the share of low-earning occupations in total employment of 0.9 percentage points between 2005 and 2012 for adult workers. The share of high-earning occupations decreased as well, but the reduction was smaller (fall of 0.2 percentage points). This means that there was an increase in the share of mid-earning occupations for adult workers (1.1 percentage points). For young workers, the share of low-earning occupations in total employment increased by 0.9 percentage points; there was also an increase in the share of high-earning occupations for young workers, but smaller compared to the increase in the share of low-earning sectors (0.5 percentage points), which meant a reduction in the share of mid-earning occupations (1.5 percentage points). For women, the share of low-earning occupations decreased by 3.5 percentage points, while the share of mid- and high-earning occupations rose by 3.1 and 0.4 percentage points. For men,

---

<sup>3</sup> There was a break in the composition of employment by occupational group in 2005, when the classifications used by Honduras was changed. Despite attempts to adapt the pre- and post-2005 classifications to our preferred categories, this rupture is evident. As a result, we decided to limit our description of the changes in the employed population by occupational group to the sub-period 2005–12.

meanwhile, the share of both low- and high-earning occupations increased, but the increase in low-earning occupations was larger (0.6 and 0.1 percentage points for low- and high-earning occupations respectively), which resulted in a decrease in the share of mid-earning occupations in total employment for men (drop of 0.7 percentage points).

During the international crisis of 2008, the composition of employment by occupational group worsened for all population groups. The years 2008 and 2009 witnessed an increase in the share of low- and mid-earning occupations in total employment (1.0 and 0.9 percentage points) and a reduction in the share of high-earning occupations (1.8 percentage points). The increase was driven by agricultural and services job, which is in accord with our previous evidence indicating that agricultural and services sectors were slightly affected by the crisis. These shifts were observed for young and adult workers. The increase in the share of low-earning occupations was larger for young workers than for adults (1.3 and 0.7 percentage points respectively) while the reduction in the share of high-earning occupations was larger for adults than for young workers (2.0 and 1.4 percentage points respectively). Amongst male workers, the share of low-earning occupations increased by 1.9 percentage points during the international crisis and the share of high-earning occupations decreased by 1.7 percentage points. The changes were different for women, for whom the shares of both high- and low-earning occupations decreased, though the reduction in the high-earning category was larger (2.1 versus 0.8 percentage points). The share of low-earning occupations in total employment recovered the pre-crisis level by 2011 for adult workers, men, and women. Young workers could not regain the pre-recession share of low-earning occupations by the end of the period. The share of high-earning occupations, on the contrary, did not recover the pre-crisis level by 2012 for any of the population groups.

*The employment structure by occupational position deteriorated between 2001 and 2012. The percentage of paid employees decreased overall, for youth and adults, and for both men and women. Most of the change took place during and after the international crisis of 2008 (Figure 5).*

The share of wage/salaried employees—the largest category—in total employment decreased by 4.1 percentage points over the period, from 47.0 per cent in 2001 to 42.9 in 2012. The share of the self-employed, on the other hand, increased by 1.2 percentage points, climbing from 33.6 per cent in 2001 to 34.7 per cent in 2012. The share of unpaid workers also grew, increasing by 1.8 percentage points over the period, as did the share of employers, which witnessed an increase of 1.2 percentage points between 2001 and 2012. Insofar as the share of low-earning categories (self-employment and unpaid employment) increased by a total of 1.5 percentage points and the share of high-earning categories (paid employees and employers) decreased, these changes can be characterized as a worsening of the employment structure in terms of occupational position (Tables 4 and 6).

The employment structure by occupational position deteriorated over the period for youth and adult workers and for both men and women. Between 2001 and 2012, both young and adult workers exhibited an increase in the share of low-earning positions in total employment (6.5 percentage points for young workers and 1.2 for adult workers). The share of high-earning categories in total employment decreased, indicating a deterioration in the employment structure by occupational position over the period. For both men and women, there was an increase in the share of low-earning positions from 2001 to 2012 (2.1 and 4.7 percentage points respectively), and a reduction in the share of high-earning positions.

The deterioration in the employment structure by occupational position in the aggregate and for all population groups occurred mainly during and following the international crisis of 2008. Between 2001 and 2008 the shares of wage/salaried employees and employers increased by 2.0 and 3.3 percentage points respectively, while they decreased by 6.1 and 2.1 percentage points during and after the international crisis (from 2008 to 2012). The share of the self-employed and the share of unpaid workers fell before the international crisis (from 2001 to 2008) by 5.1 and 0.2 percentage points respectively, while they increased during and after that event (from 2008 to 2012) by 6.2 and 2.0 percentage points. The worsening in the structure of employment by occupational position is striking considering that the unemployment rate is low in Honduras—it suffered a slight increase during the crisis but recovered the downward trend by the end of the period—and that the labour force participation rate was falling over time. The changes in the structure of employment by occupational position can be interpreted in light of our previous finding related to the changes in the employment structure by occupational group. Between 2008 and 2012, services and agricultural jobs were among the occupations that exhibited the largest share of increases of total employment, and self-employed workers have a high relative weight in these occupational groups. On the other hand, technical jobs were among the occupations with the largest share of reduction in total employment, and wage/salaried employees have a high relative share in these occupations. Young and adult workers, men, and women exhibited an increase in the share of low-earning positions between 2008 and 2012 (10.7 percentage points for young workers, 6.9 percentage points for adult workers, 10.2 percentage points for men, and 4.8 percentage points for women) and consequently a reduction in the share of high-earning positions. By 2012, the employment structure by occupational position had not recovered the pre-crisis levels in the aggregate and for any of the population groups.

*The employment composition by economic sector worsened over the course of the period studied, overall and for all population groups (youth, adults, men, and women). The deterioration occurred especially during the international crisis of 2008 (Figure 6).*

The period from 2001 to 2012 witnessed an increase from 46.5 per cent to 50.1 per cent in the share of workers in low-earning sectors (domestic services, primary activities, and low-tech industries). The increase was driven by the rise in the share of the primary activities sector. The share of workers in high-earning sectors (public administration, skilled services, and utilities and transportation) was largely unchanged over the period, shifting from 9.8 per cent in 2001 to 9.6 per cent in 2012. These changes resulted in a reduction in the share of mid-earning sectors (high-tech industry, construction, commerce, education and health) in total employment (Tables 5 and 6).

The employment composition by economic sector worsened for all population groups between 2001 and 2012, that is, young and adult workers, men, and women. The share of young workers in low-earning sectors increased from 54.6 per cent in 2001 to 57.0 per cent in 2012. In the case of adult workers, the share of low-earning sectors increased from 41.8 per cent in 2001 to 45.8 per cent in 2012. The share of young and adult employed workers in high-earning sectors was largely unchanged over the period. When broken down by gender, the changes in the employment structure by economic sector indicate an increase in the share of low-earning sectors in total employment over the period for both men and women (from 52.7 per cent in 2001 to 57.3 per cent in 2012 in the case of men, and from 35.4 per cent to 36.6 per cent in the case of women). There was also a reduction in the share of high-earning sectors in total employment for women (a drop of 1.3 percentage points over the period) and no change for men.

The international crisis of 2008 led to a worsening in the employment composition by economic sector in the aggregate and for all population groups. The growing share of workers in the primary activities sector—a low-earning sector—intensified between 2008 and 2009. On the other hand, the share of workers in the low-tech industry sector—another low-earning sector—suffered a decline as the *maquila* was one of the subsectors most affected by the international crisis. However, the decline in the share of the low-tech industry sector was not enough to compensate for the increase in the share of the primary activities sector. At the other end of the scale, the share of workers in public administration and in the skilled services sectors—high-earning sectors—began a downward trend in 2008. All these changes determined a worsening in the employment structure by economic sector during the international crisis. Disaggregating by population groups, the increase in the share of the primary activities sector was more pronounced for youth and men than for adults and women. For young workers, the increase was 3.6 percentage points between 2008 and 2009 versus a jump of 2.0 percentage points for adults. The rise in the share of workers in primary activities was 3.3 percentage points for men and 1.4 percentage points for women. The share reduction of the low-tech industry sector was also larger for young workers than for adults (drop of 1.5 versus 1.1 percentage points for youths and adults respectively), but the decline for women was larger than for men (drop of 1.5 and 0.9 percentage points for women and men respectively). The share of workers in public administration and in the skilled services sectors—high-earning sectors—began a downward trend in 2008. Between 2008 and 2009, the share of workers in public administration and skilled services dropped by 0.3 and 0.9 percentage points for young workers, versus 0.6 and 0.4 percentage points for adult workers. For men and women, the reduction in the share of workers in public administration and skilled services was 0.4 and 0.6 percentage points for men and 0.6 and 0.5 percentage points for women. By 2012, young workers, adult workers, and men had a worse employment composition by economic sector compared to the pre-crisis year (2008). Women finished the period with lower shares of low- and high-earning sectors than in 2008 and a larger share of mid-earning sectors.

*The educational level of the employed population improved over the period for all of the population groups, and especially among young workers. The international crisis did not have an effect on this trend (Figure 7).*

The share of employed workers with low educational levels (eight years of schooling or less) dropped from 77.6 per cent in 2001 to 70.2 per cent in 2012, while the share of workers with medium and high educational levels (nine to thirteen years of schooling and over thirteen years of schooling) grew from 17.3 per cent in 2001 to 23.6 per cent in 2012 and from 5.1 per cent to 6.2 per cent respectively.<sup>4</sup> We interpret this result as an improvement for the employed population as the level of education is an important predictor of labour earnings. Consequently, the changes in the employment structure by educational level implied an increase in the share of workers that tend to have high levels of earnings and a decline in the share of workers with low earnings' levels.<sup>5</sup>

---

<sup>4</sup> The most frequent value of years of education for employed workers in Honduras was 6 during the entire period (around 28.0 per cent of employed workers had six years of education).

<sup>5</sup> The improvement in the employment structure by educational level is related to changes in the relative demand and supply of workers with high educational levels with corresponding implications for the wage gap by educational group

The improvement in the educational level of the employed population occurred for all population groups, and primarily for young workers. For the youth employed population, the share of workers with low educational levels decreased from 81.4 per cent in 2001 to 63.2 per cent in 2012 (drop of 18.2 percentage points). The share of young workers with medium and high educational levels grew by 16.8 and 1.4 percentage points respectively. The reduction in the share of adult employed workers with low educational levels was moderate (3.4 percentage points over the period), as was the increase in the share of adult workers with medium and high educational levels (2.8 and 0.8 percentage points respectively). The drop in the rate of employed workers with low educational levels was greater for women than for men (fall of 8.9 percentage points for women versus 6.8 for men). The reduction in the share of male workers with low educational levels brought an increase of almost the same magnitude in the share of workers with medium educational levels (6.6 percentage points) and an almost unchanged share of workers with high educational levels (increase of 0.1 percentage points). For women, the reduction in the share of workers with low educational levels brought an increase in the share of workers with medium educational levels (6.0 percentage points) and in the share with high educational levels (2.9 percentage points).

The pattern of improvement in the level of education of the employed population in Honduras continued even during the international crisis of 2008. That was also the case for all population groups.

*Despite economic growth of the Honduran economy, the share of wage/salaried employees registered with the social security system exhibited a slight reduction between 2006 (when data on this variable started becoming available) and 2012, especially amongst adult workers and women. Most of the reduction took place during the international crisis of 2008 (Figure 8).*

The social security system in Honduras is highly stratified. There are four contributory schemes and no non-contributory pension schemes (Martínez Franzoni 2013). First, the IHSS (Instituto Hondureño de Seguridad Social) grants benefits in the areas of illness, maternity, accidents at work, professional illnesses, disability, old age, death, and involuntary unemployment to workers of the private sector. Second, the INPREMA (Instituto Nacional de Previsión del Magisterio) provides life insurance, a disability pension, and a separation and retirement benefit to teachers in the public and private systems. Third, the INJUPEMP (Instituto Nacional de Jubilaciones y Pensiones de los Empleados y Funcionarios del Poder Ejecutivo) provides benefits in the case of retirement and death while in active service, as well as a disability pension to workers from the Executive branch. Finally, the IPM (Instituto de Previsión Militar) provides retirement benefits to the military, the police force, and firefighters. All contributory schemes are funded through contributions from employers and employees, and there is also a contribution from the Government for the IHSS. Health care services are provided by the IHSS as part of the social security system.

Social security records show a small decrease in the percentage of wage/salaried employees registered with the contributory schemes of the system between 2006 and 2012, from 6.2 per cent in 2006 (76,301 registered workers) to 5.2 per cent in 2012 (69,730 registered workers). Thus, the

---

and the unemployment rate of each educational level. We introduce a discussion about the role of these factors in Honduras in the paragraph on labour earnings.

employed population in Honduras has been largely informal—just 5.5 per cent registered over the period 2006–12.

All of the population groups, and primarily adult workers and women, suffered a reduction in the share of wage/salaried workers registered with the social security system over the period. Among adult workers, the share of registered workers fell from 8.8 per cent in 2006 to 7.1 per cent in 2012; those figures for young workers were 1.7 per cent and 1.2 per cent respectively. While women were more likely to be registered with the system than men, they were more affected than men by the downward trend in registered employment. The rate of registered employment for women dropped from 9.2 per cent in 2006 to 7.5 per cent in 2012, while for men it fell from 4.6 per cent to 4.0 per cent during the same period.

The bulk of the reduction in the share of wage/salaried workers registered with the social security system took place during the international crisis of 2008. The share of wage/salaried workers enrolled with the social security system dropped from 6.3 per cent in 2008 to 4.4 per cent in 2009 (24,456 fewer registered workers). Those figures improved in 2010, but then resumed the downward trend, dropping to 5.2 per cent in 2012. The same pattern of adjustment was observed for all population groups. For young workers, the share of registered wage/salaried workers fell from 2.9 per cent in 2008 to 1.1 per cent in 2009. Those figures were 8.4 and 6.3 per cent respectively for adult workers, 4.7 and 2.9 per cent for men, and 9.5 and 7.5 per cent for women.

*Labour earnings decreased erratically from 2001 to 2012. Workers were affected by the 2008 international crisis and, as of 2012, earnings had not returned to pre-crisis levels. Adult workers, men, and women lost labour income between 2001 and 2012, while young workers increased their earnings. The evidence of earnings changes by employment categories indicates that labour earnings increased for low-earning categories and fell for high-earning categories in most cases (Figure 9).*

Average monthly earnings, expressed in dollars at 2005 purchasing power parity (PPP), decreased by 8.2 per cent, dropping from US\$430 in 2001 to US\$395 in 2012 (Table 6). For most of the period, changes in labour earnings did not reflect variations in the country's economic performance. From 2001 to 2005, labour earnings decreased while GDP grew. Much of the drop in labour earnings during the period can be attributed to a falling hourly wage pattern (an average annual reduction of 1.9 per cent) (Table 7). The downward trend in hourly wages was related to the implementation of a fiscal adjustment, of which the key element was the limitation of increases in the wage bill (IMF 2006). From 2005 to 2009, there was a positive relationship between changes in GDP and in labour earnings; both increased from 2005 to 2008 and then fell in 2009 during the international crisis. The increase in labour earnings between 2005 and 2008 can be explained by higher hourly wages fuelled by continuous minimum wages increases that reached its historical maximum in 2009 (Otter and Borja 2010). However, average wage increases were always below the rises in the minimum wage for two reasons. First, because only wage/salaried employees benefit by its increase and they have represented less than half of the total employed population in Honduras over the period analysed. Second, among wage/salaried employees, only two-thirds of them receive a wage above the minimum established by law. There is evidence showing that in Honduras minimum wages are effectively enforced in medium- and large-scale firms, but not in small firms or for the self-employed through a lighthouse effect (Gindling and Terrel 2007). While the GDP had resumed its upward

trend by 2010, labour earnings continued to fall until 2011, when they increased briefly only to drop again in 2012.

Labour earnings of both men and women dropped from 2001 to 2012, as did the earnings of adults. The labour earnings of young workers, however, increased during that period. The drop in earnings for men was 11.1 per cent between 2001 and 2012; for women, the decrease was 4.5 per cent. Adult earnings fell over the period by 15.3 per cent while labour earnings of young workers increased by 11.3 per cent. Among occupational groups, labour earnings of low-earning occupations enjoyed an average increase of 15.2 per cent, while high-earning occupations suffered an average earnings reduction of 9.5 per cent between 2001 and 2012. Among occupational positions, self-employed workers experienced the largest reduction in labour earnings between 2001 and 2012 (drop of 19.9 per cent), followed by employers (reduction of 11.5 per cent) and wage/salaried employees, whose labour earnings varied only slightly, increasing by just 0.2 per cent. When broken down by economic sector, labour earnings increased for low-earning sectors (24.7 per cent on average) and decreased for high-earning sectors (average fall of 6.3 per cent). Disaggregating by educational levels, workers with medium levels of education experienced the largest decrease in earnings over the period (drop of 27.5 per cent). They were followed by workers with high educational levels (drop of 20.1 per cent); the earnings of workers with low educational levels increased by 1.0 per cent.

The evidence of falling labour earnings for workers with medium and high levels of education and almost no change for workers with low levels of education can be interpreted in light of previous findings of deterioration in the employment structure by occupational group and economic sector over the period. The deterioration in the employment structure by occupational group (especially during and after the international crisis) and economic sector implied a decrease in the share of occupations and sectors that can be expected to employ workers with high and medium educational levels, such as professional and technical occupations and the public administration sector, and an increase in the share of occupations and sectors that employ workers with low educational levels, such as agricultural, forestry and fishery occupations, and primary activities sector. This evidence indicates that the demand for workers with high and medium educational levels relative to those with low educational levels fell over the period in Honduras. On the other hand, the educational level of people in the labour force improved over the same period, indicating an increase in the relative supply of workers with high and medium levels of education (Table 8). The prediction of a supply and demand analysis is that the relative wages of workers with high and medium educational levels relative to those with low educational levels will fall. In the Honduran labour market the relative wages of workers with high and medium educational levels relative to those with low educational levels fell over the period, while the relative wages of workers with high educational levels with respect to workers with medium educational levels increased slightly (Table 7). The adjustment process also led to a reduction in the unemployment rate of workers with low educational levels and to an increase in the unemployment rate of workers with medium educational levels. The unemployment rate of workers with high levels of education remained essentially unchanged over the period (Table 9).

The international crisis of 2008 impacted negatively on labour earnings overall and for most employment categories. Labour earnings decreased by 8.0 per cent between 2008 and 2009 and could not regain the pre-recession level by 2012. Workers in agricultural, forestry and fishery occupations, management, service and sales occupations, and professionals were affected negatively



by the international crisis; only workers from agricultural, forestry and fishery occupations had returned to pre-crisis levels of income by 2012. Workers from all occupational positions were impacted adversely by the international crisis. Employers had returned to pre-recession earning levels by 2011; wage/salaried employees recovered more quickly, surpassing pre-crisis levels of income by 2010. As of 2012, self-employed workers had not recovered their pre-crisis income level. Workers in most economic sectors were affected negatively by the crisis. Labour earnings in low- and high-tech industries, commerce, utilities and transportation, skilled services, and education and health services began a downward trend in 2008 and had not recovered as of 2012. The earnings of workers performing primary activities had returned to pre-crisis levels by 2011, and the earnings of domestic workers appear not to have been affected by the crisis. The earnings of workers in the construction and public administration sectors were unstable, climbing and then dropping after the crisis. Amongst educational groups, as of 2012 none of them had recovered pre-crisis levels of earnings.

*Whether poverty rose or fell over the period depends on the definition used. The moderate poverty rate and poverty rates based on international lines showed a mild increase between 2001 and 2012, while the extreme poverty rate fell over the same period. Within the period, poverty rates based on national and international poverty lines fell from 2002 to 2008 and increased during and after the Great Recession. The rate of working poor households was largely unchanged (Figure 10).*

The moderate poverty rate (measured by the country's official poverty line) increased slightly, going from 64.7 per cent in 2001 to 65.3 per cent in 2012, the extreme poverty rate declined from 45.7 per cent to 44.6 per cent, and the percentage of the working poor (defined as the proportion of persons in the population living in poor households where at least one member works) barely changed from 54.3 per cent to 54.5 per cent over the same period. The analysis based on the 2.5 and 4 dollars-a-day lines indicates that poverty rates based on international poverty lines grew over the period as a whole (5.4 percentage points using both international poverty lines). A closer look at the evolution of these poverty indicators reveals a steady downward trend from 2002 to 2009 followed by an increase after the international crisis. The reductions in all poverty indicators from 2002 to 2008 ensued during a period of relatively quick growth and a period of rising social spending and minimum wages (Johnston and Lefebvre 2013). Gillingham et al. (2008) indicate that social assistance instruments such as school lunches, PRAF (programmes among beneficiaries' families) education grants, and other subsidies were all very well targeted during the poverty-reducing period, with at least two-thirds of the benefits reaching the lowest two welfare quintiles. However, Honduras had difficulty implementing conditional cash transfers programmes: their impacts were limited and a duality emerged between the domestically directed and the externally financed programmes (Moore 2010). For the sub-period that spans from 2001 to 2004, Gindling and Terrel (2010) also demonstrate that an increase in minimum wage led to a reduction in poverty. Following the international crisis of 2008, all poverty indicators began an upward trend which led to the vanishing of the improvements observed in the previous years. In fact, due to the rise at the end of the period, poverty rates based on international poverty lines grew over the period as a whole (5.4 percentage points using both international poverty lines). Poverty rate increases were associated with reductions in public spending in education, health, housing, and transport from 2010 to 2012 (Johnston and Lefebvre 2013).

The poverty patterns reported in the last paragraph can be interpreted by examining incomes from various sources. The analysis of sources of household total income indicates that labour income increased between 2002 and 2008, and decreased afterwards, mimicking the poverty indicators time trend (Figure 11). Incomes from pensions increased overall, especially during the poverty-reducing period (from 2002 to 2006). Income from poverty alleviation PRAF programme and *Merienda Escolar* programme mainly) suffered a reduction between 2007 (the earliest we have detailed data on these variables) and 2009. In 2010, an upward trend started with the introduction of the *Bono 10.000*, a programme for education, health and nutrition. Remittances have become an increasingly important source of income for Honduran families, especially in the first half of the 2000s. They represented around 10.0 per cent of total household income in 2007 (Villa and Lovo 2009). The explanatory factors for the increasing share of remittances in total household income are immigration to the US after Hurricane Mitch and the declining transaction costs for sending money from abroad (IMF 2006). However, remittances started a downward trend during the international crisis and had not recovered the previous levels by 2012 (Johnston and Lefebvre 2013).

*While there were some ups and downs, the period as a whole witnessed a slight increase in household per capita income inequality and labour earnings inequality (Figure 12).*

Between 2001 and 2012 the Gini coefficient of household per capita income grew from 0.539 to 0.573, while the Gini coefficient of labour earnings among employed workers increased from 0.539 to 0.573. Household per capita income and labour earnings inequality increased from 2001 to 2005, as did GDP. The Gini coefficient of household per capita income grew from 0.539 in 2001 to 0.593 in 2005 and the Gini coefficient of labour earnings increased from 0.541 in 2001 to 0.575 in 2005. The Gini fell from 2005 to 2009, reaching 0.516 in the case of household per capita income and 0.526 in the case of labour earnings. An upward trend resumed after the international crisis, with a slight recovery in 2012. Nonetheless, the inequality level measured by the Gini coefficient is still well above the pre-crisis level for both household per capita income and labour earnings.

Changes in household per capita income inequality in Honduras have been related mainly to changes in non-labour incomes. Azevedo et al. (2013b) decomposed the change in the Gini coefficient of household per capita income for the period 1999–2010 and found that changes in incomes from transfers and the share of adults by household contributed the most to the inequality reduction over this period (the Gini coefficient of household per capita income decreased from 0.543 to 0.534 between 1999 and 2010). Changes in labour incomes had only a small effect that was inequality increasing. Otter and Borja (2010) analysed the period 2002–07 and found labour income reductions in the lower tail of the distribution of household per capita income that were compensated for by government transfers and remittances from abroad. On the other hand, there were labour income gains in the upper tail of the distribution. These structural changes resulted in a small change in the Gini coefficient of household per capita income, but made poorer people less able to improve their wellbeing through the labour market. Azevedo et al. (2013a) used a decomposition approach and found that changes in the education wage premium (or the ‘price effect’) were inequality reducing, while changes in the distribution of the stock of education (the ‘quantity effect’) were inequality increasing in Honduras between 1999 and 2009. However, both effects are small and most of the increase in the Gini coefficient over the period studied by these authors remained unexplained. Gasparini et al. (2011) found a reduction in the gap between the wages of skilled workers (those with complete or incomplete college education) and unskilled workers (those who have completed

secondary education or less) in Honduras over the 2000s. The shrinking educational earnings gap can be explained by factors related to supply and demand: the relative supply of skilled workers increased steadily while the relative demand for those workers fell. Another factor associated with the evolution of earnings inequality is the minimum wage. Otter and Borja (2010) highlighted that increases in the minimum wage in Honduras only benefit wage/salaried workers, e.g. hourly wages of self-employed workers do not follow the trend of the minimum wage, and among wage/salaried workers one-third receive less than the wage established by law, e.g. minimum wages are not completely enforced. As a result, self-employed workers end up receiving lower real wages than wage/salaried workers even in periods of economic growth.

#### **4 Conclusions**

By Latin American standards, Honduras experienced slow economic growth during the 2000s. The country underwent a recession as a consequence of the international crisis of 2008, and while the Honduran economy returned to the pre-recession GDP level in 2010, GDP per capita did not reach the pre-crisis level until 2012.

The evidence regarding the changes in labour market indicators between 2001 and 2012 showed more deteriorations than improvements. The improvements were as follows. The unemployment rate fell from 2001 to 2012. The composition of employment by occupational group improved slightly from 2005 to 2012, shifting overall from low-earning occupations such as elementary and trade occupations to better-paying occupations such as management and services and sales jobs. The educational level of the employed population improved over the period. On the other hand, some labour market indicators deteriorated. The employment structure by occupational position worsened between 2001 and 2012 as the proportion of workers in high-earning categories (paid employees and employers) fell and the proportion in low-earning categories (self-employment and unpaid employment) rose. Employment composition by economic sector also worsened over the course of the period studied as the share of workers in low-earning sectors (domestic service, primary activities, and low-tech industries) increased while the share of workers in high-earning sectors (public administration, skilled services, and utilities and transportation) was largely unchanged. Despite economic growth of the Honduran economy, the share of wage/salaried employees registered with the social security system experienced a slight reduction between 2006 and 2012. Finally, labour earnings decreased from 2001 to 2012. The moderate poverty rate increased slightly from 2001 to 2012, as did household per capita income and labour earnings inequality measured by the Gini coefficient. On the contrary, the extreme poverty rate decreased over the period and the rate of working poor households was largely unchanged.

Looking specifically at the international crisis of 2008, most labour market indicators were affected negatively by the crisis. The unemployment rate increased and had not fully recovered by 2012. The employment structure by occupational group worsened during the crisis. Most of the deterioration in the employment structure by occupational position and economic sector over the period 2001–12 took place during and after the international crisis of 2008. Labour earnings were affected negatively by the crisis and, as of 2012, earnings had not returned to pre-crisis levels. The poverty rates based

on national and international poverty lines and the inequality of household per capita income and labour earnings increased during the international crisis and none of them returned to their pre-recession level by 2012.

Young workers had worse labour market outcomes over the period compared to adults, and men and women exhibited a balanced situation in the labour market. The international crisis affected adult workers more than young workers, while the impacts were evenly distributed between men and women. The unemployment rate was higher for young compared to adult workers, the share of young employed workers in low-earning occupations and sectors was larger than the share of adult workers, the percentage of young workers registered with the social security system was lower when compared to adults, and labour earnings of young workers were below those of adults. On the other hand, the share of young workers in low-earning positions was lower compared to adults. Despite the generally inferior situation of young workers in the labour market compared to adults, adult labour market indicators were more adversely affected by the episode of the international crisis. Disaggregating by gender, we found that men had better labour market outcomes than women in some cases, such as the unemployment rate, the share of workers in low-earning positions, and average labour earnings, while women were better than men for other labour market indicators, such as the share of workers in low-earning occupations and sectors, and the share of unregistered workers. Both men and women were evenly impacted by the international crisis.

In summary, slow economic growth in Honduras during the 2000s was associated, in general, with labour market conditions that moved in a worsening direction. Most of them were affected adversely by the international crisis of 2008 and did not recover their pre-crisis level by 2012.

## References

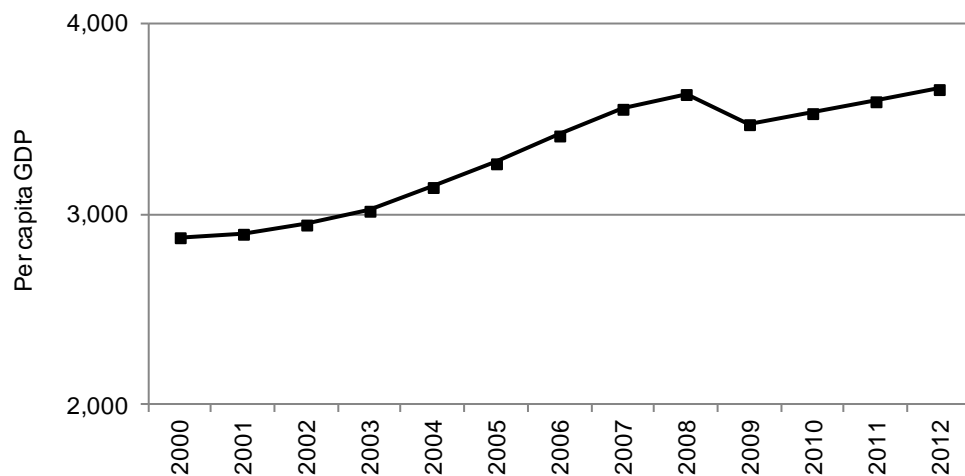
- Azevedo, J.P., M.E. Dávalos, C. Díaz-Bonilla, B. Atuesta, and R.A. Castañeda (2013a). ‘Fifteen Years of Inequality in Latin America. How Have Labor Markets Helped?’. Policy Research Working Paper 6384. Washington, DC: The World Bank.
- Azevedo, J.P., G. Inchauste, and V. Sanfelice (2013b). ‘Decomposing the Recent Inequality Decline in Latin America’. Policy Research Working Paper 6715. Washington, DC: The World Bank.
- CEDLAS and the World Bank (2014). SEDLAC-Socio Economic Database for Latin American and the Caribbean. Available at: <http://sedlac.econo.unlp.edu.ar/eng/index.php>. Centro de Estudios Distributivos, Laborales y Sociales, Facultad de Ciencias Económicas, Universidad Nacional de La Plata, and World Bank poverty Group LCR. Date of access: 2014.
- Cordero, J.A. (2009). *Honduras: Recent Economic Performance*. Washington, DC: Center for Economic and Policy Research.
- Fields, G. (2012). ‘Challenges and Policy Lessons for the Growth-Employment-Poverty Nexus in Developing Countries’. *IZA Journal of Labor Policy*, 1(6): 1–24.
- Fields, G.S., and W.S. Bagg (2003). ‘Long-Term Economic Mobility and the Private Sector in Developing Countries: New Evidence’. In G.S. Fields and G. Pfeffermann (eds), *Pathways out of Poverty: Private Firms and Economic Mobility in Developing Countries*. Norwell, MA: Kluwer Academic Publishers.

- Fields, G.S., and D. Raju (2007). 'Assessing Current and Changing Labor Market Conditions in Brazil'. Report prepared for the World Bank.
- García Merino, F. (2009). 'Políticas e Instituciones para el Desarrollo Económico Territorial. El Caso de Honduras'. Series Desarrollo Territorial 7. Santiago de Chile: Economic Commission for Latin America and the Caribbean.
- Gasparini, L., and G. Cruces (2010). 'A Distribution in Motion: The Case of Argentina'. In L.F. López Calva and N. Lustig (eds), *Declining Inequality in Latin America: A Decade of Progress?*. Washington, DC: Brookings Institution Press.
- Gasparini, L., S. Galiani, G. Cruces, and P. Acosta (2011). 'Educational Upgrading and Returns to Skills in Latin America: Evidence from a Supply-Demand Framework, 1990–2010'. IZA Working Paper 6244. Bonn: Institute for the Study of Labor.
- Gillingham, R., D. Newhouse, and I. Yackovlev (2008). 'The Distributional Impact of Fiscal Policy in Honduras'. IMF Working Paper 08/168. Washington, DC: International Monetary Fund.
- Gindling, T.H., and K. Terrell (2007). 'Minimum Wages and the Welfare of Workers in Honduras'. IZA Discussion Paper 2892. Bonn: Institute for the Study of Labor.
- Gindling, T.H., and K. Terrell (2010). 'Minimum Wages, Globalization, and Poverty in Honduras'. *World Development*, 38(6): 908–18.
- Gutierrez, C., P. Paci, and M. Ranzani (2008). *Making Work Pay in Nicaragua*. Washington, DC: The World Bank.
- Ham, C. (2013). 'Did Workers in Colombia Benefit from Economic Growth in the 2000s?'. Unpublished. Masters thesis, Cornell University.
- IMF (2001). 'IMF Concludes 2001 Article IV Consultation with Honduras'. Public Information Notice 01/108. Washington, DC: International Monetary Fund.
- IMF (2006). 'Honduras: 2005 Article IV Consultation'. IMF Country Report 06/35. Washington, DC: International Monetary Fund.
- Inchauste, G. (2012). 'Jobs and Transitions out of Poverty: A Literature Review'. Background paper for the World Development Report 2013.
- Johnston, J., and S. Lefebvre (2013). 'Honduras since the Coup: Economic and Social Outcomes'. Washington, DC: Center for Economic and Policy Research.
- Martínez Franzoni, J. (2013). 'Social Protection Systems in Latin America and the Caribbean: Honduras'. ECLAC, Project Documents collection. Santiago de Chile: United Nations.
- Moore, Ch. (2010). 'The Political Economy of Social Protection in Honduras and Nicaragua'. In M. Adato and J. Hoddinott (eds), *Conditional Cash Transfers in Latin America*. Baltimore, MD: International Food Policy Research Institute.
- Otter, Th., and I. Borja (2010). 'Impactos Económicos y Sociales de la Crisis Internacional en Honduras'. Serie Estudios en Economía. Tegucigalpa: Programa de las Naciones Unidas para el Desarrollo en Honduras.

- Rangel, E. (2009). 'Have the Poor in Mexico Benefited from Economic Growth in Mexico from 2000 to 2006?'. Unpublished. Masters thesis, Cornell University.
- Villa, M., and H. Lovo (2009). 'Crisis y Pobreza Rural en América Latina: El Caso de Honduras'. Documento de Trabajo 46. Santiago de Chile: Rimisp: Centro Latinoamericano para el Desarrollo Rural.
- World Bank (2011). *On the Edge of Uncertainty. Poverty Reduction in Latin America and the Caribbean during the Great Recession and Beyond*. Washington, DC: The World Bank.
- World Bank (2013). 'Jobs'. World Development Report 2013. Washington, DC: The World Bank.
- World Bank (2014). World Development Indicators. Available at: <http://data.worldbank.org/data-catalog/world-development-indicators>. Date of access: April 2014.

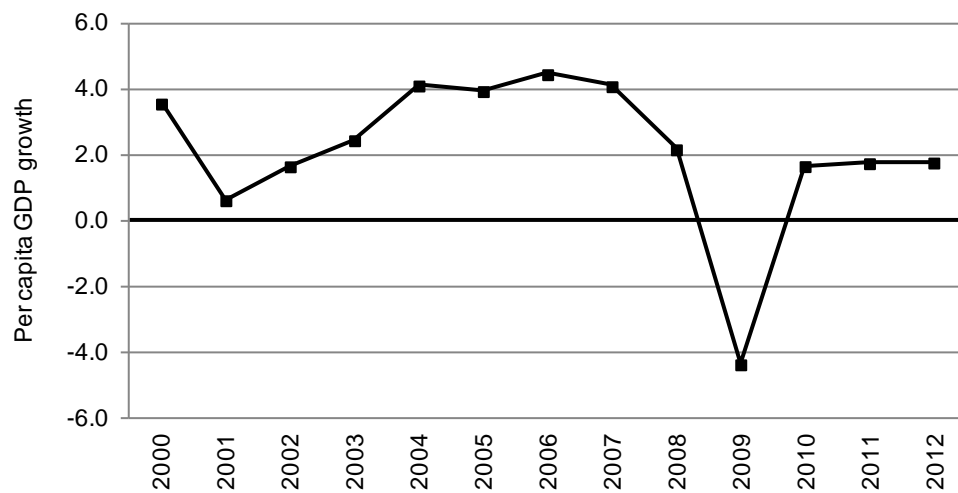
## Figures

Figure 1: GDP per capita at PPP dollars of 2005, 2000–12



Source: World Development Indicators (the World Bank 2014).

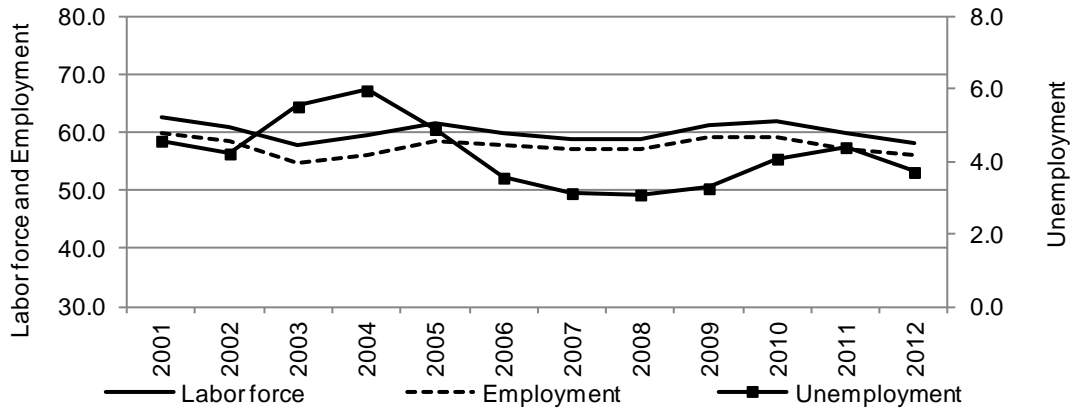
Figure 2: Annual growth of GDP per capita at PPP dollars of 2005, 2000–12



Source: World Development Indicators (the World Bank 2014).

Figure 3: Labour force rate, employment-to-population rate and unemployment rate: population 15 years old or more, 2001–12

(a) All



(b) Youth (15 to 24 years old)

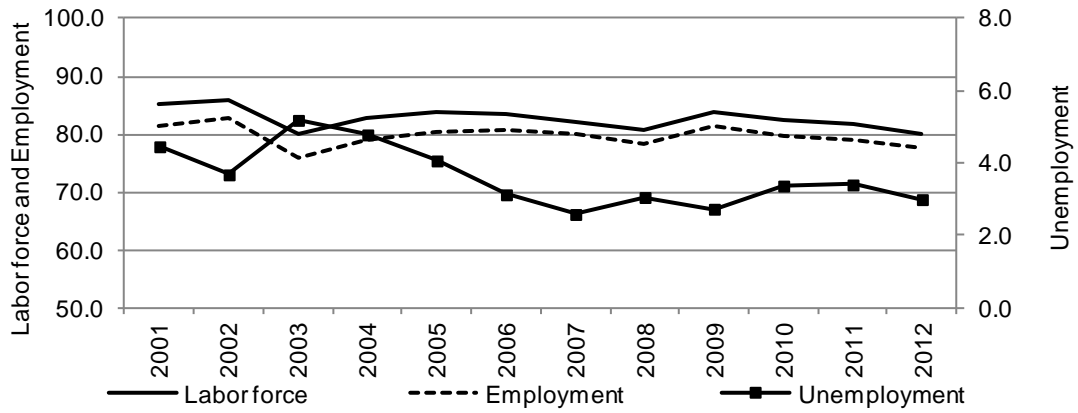


(c) Adults (25 to 64 years old)

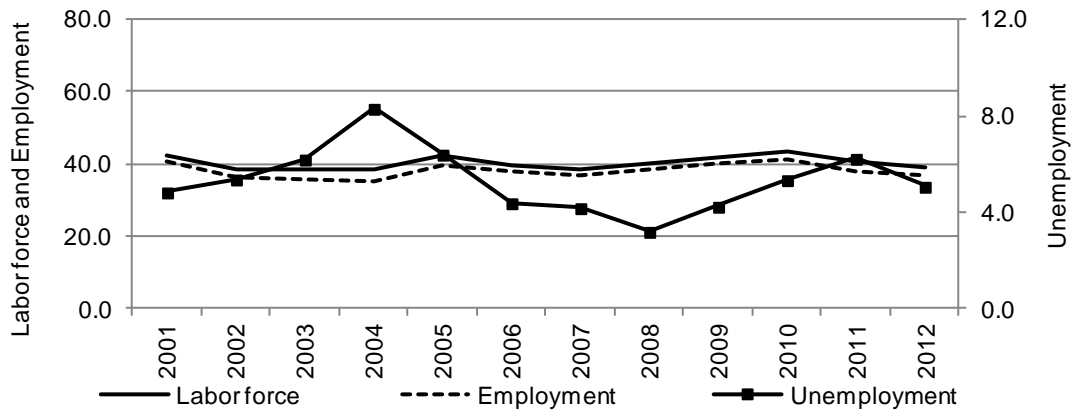




(d) Men

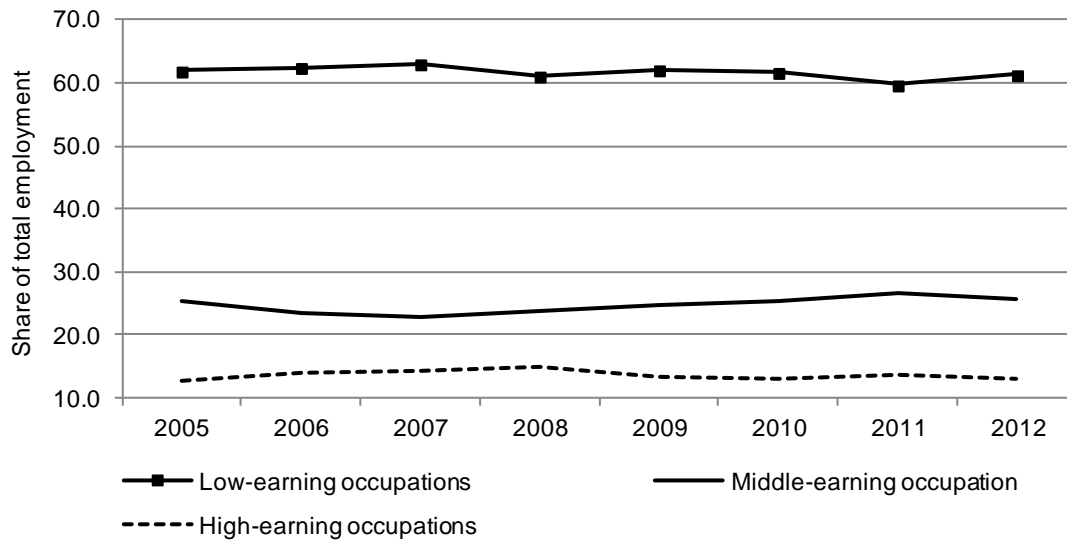


(e) Women



Source: Authors' calculations from SEDLAC (CEDLAS and the World Bank 2014).

Figure 4: Share of employment by occupational group (categories grouped by earning levels): all employed workers, 15 years old or more, 2005–12

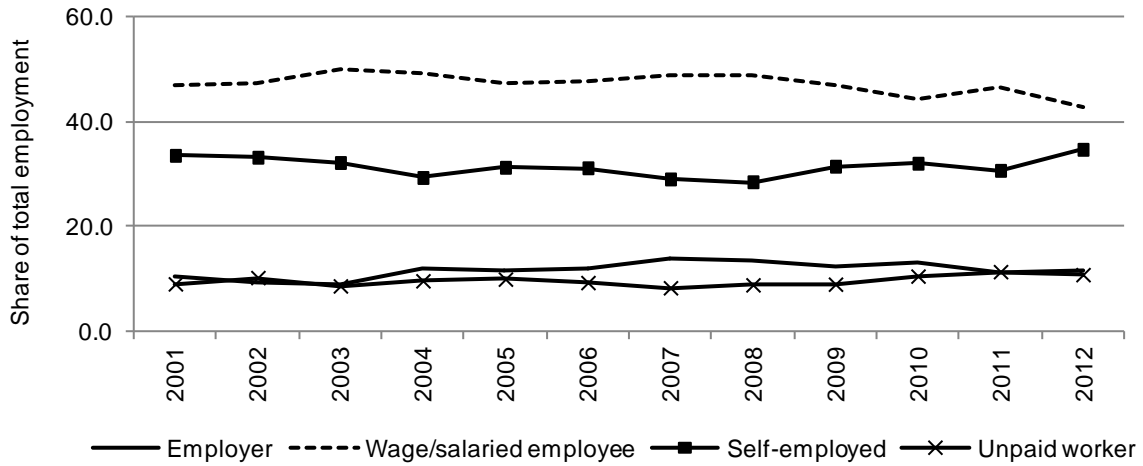


Notes: Low-earning occupations: elementary, agricultural, forestry and fishery occupations, craft and trades jobs. Medium-earning occupations: services and sales, plant and machine operators and assemblers, clerical, armed forces. High-earning occupations: management, professionals, technicians and associate professionals.

Differences in the classification system used by Honduras from 2001 to 2004 and from 2005 to 2012 prevented us from obtaining a comparable series for the entire period.

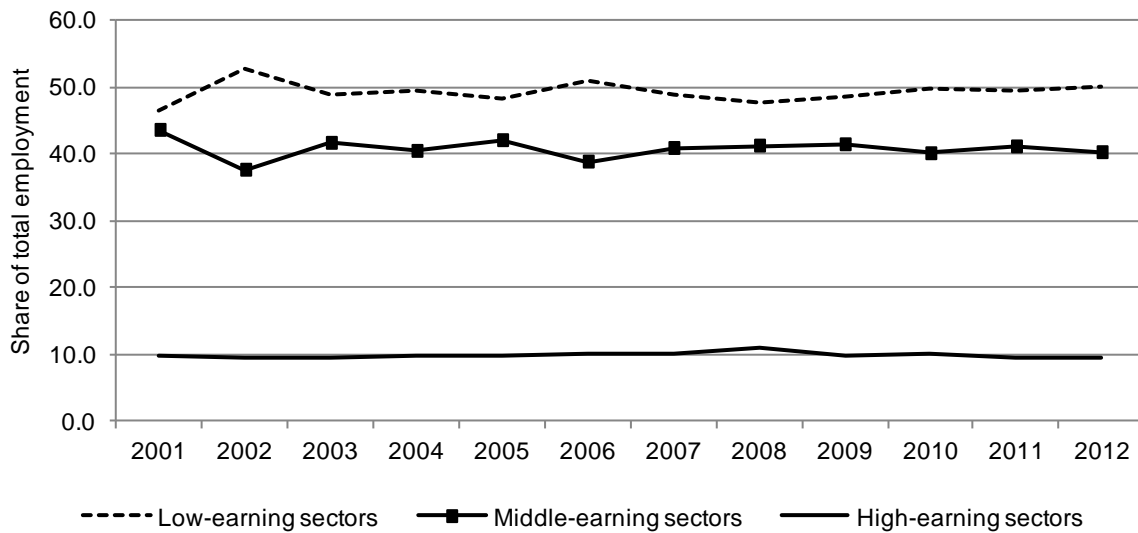
Source: Authors' calculations from SEDLAC (CEDLAS and the World Bank 2014).

Figure 5: Share of employment by occupational position: all employed workers, 15 years old or more, 2001–12



Source: Authors' calculations from SEDLAC (CEDLAS and the World Bank 2014).

Figure 6: Share of employment by economic sector (categories grouped by earning levels): all employed workers, 15 years old or more, 2001–12

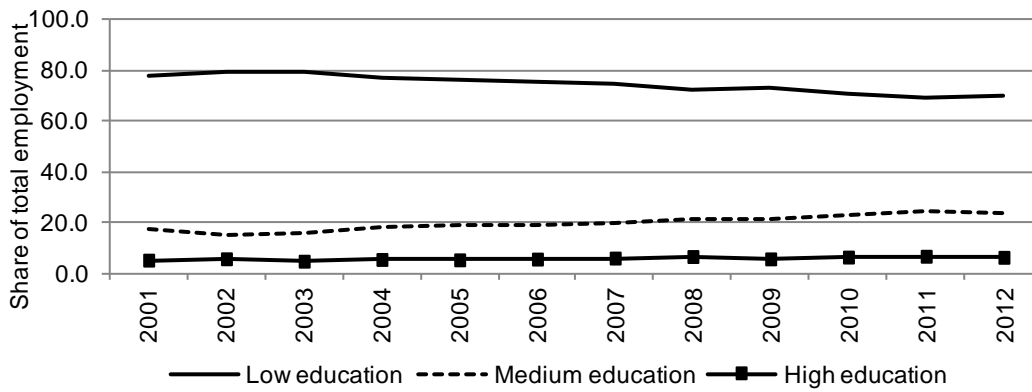


Note: Low-earning sectors: domestic workers, primary activities, low-tech industry. Middle-earning sectors: commerce, construction, high-tech industry, education and health. High-earning sectors: public administration, skilled services, utilities and transportation.

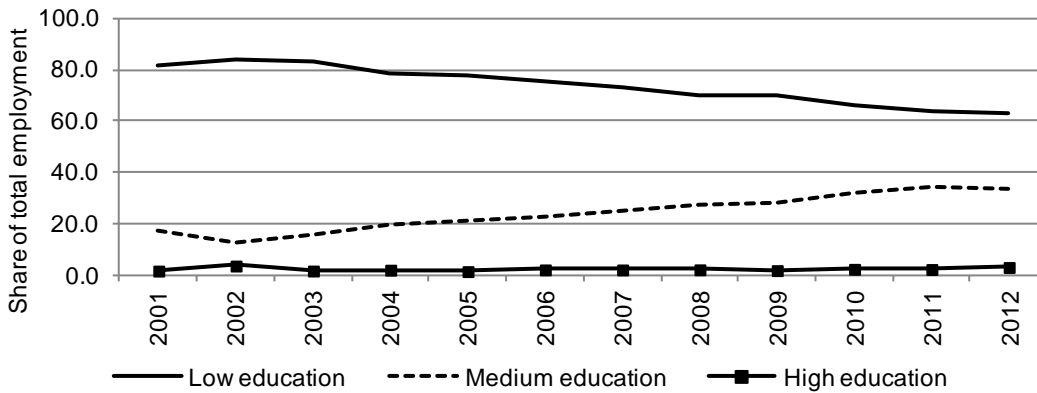
Source: Authors' calculations from SEDLAC (CEDLAS and the World Bank 2014).

Figure 7: Share of employment by educational level: employed workers, 15 years old or more, 2001–12

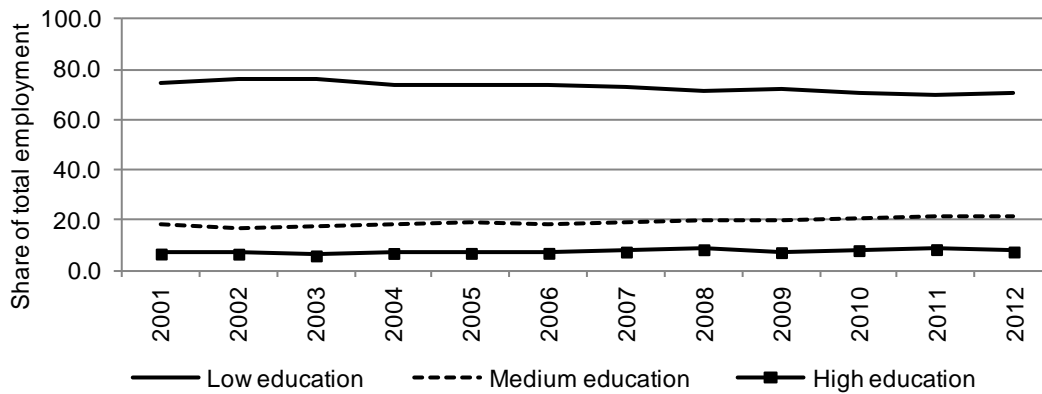
(a) All employed workers



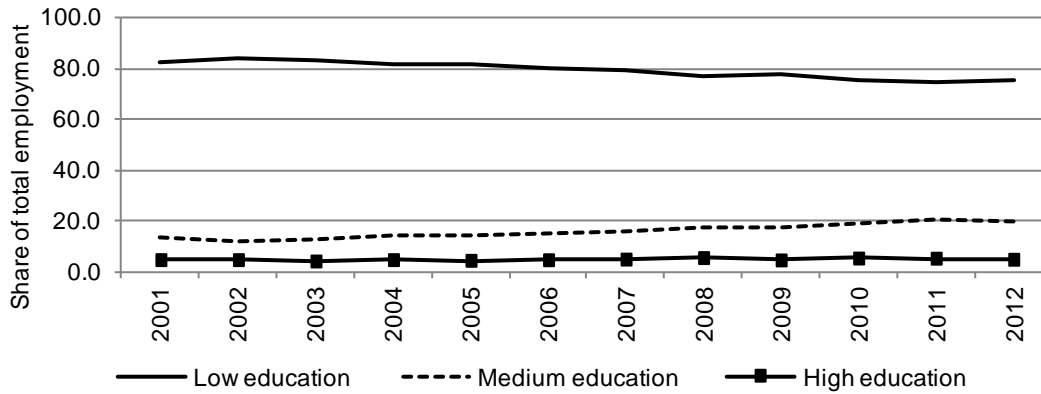
(b) Youth (15 to 24 years old)



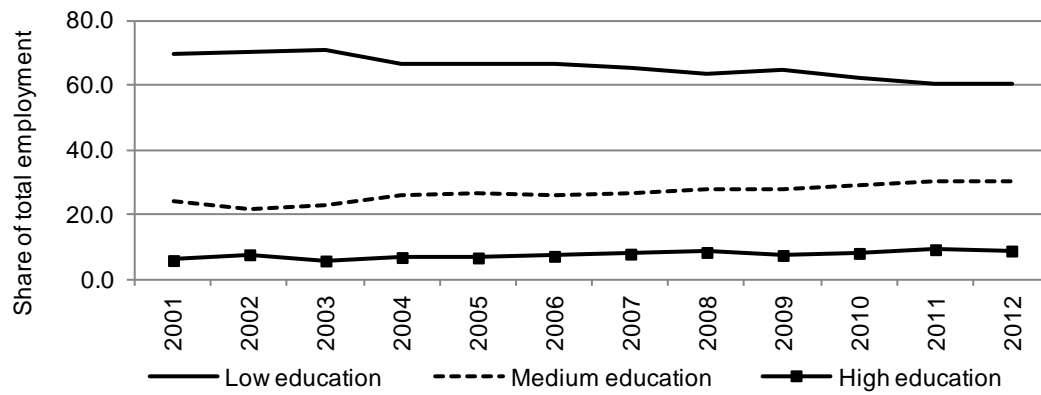
(c) Adults (25 to 64 years old)



(d) Men



(e) Women

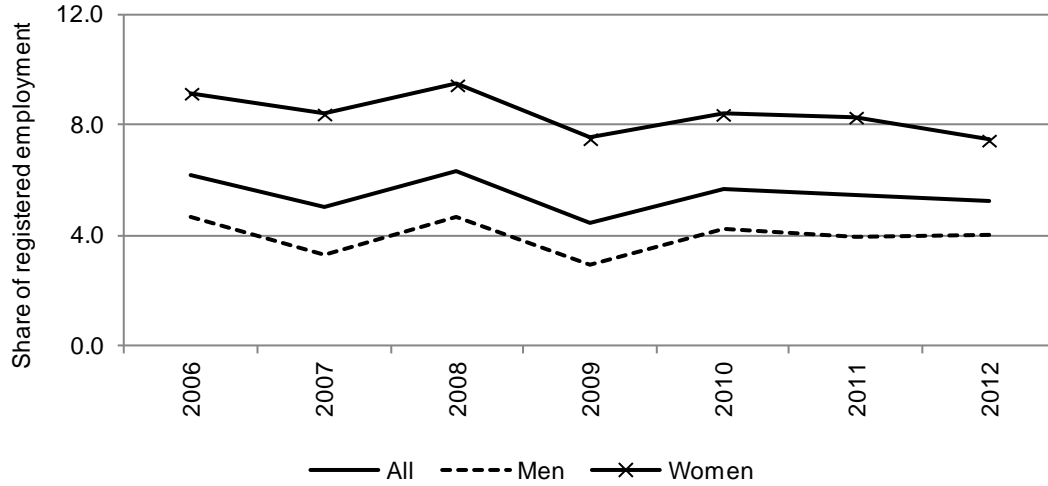


Note: Low: eight years of schooling or less. Medium: from nine to thirteen years of schooling. High: Over thirteen years of schooling.

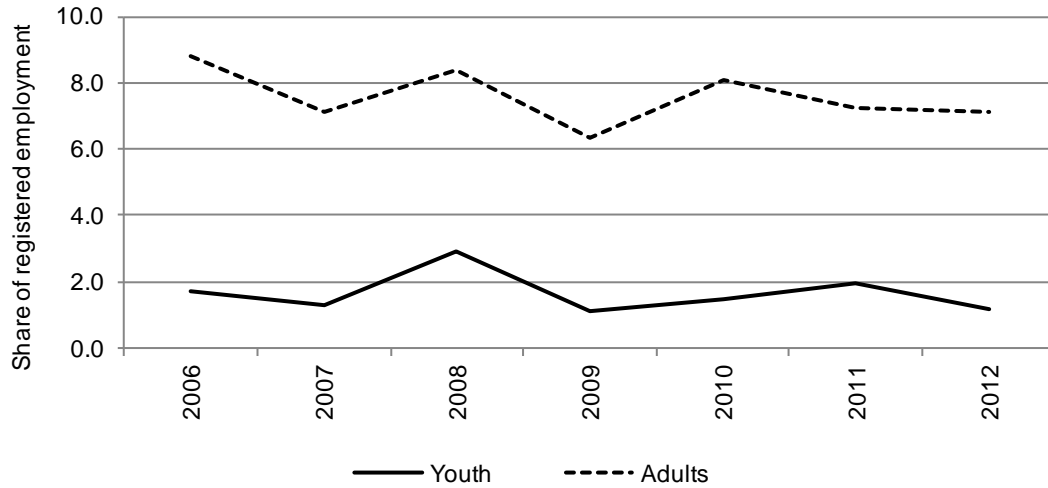
Source: Authors' calculations from SEDLAC (CEDLAS and the World Bank 2014).

Figure 8: Share of employment registered with the national social security system: wage/salaried employees, 15 years old or more, 2006–12

(a) Overall and by gender



(b) By age group

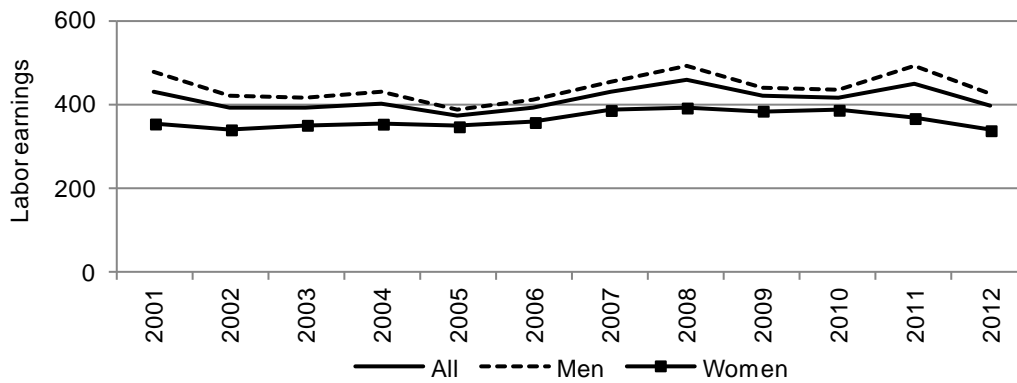


Note: Data on the registration of wage/salaried employees with the social security system is not available before 2006.

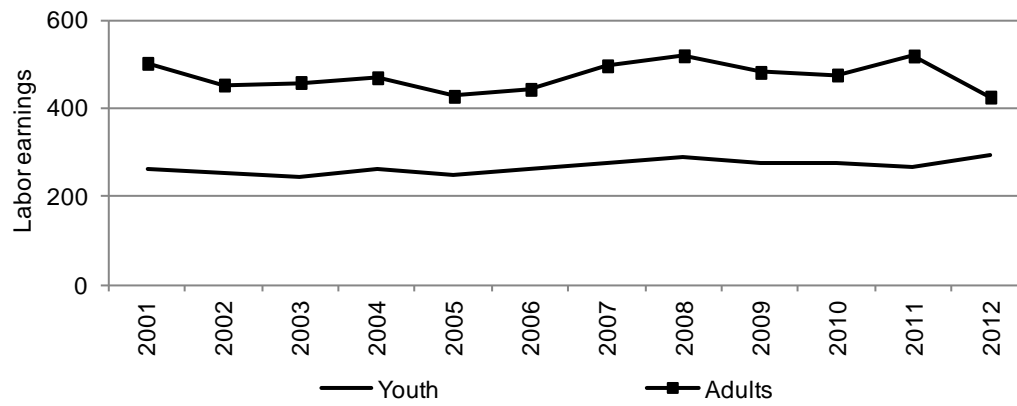
Source: Authors' calculations from SEDLAC (CEDLAS and the World Bank 2014).

Figure 9: Monthly labour earnings at PPP dollars of 2005, 2001–12

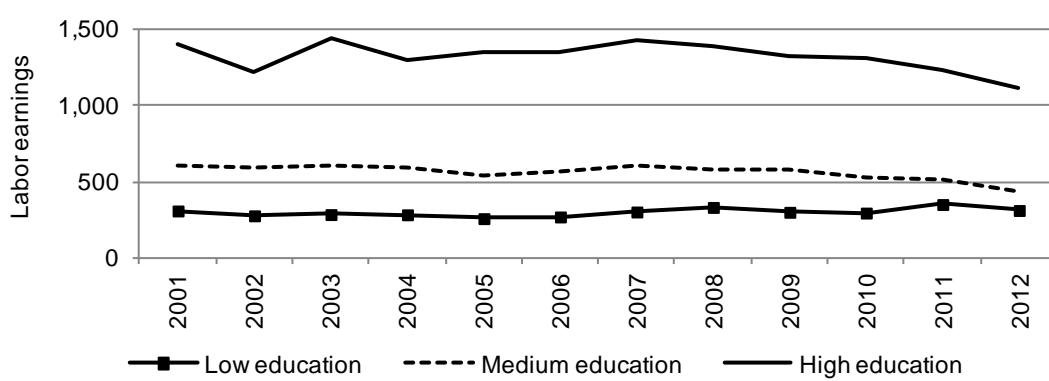
(a) Overall and by gender



(b) By age



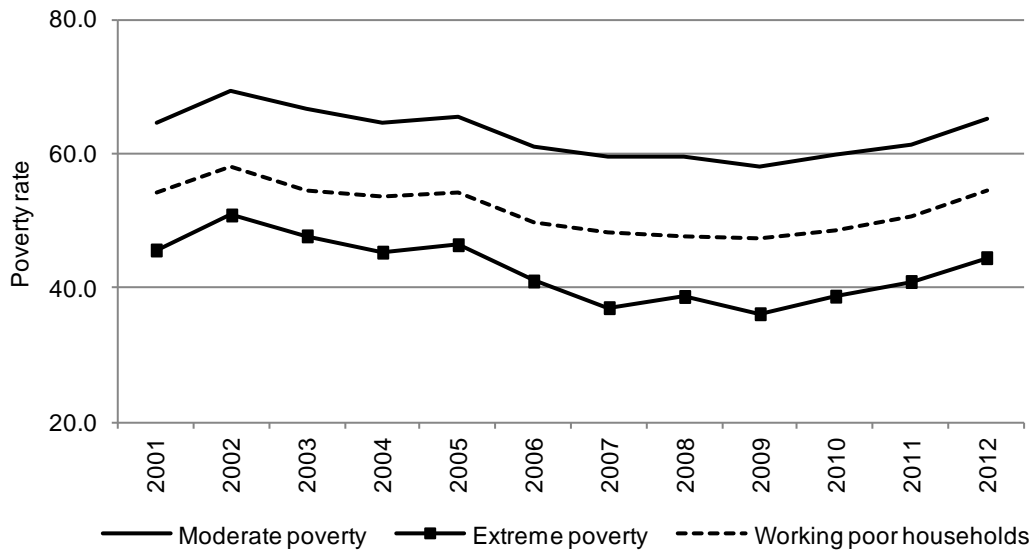
(c) By educational level



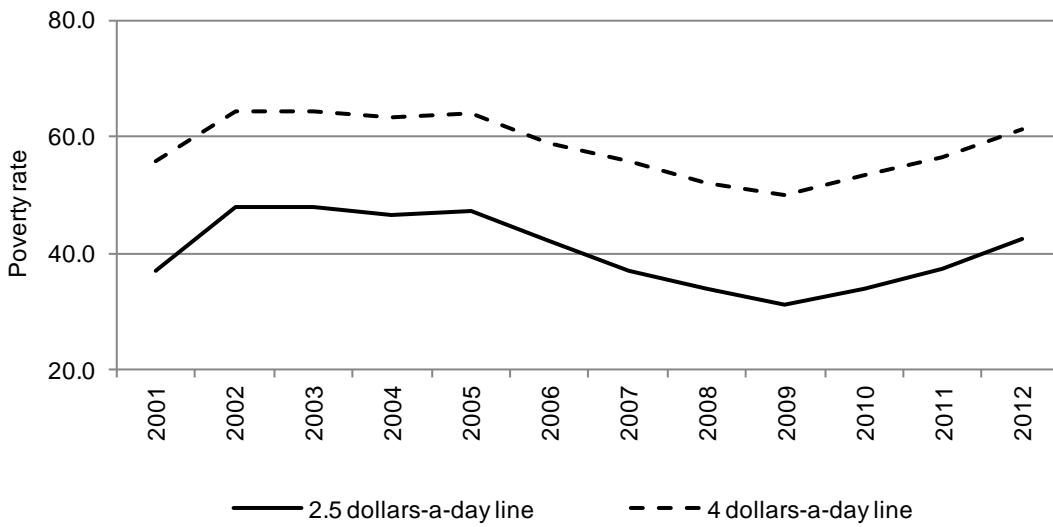
Source: Authors' calculations from SEDLAC (CEDLAS and the World Bank 2014).

Figure 10: Poverty rates and working poor households, 2001–12

(a) Official lines



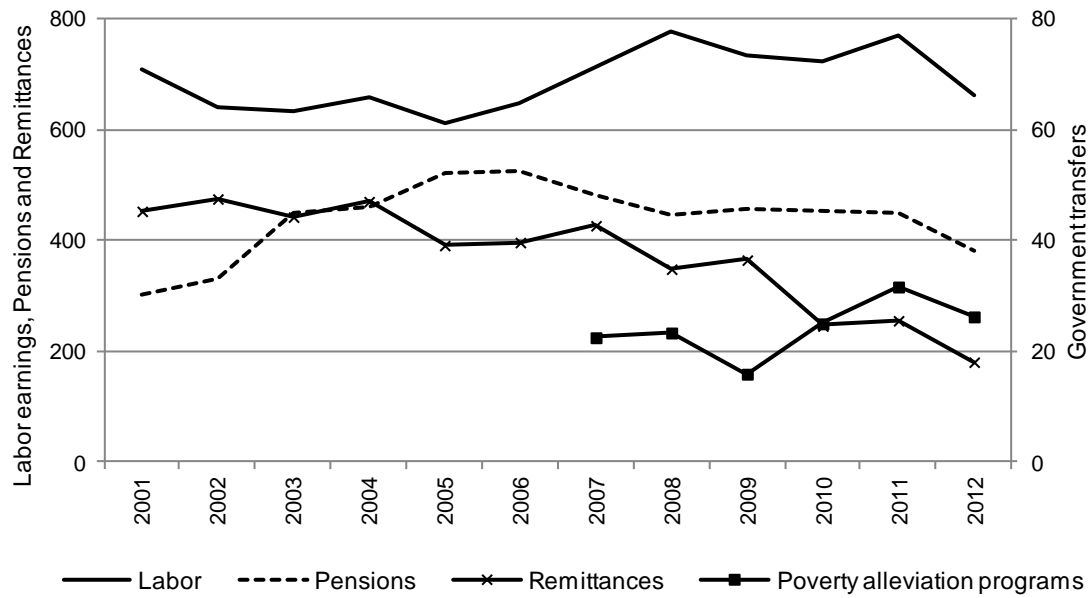
(b) International lines



Source: Authors' calculations from SEDLAC (CEDLAS and the World Bank 2014).



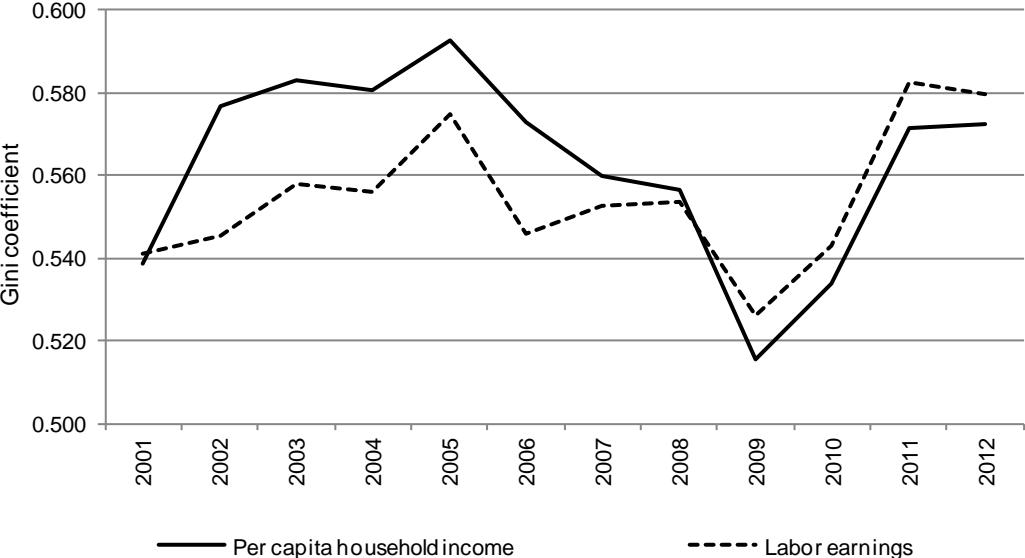
Figure 11: Sources of monthly household total income at PPP dollars of 2005, 2001–12



Note: Poverty alleviation programmes include *Bono PRAF*, *Bolson PRAF*, *Merienda Escolar*, and *Bono 10.000* since 2010; the EPHPM started to include detailed information on these variables in 2007.

Source: Authors' calculations from SEDLAC (CEDLAS and the World Bank 2014).

Figure 12: Gini coefficient of household per capita income and labour earnings, 2001–12



Note: Gini coefficients of household per capita income and labour earnings are calculated among persons with positive household per capita income and positive labour earnings respectively.

Source: Authors' calculations from SEDLAC (CEDLAS and the World Bank 2014).

## Tables

Table 1: Household surveys' description

	Number of households	Number of persons
2001	7,157	35,777
2002	21,189	104,907
2003	21,361	105,250
2004	7,323	36,264
2005	7,318	35,182
2006	21,076	99,645
2007	21,606	99,776
2008	21,688	100,366
2009	21,112	98,028
2010	7,043	32,420
2011	6,867	32,436
2012	7,265	32,830

Source: Authors' calculations from SEDLAC (CEDLAS and the World Bank 2014).

Table 2: Macroeconomic variables, 2000–12

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
GDP <sup>1,2</sup>	17,957	18,446	19,139	20,009	21,256	22,542	24,023	25,509	26,589	25,942	26,910	27,942	29,022
GDP per capita <sup>1</sup>	2,880	2,898	2,946	3,019	3,143	3,268	3,414	3,554	3,631	3,473	3,531	3,593	3,657
GDP per person employed <sup>1,3</sup>		8,302	8,496	9,234	9,076	8,891	9,286	9,631	9,600	8,724	8,666	9,026	9,311
GDP growth	5.75	2.72	3.75	4.55	6.23	6.05	6.57	6.19	4.23	-2.43	3.73	3.84	3.86
GDP per capita growth	3.57	0.63	1.67	2.46	4.12	3.95	4.47	4.10	2.18	-4.36	1.67	1.76	1.78
Exports of goods and services <sup>1,2</sup>	3,850	4,002	4,403	4,787	5,419	5,707	5,796	5,943	5,994	5,041	5,832	6,319	6,685
Agriculture, value added (% of GDP)	15.88	14.59	13.45	12.76	13.36	13.65	12.98	13.01	13.11	11.67	12.49	15.30	14.77
Industry, value added (% of GDP)	32.46	30.69	30.10	30.07	29.13	28.73	29.97	28.56	28.00	28.06	27.57	27.77	27.89
Services, value added (% of GDP)	51.66	54.72	56.45	57.17	57.50	57.62	57.05	58.43	58.89	60.27	59.93	56.93	57.34
Agriculture, value added <sup>1,2</sup>	1,054	1,076	1,125	1,151	1,235	1,206	1,298	1,370	1,396	1,369	1,393	1,483	1,631
Industry, value added <sup>1,2</sup>	2,122	2,132	2,183	2,278	2,358	2,538	2,694	2,869	2,979	2,750	2,831	2,949	3,015
Services, etc., value added <sup>1,2</sup>	3,836	4,008	4,181	4,395	4,727	5,091	5,454	5,802	6,220	6,257	6,538	6,727	6,956
Total population <sup>2</sup>	6,235,561	6,365,040	6,495,801	6,628,171	6,762,426	6,898,825	7,037,428	7,178,436	7,322,368	7,469,844	7,621,204	7,776,669	7,935,846
Working age population (15-64) <sup>2</sup>	3,348,297	3,443,957	3,543,130	3,646,287	3,753,945	3,866,385	3,983,693	4,105,498	4,231,017	4,359,157	4,488,987	4,620,270	4,752,743

1: Purchasing power parity dollars of 2005.

2: In millions.

Source: World Development Indicators (the World Bank 2014).

Table 3: Share of employment by occupational group: all employed workers, 15 years old or more, 2005–12

(a) All employed workers

	Management	Professionals	Technicians & associate professionals	Clerical	Service & sales workers	Agricultural, forestry & fishery workers	Craft & related trades workers	Plant & machine operators, and assemblers	Elementary	Armed forces
2005	3.12	3.33	6.42	2.46	18.55	18.10	19.54	4.12	24.29	0.07
2006	4.01	3.35	6.58	2.55	16.59	20.86	17.39	4.42	24.24	0.00
2007	3.76	3.58	6.85	2.45	16.01	20.20	18.24	4.27	24.64	0.00
2008	3.99	3.63	7.41	2.71	16.57	18.29	17.93	4.57	24.90	0.00
2009	3.34	3.13	6.72	2.42	18.30	19.55	17.67	3.97	24.89	0.00
2010	3.50	3.69	5.71	2.75	17.97	20.64	15.84	4.66	25.22	0.01
2011	3.78	3.23	6.53	3.04	19.84	19.69	16.81	3.79	23.22	0.07
2012	3.75	3.12	6.13	2.47	19.31	20.89	16.50	3.82	23.95	0.06

(b) Youth (15 to 24 years old)

	Management	Professionals	Technicians & associate professionals	Clerical	Service & sales workers	Agricultural, forestry & fishery workers	Craft & related trades workers	Plant & machine operators, and assemblers	Elementary	Armed forces
2005	1.27	1.57	5.35	2.95	16.45	9.92	21.02	3.82	37.61	0.03
2006	1.84	1.55	5.86	3.13	14.87	10.81	19.86	3.78	38.31	0.00
2007	1.42	1.61	6.23	3.17	14.60	11.34	19.99	3.24	38.39	0.00
2008	1.55	1.45	7.17	3.53	14.52	8.64	19.82	3.76	39.57	0.00
2009	1.41	1.32	6.05	3.13	16.02	9.83	19.41	2.79	40.04	0.00
2010	1.78	1.94	4.67	3.72	15.25	9.47	16.85	4.12	42.20	0.00
2011	1.36	1.17	5.59	3.70	16.44	10.75	16.70	2.96	41.26	0.06
2012	2.04	1.51	5.18	3.32	16.07	9.82	16.53	2.31	43.12	0.09

## (c) Adults (25 to 64 years old)

	Management	Professionals	Technicians & associate professionals	Clerical	Service & sales workers	Agricultural, forestry & fishery workers	Craft & related trades workers	Plant & machine operators, and assemblers	Elementary	Armed forces
2005	3.99	4.26	7.29	2.46	19.56	19.22	19.36	4.46	19.30	0.10
2006	5.06	4.28	7.27	2.48	17.35	22.62	16.94	4.97	19.02	0.00
2007	4.75	4.54	7.57	2.35	16.56	21.51	18.01	4.90	19.82	0.00
2008	5.14	4.71	7.99	2.56	17.34	19.97	17.73	5.17	19.40	0.00
2009	4.25	4.07	7.51	2.30	19.39	20.75	17.61	4.70	19.42	0.00
2010	4.33	4.65	6.54	2.51	19.17	22.48	15.83	5.28	19.20	0.01
2011	4.86	4.18	7.36	3.01	21.01	20.96	17.39	4.36	16.81	0.07
2012	4.51	3.86	6.94	2.31	20.71	22.64	16.90	4.64	17.44	0.05

## (d) Men

	Management	Professionals	Technicians & associate professionals	Clerical	Service & sales workers	Agricultural, forestry & fishery workers	Craft & related trades workers	Plant & machine operators, and assemblers	Elementary	Armed forces
2005	3.09	2.92	4.57	1.34	11.13	25.03	19.79	5.68	26.36	0.10
2006	3.91	3.00	4.94	1.35	8.19	27.51	18.56	5.45	27.09	0.00
2007	3.75	3.18	5.14	1.20	7.85	27.71	19.44	5.62	26.10	0.00
2008	3.95	3.39	5.42	1.45	8.05	25.09	19.53	6.07	27.05	0.00
2009	3.25	2.86	4.99	1.32	8.46	26.10	19.18	5.53	28.30	0.00
2010	3.41	3.11	4.14	1.63	9.92	27.73	17.07	5.89	27.08	0.01
2011	3.92	2.93	4.55	1.49	11.10	27.50	17.79	4.97	25.66	0.10
2012	3.59	2.69	4.38	1.41	10.88	28.03	17.13	5.22	26.58	0.09

(e) Women

	Management	Professionals	Technicians & associate professionals	Clerical	Service & sales workers	Agricultural, forestry & fishery workers	Craft & related trades workers	Plant & machine operators, and assemblers	Elementary	Armed forces
2005	3.17	4.05	9.74	4.48	31.86	5.67	19.11	1.33	20.57	0.02
2006	4.21	4.00	9.62	4.78	32.20	8.51	15.22	2.50	18.95	0.00
2007	3.76	4.33	10.06	4.82	31.39	6.05	15.98	1.73	21.88	0.00
2008	4.05	4.05	10.92	4.93	31.64	6.27	15.11	1.91	21.11	0.00
2009	3.51	3.61	9.79	4.38	35.83	7.88	15.00	1.19	18.82	0.00
2010	3.64	4.70	8.46	4.72	32.03	8.26	13.70	2.50	21.98	0.00
2011	3.53	3.77	10.19	5.91	36.00	5.29	15.00	1.60	18.71	0.00
2012	4.05	3.92	9.41	4.46	35.08	7.53	15.31	1.21	19.03	0.00

Note: Differences in the classification system used by Honduras from 2001 to 2004 and from 2005 to 2012 prevented us from obtaining a comparable series for the entire period.

Source: Authors' calculations from SEDLAC (CEDLAS and the World Bank 2014).

Table 4: Share of employment by occupational position: all employed workers, 15 years old or more, 2001–12

(a) All employed workers

	Employer	Wage/salaried employee	Self-employed	Unpaid worker
2001	10.38	47.04	33.58	9.00
2002	9.33	47.25	33.22	10.20
2003	9.07	50.12	32.21	8.61
2004	11.90	49.17	29.34	9.58
2005	11.56	47.24	31.29	9.91
2006	11.88	47.68	31.19	9.25
2007	13.74	48.94	29.06	8.25
2008	13.66	49.00	28.52	8.81
2009	12.54	47.02	31.50	8.94
2010	13.21	44.23	32.07	10.48
2011	11.12	46.83	30.71	11.34
2012	11.59	42.91	34.73	10.77

(b) Youth (15 to 24 years old)

	Employer	Wage/salaried employee	Self-employed	Unpaid worker
2001	2.83	59.88	14.90	22.39
2002	2.75	57.65	15.19	24.41
2003	2.38	63.27	13.81	20.54
2004	4.03	59.88	12.31	23.79
2005	3.71	57.71	14.69	23.89
2006	3.24	60.27	12.76	23.74
2007	4.00	63.48	11.08	21.44
2008	3.65	63.26	10.83	22.25
2009	3.57	61.04	13.19	22.21
2010	3.82	56.92	13.03	26.22
2011	2.84	57.23	12.77	27.16
2012	3.30	52.95	16.50	27.24

(c) Adults (25 to 64 years old)

	Employer	Wage/salaried employee	Self-employed	Unpaid worker
2001	13.46	43.19	40.04	3.30
2002	12.07	44.41	39.84	3.68
2003	11.48	46.51	38.39	3.61
2004	14.86	46.56	34.87	3.71
2005	14.03	45.28	36.39	4.30
2006	14.58	44.93	36.82	3.66
2007	16.59	45.76	34.28	3.36
2008	16.67	45.73	34.04	3.55
2009	15.18	44.13	36.81	3.88
2010	16.18	41.68	37.44	4.71
2011	13.25	45.24	36.16	5.34
2012	13.74	41.76	39.69	4.81



(d) Men

	Employer	Wage/salaried employee	Self-employed	Unpaid worker
2001	13.97	45.98	31.07	8.97
2002	11.95	46.04	31.78	10.23
2003	12.06	51.39	28.12	8.43
2004	15.03	48.45	25.90	10.63
2005	15.47	48.61	25.93	9.98
2006	15.65	48.26	26.37	9.72
2007	18.33	49.80	23.94	7.93
2008	18.09	50.02	23.36	8.53
2009	16.56	49.68	25.33	8.43
2010	17.74	45.85	26.35	10.05
2011	14.49	47.38	26.85	11.28
2012	14.68	43.20	30.92	11.20

(e) Women

	Employer	Wage/salaried employee	Self-employed	Unpaid worker
2001	3.92	48.93	38.11	9.05
2002	3.93	49.74	36.18	10.15
2003	3.41	47.70	39.93	8.95
2004	5.63	50.62	36.27	7.48
2005	4.55	44.78	40.90	9.76
2006	4.88	46.60	40.15	8.37
2007	5.10	47.32	38.72	8.87
2008	5.84	47.20	37.65	9.31
2009	5.38	42.29	42.48	9.85
2010	5.28	41.40	42.09	11.24
2011	4.90	45.82	37.83	11.45
2012	5.81	42.38	41.85	9.96

Source: Authors' calculations from SEDLAC (CEDLAS and the World Bank 2014).

Table 5: Share of employment by economic sector: all employed workers, 15 years old or more, 2001–12

(a) All employed workers

	Primary activities	Low-tech Industry	High-tech Industry	Construction	Commerce	Utilities & transportation	Skilled services	Public administration	Education & Health	Domestic workers
2001	31.18	11.34	5.36	5.52	24.19	3.51	2.82	3.49	8.58	3.99
2002	37.68	11.35	4.43	5.50	20.06	3.69	2.84	3.06	7.68	3.70
2003	32.97	12.55	5.25	6.06	21.56	3.94	2.89	2.52	8.84	3.42
2004	34.04	11.71	4.43	6.06	21.18	3.92	2.97	2.94	8.84	3.93
2005	33.40	11.51	5.10	6.07	21.74	3.88	2.86	2.94	9.19	3.30
2006	35.91	11.63	3.58	6.32	20.78	3.73	3.28	3.18	8.22	3.37
2007	34.33	11.32	3.76	6.57	21.89	3.83	3.30	3.09	8.73	3.19
2008	33.03	11.11	3.68	7.06	21.30	3.87	3.76	3.37	9.26	3.56
2009	35.70	9.99	3.38	6.83	22.45	3.70	3.24	2.90	8.84	2.97
2010	36.63	9.89	3.11	5.37	23.08	4.25	3.47	2.23	8.60	3.39
2011	35.48	10.48	3.22	5.41	22.89	3.66	3.25	2.49	9.65	3.47
2012	37.34	10.06	3.55	5.55	22.02	3.85	3.04	2.69	9.19	2.70

(b) Youth (15 to 24 years old)

	Primary activities	Low-tech Industry	High-tech Industry	Construction	Commerce	Utilities & transportation	Skilled services	Public administration	Education & Health	Domestic workers
2001	35.10	12.81	6.35	6.06	21.20	2.59	2.45	2.10	4.60	6.72
2002	43.42	13.01	4.36	5.75	17.34	2.55	1.91	1.51	4.33	5.81
2003	37.53	13.73	5.94	6.90	18.18	3.01	2.31	1.26	5.39	5.72
2004	38.89	13.35	4.39	5.75	18.73	2.67	2.40	1.63	6.05	6.14
2005	37.15	11.08	5.91	7.37	20.51	3.19	2.39	1.20	6.03	5.18
2006	38.79	11.95	4.29	7.89	19.31	3.29	2.57	1.56	5.50	4.86
2007	38.81	10.93	4.69	8.06	19.98	2.97	2.81	1.46	5.65	4.64
2008	37.48	10.42	4.81	9.10	18.74	2.94	3.47	1.64	5.99	5.40
2009	41.11	8.90	4.17	8.56	20.01	2.88	2.60	1.37	6.34	4.05
2010	41.28	9.29	4.34	6.45	21.34	3.43	3.19	0.99	5.14	4.53
2011	42.67	8.94	3.89	6.13	21.19	2.66	2.60	0.94	5.79	5.20
2012	44.54	8.64	3.61	6.24	20.12	2.61	2.90	1.42	6.09	3.83

## (c) Adults (25 to 64 years old)

	Primary activities	Low-tech Industry	High-tech Industry	Construction	Commerce	Utilities & transportation	Skilled services	Public administration	Education & Health	Domestic workers
2001	27.91	10.91	4.97	5.50	25.63	4.14	3.16	4.20	10.63	2.95
2002	33.30	10.91	4.61	5.63	21.47	4.43	3.40	3.91	9.61	2.73
2003	29.56	12.40	5.06	5.91	22.98	4.55	3.23	3.16	10.65	2.49
2004	30.31	11.28	4.59	6.41	22.36	4.64	3.36	3.58	10.47	3.00
2005	29.88	11.98	4.91	5.80	22.64	4.34	3.19	3.83	10.91	2.54
2006	32.72	11.81	3.44	6.02	21.52	4.11	3.73	4.01	9.77	2.88
2007	30.76	11.72	3.54	6.27	22.69	4.35	3.66	3.88	10.38	2.75
2008	29.23	11.74	3.38	6.52	22.40	4.48	4.06	4.24	11.03	2.93
2009	31.26	10.63	3.23	6.54	23.73	4.28	3.67	3.68	10.34	2.63
2010	32.77	10.30	2.66	5.27	24.12	4.87	3.74	2.83	10.40	3.03
2011	30.77	11.31	3.09	5.46	23.67	4.27	3.69	3.25	11.59	2.90
2012	32.56	10.76	3.63	5.61	22.96	4.57	3.22	3.36	10.89	2.45

## (d) Men

	Primary activities	Low-tech Industry	High-tech Industry	Construction	Commerce	Utilities & transportation	Skilled services	Public administration	Education & Health	Domestic workers
2001	45.80	6.29	6.38	8.28	17.05	4.84	2.66	3.00	5.10	0.59
2002	52.31	5.86	5.27	7.96	13.70	4.79	2.81	2.70	4.09	0.52
2003	46.51	6.80	6.75	9.10	15.02	5.33	2.90	2.40	4.73	0.46
2004	47.53	6.91	5.59	8.90	14.86	5.19	2.78	2.69	4.86	0.69
2005	47.11	5.72	6.56	9.29	14.97	5.46	2.81	2.98	4.64	0.47
2006	49.03	7.13	4.42	9.52	14.08	5.08	3.35	2.79	4.09	0.53
2007	47.27	6.98	4.50	9.88	14.90	5.33	3.32	2.96	4.32	0.53
2008	45.99	6.66	4.51	10.77	14.36	5.55	3.85	3.14	4.56	0.62
2009	49.26	5.78	4.16	10.46	14.39	5.08	3.28	2.72	4.32	0.56
2010	50.51	5.81	4.05	8.25	15.10	5.91	3.30	1.94	4.56	0.58
2011	49.53	6.30	4.00	8.17	15.81	4.96	3.19	2.35	5.00	0.69
2012	51.28	5.66	4.30	8.31	14.51	5.23	3.07	2.48	4.77	0.38

(e) Women

	Primary activities	Low-tech Industry	High-tech Industry	Construction	Commerce	Utilities & transportation	Skilled services	Public administration	Education & Health	Domestic workers
2001	4.84	20.45	3.53	0.55	37.05	1.12	3.12	4.38	14.85	10.12
2002	7.57	22.65	2.71	0.44	33.15	1.44	2.92	3.80	15.08	10.24
2003	7.38	23.42	2.43	0.30	33.92	1.32	2.88	2.75	16.62	8.99
2004	6.87	21.37	2.12	0.34	33.89	1.36	3.33	3.45	16.83	10.44
2005	8.82	21.89	2.49	0.29	33.89	1.04	2.96	2.88	17.34	8.38
2006	11.57	19.98	2.02	0.38	33.22	1.22	3.15	3.92	15.89	8.65
2007	10.00	19.47	2.37	0.33	35.03	1.01	3.25	3.32	17.02	8.20
2008	10.21	18.95	2.22	0.52	33.52	0.93	3.61	3.78	17.54	8.74
2009	11.65	17.48	2.00	0.38	36.77	1.25	3.16	3.23	16.85	7.24
2010	12.37	17.02	1.47	0.33	37.02	1.33	3.77	2.73	15.65	8.30
2011	9.48	18.21	1.78	0.31	35.98	1.27	3.36	2.74	18.25	8.61
2012	11.23	18.31	2.13	0.37	36.09	1.27	2.99	3.09	17.47	7.05

Source: Authors' calculations from SEDLAC (CEDLAS and the World Bank 2014).

Table 6: Monthly labour earnings at PPP dollars of 2005, 2001–12

(a) All employed workers, by gender, age group, occupational position, and educational level

	All	Gender		Age		Occupational position			Educational level		
		Men	Women	Youth	Adults	Employer	Wage/salaried employee	Self-employed	Low	Medium	High
2001	430.1	478.6	354.2	262.3	502.0	848.4	435.6	289.2	309.3	607.9	1403.7
2002	393.2	420.8	340.2	254.6	452.8	730.2	415.4	259.4	277.3	595.4	1214.7
2003	394.6	417.4	351.1	245.6	458.5	787.6	387.4	299.3	285.5	608.3	1438.3
2004	404.1	430.2	353.8	260.6	469.3	668.5	420.0	279.5	284.1	595.1	1300.7
2005	372.1	386.3	347.5	249.5	427.3	534.0	423.2	247.3	258.8	536.2	1347.1
2006	391.6	410.4	357.7	263.7	443.0	572.3	441.4	253.7	269.8	562.2	1355.5
2007	431.2	454.5	386.5	275.3	496.4	641.7	455.4	296.8	302.5	605.8	1432.3
2008	457.9	494.5	392.4	291.3	519.0	729.1	470.5	310.3	332.6	583.5	1395.2
2009	421.2	441.6	384.9	277.2	481.5	631.4	459.6	283.2	300.5	578.1	1330.1
2010	416.3	433.0	387.0	277.4	475.5	613.8	472.4	265.6	295.5	525.3	1314.8
2011	448.4	492.2	367.2	265.8	518.6	868.4	450.8	300.6	351.6	511.3	1236.2
2012	395.0	425.6	338.1	292.0	425.5	750.7	436.6	231.6	312.4	440.9	1122.3

(b) By economic sector

	Primary activities	Low-tech Industry	High-tech Industry	Construction	Commerce	Utilities & transportation	Skilled services	Public administration	Education & Health	Domestic workers
2001	263.7	339.7	526.6	449.9	446.5	671.4	766.8	705.5	612.1	125.7
2002	244.4	348.2	469.5	471.1	406.0	655.6	775.1	772.9	551.3	137.6
2003	244.9	319.9	405.7	352.5	516.6	601.4	725.9	709.8	563.9	132.3
2004	305.8	347.1	401.6	393.5	402.4	700.3	719.4	712.1	539.3	183.6
2005	233.3	328.3	359.5	352.7	378.7	674.6	670.6	669.8	582.8	207.0
2006	213.5	354.5	482.2	405.1	419.2	673.5	730.5	723.1	617.3	205.2
2007	240.7	389.7	571.9	451.7	483.2	709.7	795.8	750.9	641.9	214.6
2008	335.6	408.9	525.3	429.8	460.2	630.9	773.2	820.6	636.2	214.4
2009	256.6	374.8	527.4	454.5	450.7	680.0	770.3	727.1	629.2	221.3
2010	270.4	323.2	484.4	429.9	439.5	615.4	824.8	857.4	655.4	214.0
2011	373.6	351.2	428.8	679.3	395.8	634.9	684.6	776.1	627.7	219.3
2012	342.5	318.2	391.8	374.0	357.1	594.3	629.0	779.9	530.0	189.2

(c) By occupational group

	Management	Professionals	Technicians & associate professional	Clerical	Service & sales workers	Agricultural, forestry & fishery workers	Craft & related trades workers	Plant & machine operators, and assemblers	Elementary	Armed forces
2005	1130.3	1097.6	694.1	488.0	357.8	264.9	290.5	430.5	181.9	513.6
2006	1073.2	1120.2	661.9	487.6	386.8	224.0	331.4	483.4	218.1	
2007	1171.4	1225.8	715.0	561.2	439.6	258.7	379.0	547.7	235.8	
2008	1322.3	1229.8	690.5	520.2	410.7	401.1	359.2	485.0	232.6	
2009	1105.8	1210.1	706.5	599.3	402.9	285.0	370.4	527.6	236.1	
2010	1061.8	1127.3	783.4	578.7	403.2	303.7	344.3	470.3	212.7	899.9
2011	906.5	1220.0	687.8	596.1	354.7	469.7	411.4	465.0	212.8	838.6
2012	919.2	1012.9	652.8	544.9	314.3	391.7	298.2	422.2	231.6	927.8

Note: Differences in the classification system used by Honduras from 2001 to 2004 and from 2005 to 2012 prevented us from obtaining a comparable series for the entire period.

Source: Authors' calculations from SEDLAC (CEDLAS and the World Bank 2014).

Table 7: Hourly wage in main occupation at PPP dollars of 2005, 2001–12

(a) All employed workers, by gender, by age group, by occupational position, and by educational level

	Gender		Age		Occupational position			Educational level			
	All	Men	Women	Youth	Adults	Employer	Wage/salaried employee	Self-employed	Low	Medium	High
2001	2.92	2.98	2.83	1.73	3.37	5.74	2.70	2.42	2.15	4.16	8.47
2002	2.60	2.57	2.65	1.65	2.96	4.69	2.40	2.31	1.97	3.76	6.96
2003	2.76	2.76	2.76	1.66	3.13	5.69	2.29	2.66	2.12	4.04	8.49
2004	2.50	2.51	2.48	1.66	2.86	4.06	2.43	2.02	1.79	3.57	7.82
2005	2.67	2.46	3.02	1.77	2.97	4.26	2.50	2.41	2.01	3.49	8.40
2006	2.44	2.36	2.59	1.65	2.70	3.54	2.52	1.91	1.74	3.43	7.81
2007	2.74	2.74	2.72	1.74	3.08	4.35	2.64	2.15	1.94	3.82	8.72
2008	3.07	3.19	2.86	1.87	3.44	5.17	2.85	2.46	2.31	3.78	8.78
2009	3.06	2.95	3.24	1.87	3.42	5.37	2.78	2.57	2.31	3.82	9.32
2010	3.02	2.94	3.16	1.84	3.44	5.67	2.81	2.24	2.29	3.53	8.91
2011	3.77	4.00	3.35	1.84	4.27	12.39	2.74	2.24	3.35	3.77	8.05
2012	2.73	2.59	2.98	1.99	2.82	5.44	2.61	1.99	2.23	3.07	6.87

(b) By economic sector

	Primary activities	Low-tech Industry	High-tech Industry	Construction	Commerce	Utilities & transportation	Skilled services	Public administration	Education & Health	Domestic workers
2001	2.1	2.2	3.2	2.5	3.1	4.0	4.6	4.3	4.5	0.8
2002	1.9	2.3	2.7	2.9	2.8	3.8	4.6	4.4	3.9	0.9
2003	2.1	2.1	2.5	2.0	3.5	4.0	4.2	4.0	4.2	1.0
2004	1.9	2.2	2.4	2.2	2.4	3.6	4.1	4.3	4.1	1.1
2005	2.1	2.4	2.1	2.4	2.4	4.6	4.2	3.9	4.4	1.4
2006	1.4	2.2	2.7	2.3	2.5	3.8	4.2	4.2	4.5	1.2
2007	1.7	2.4	3.2	2.6	2.9	4.0	4.9	4.4	4.7	1.2
2008	2.6	2.6	3.0	2.5	2.8	4.8	4.7	4.7	5.0	1.2
2009	2.3	2.5	3.2	2.8	3.2	4.8	5.4	4.3	4.8	1.3
2010	2.4	2.4	3.0	3.7	2.9	3.7	5.1	4.6	4.8	1.3
2011	5.3	2.3	2.8	2.4	2.6	4.4	3.8	4.4	4.9	1.4
2012	2.5	2.3	2.4	2.2	2.4	4.2	3.8	3.9	4.1	1.1

(c) By occupational group

	Management	Professionals	Technicians & associate professional	Clerical	Service & sales workers	Agricultural, forestry & fishery workers	Craft & related trades workers	Plant & machine operators, and assemblers	Elementary	Armed forces
2005	6.3	7.5	4.5	3.5	2.3	2.7	2.2	2.4	1.3	1.8
2006	5.9	7.0	4.5	2.8	2.4	1.6	2.0	2.6	1.4	
2007	6.8	7.9	4.8	3.1	2.8	1.9	2.3	2.8	1.5	
2008	7.7	8.0	5.3	3.1	2.5	3.2	2.3	2.8	1.5	
2009	7.8	8.0	5.0	3.6	3.1	2.8	2.5	3.0	1.6	
2010	6.2	8.0	5.6	3.4	2.8	2.9	2.4	2.7	1.6	2.0
2011	5.6	7.6	5.0	3.4	2.4	7.3	2.2	2.7	1.5	6.6
2012	5.2	6.8	4.4	3.2	2.2	3.0	2.2	2.5	1.6	4.9

Note: Differences in the classification system used by Honduras from 2001 to 2004 and from 2005 to 2012 prevented us from obtaining a comparable series for the entire period.

Source: Authors' calculations from SEDLAC (CEDLAS and the World Bank 2014).



Table 8: Share of persons in the labour force by educational levels: population 15 years old or more, 2000–12

	Low	Medium	High
2001	77.21	17.69	5.10
2002	78.87	15.31	5.82
2003	78.35	16.89	4.75
2004	75.81	18.84	5.35
2005	75.23	19.56	5.21
2006	74.67	19.72	5.61
2007	73.92	20.12	5.96
2008	71.68	21.81	6.50
2009	72.39	21.97	5.64
2010	69.87	23.66	6.47
2011	68.02	25.21	6.76
2012	69.23	24.52	6.25

Source: Authors' calculations from SEDLAC (CEDLAS and the World Bank 2014).

Table 9: Unemployment rate by educational levels: population 15 years old or more, 2000–12

	Low	Medium	High
2001	4.12	6.73	4.47
2002	3.47	7.07	7.37
2003	4.42	10.06	6.83
2004	5.10	9.64	5.59
2005	3.75	9.43	4.81
2006	2.53	7.08	5.20
2007	2.41	5.64	3.93
2008	2.38	5.63	2.79
2009	2.18	6.74	4.08
2010	2.60	7.92	6.50
2011	2.60	8.86	6.26
2012	2.39	7.35	4.38

Source: Authors' calculations from SEDLAC (CEDLAS and the World Bank 2014).