



ANITA F. ALLEN ASSOCIATES, INC.

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HONDURAS

SOCIAL COSTS OF A FAILURE TO ADJUST

International Science and Technology Institute, Inc.

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**HONDURAS**  
**SOCIAL COSTS OF A FAILURE TO ADJUST**

**PREPARED FOR**  
**AGENCY FOR INTERNATIONAL DEVELOPMENT**  
**LAC/DP**

**(CONTRACT No.: LAC-0000-C-00-7050-00)**

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**OCTOBER 1988**

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## EXECUTIVE SUMMARY

Since the creation of the Central American Common Market, Honduras has remained the weakest trading partner in the association. In contrast to its neighbors, it has not been able to develop a significant manufacturing sector. Its exports remain overwhelmingly dependent on the vagaries of international demand for agricultural commodities.

Increasingly, economic growth in Honduras has been the result of expansionary fiscal policy and stimulation of internal demand. The maintenance of a fixed exchange rate has further weakened the performance of exports and created incentives for imports. To remedy the deterioration of the trade balance, tight foreign exchange regulations and extensive imports controls have been implemented since 1982.

As a result of these ad-hoc policies, relative prices are extremely distorted against domestically-produced goods and agricultural products in particular. The consequence of the inefficient resource allocation due to price distortions is a weak economic performance, further debilitated by the increasing financial inability of the central government to stimulate internal demand.

In other circumstances, the Honduran authorities would have had to seek assistance from multilateral agencies and undertake an adjustment program. However, the increasing amounts of bilateral assistance since the late 1970's have allowed the government of Honduras to avoid the path toward adjustment.

Although apparently designed to protect the income of the population, the policies have had a detrimental impact on most social groups. All indications point to a substantial deterioration of the rural-urban terms of trade and a drop in agricultural incomes, particularly for small basic-grain producers. In urban areas, the shrinking modern sector has expelled workers, and unemployment has risen to what appears to be a long-run level of 12 to 13%. Opportunities for self-employment in the urban informal sector are drying up, as falling incomes in the modern private and public sectors do not allow a further expansion of demand for informal goods and services.

Despite substantial improvements in the 1970's, social welfare indicators in Honduras still exhibit the poorest record in Central America. The greatest progress has been achieved in the area of infant mortality, where intervention through education and the expansion of a system of clinics succeeded in cutting morbidity rates by almost half. It appears that the difficult financial times of the early 1980's had an impact on the rate of improvement of several indicators: progress on several fronts was at least temporarily halted. Another indication of the impact of the crisis can be seen in the shift in nutritional intake from high- to low-nutrient density foods for a part of the population, an adaptation to reduced purchasing power. The nutritional problem in Honduras is not so much a question of insufficient intake as it is a question of the quality of diet. The nutritional shift which occurred during this decade, if not reversed, could further worsen the problem.

Over the last two decades, the Honduran government has also sought to address the problem of a very high illiteracy rate by investing in school infrastructure and expanding access to the educational system. The policy was successful, at least in terms of enrollment, but questions may be raised as to the actual quality of education.

## 1. CHARACTERISTICS OF THE HONDURAN ECONOMY

### A. Economic Background

**1.01** Honduras is one of the poorest countries in the Western Hemisphere and shares this uncomfortable position with Haiti and Bolivia. The World Bank estimates the country's per capita income as US\$730 in 1985; in 1987, this mission estimates this figure to be US\$ 729 (Table 1.1). Per capita income grew on average at 4.9 percent per year from 1975 to 1979; during the eighties, it has decreased at a rate of 1.7 percent per year (See Table 1.1). As indicators of social welfare suggest, income distribution is highly concentrated; in 1978/79, the share of the poorest 20 percent of households in total income was 3.1 percent and their average annual income was US\$ 700, while the share of the wealthiest 20 percent was 56.6 percent with an average annual income of US\$ 12,670.

**1.02** During the 1970's, the Honduran government followed an expansionary fiscal policy which supported a rapid growth rate: GDP at factor cost grew at an annual rate of 4.8%. In the second half of the decade, the international commodity boom combined with high international liquidity allowed for an intensification of this expansionary policy, and economic growth accelerated to an average of 8% per year.

Toward the end of the 1970's, the end of the commodity boom and later the onset of the debt crisis led to a sharp deceleration of output growth to a 1.5% annual average since 1980. The reduced availability of foreign exchange from international lenders and capital flight pressed the authorities to intensify trade restrictions to avoid an unrestrained deterioration of the external accounts. A less expansive fiscal policy and lack of imported intermediate outputs combined to explain the output stagnation.

**1.03** The sectoral composition of output reveals the country's backwardness. Agriculture still constitutes the major productive sector and produces more than seventy percent of exports. From 1970 to 1979, agriculture's average share in GDP was 31.4 percent, and it employed, on average, 60 percent of the occupied labor force.

From 1980 to 1987 both shares decreased: the sector's contribution to GDP was 22.9 percent, and its employment share was 53.6 percent. The lowering of the sector's share in GDP comes as a result of a lower-than-average rate of growth during the seventies, 2.95 percent, and a barely above average one in the eighties, 1.66 percent.

**1.04** The industrial sector is small and not very diversified; in 1987 the sector's value added was US\$433 million in 1985 dollars. Food processing, timber and furniture industries produce 48 percent of the sector's output.

The structure of the sector is also extremely skewed toward small firms. According to a World Bank report: "The number of 'large' manufacturing enterprises (firms with 100 or more employees) is below 90 and they are heavily concentrated in Tegucigalpa and San Pedro Sula. Some 1,100 enterprises employ more than 5 but fewer than 100 employees, and 37,000 employ fewer than 5 individuals." (World Bank 1987, p.22).

From 1970 to 1979, the contribution to GDP of manufacturing was 14.9 percent, and it employed an average of 11.1 percent of the occupied labor force. In those years, the sector expanded faster than the rest of the economy at 5.72 percent per year. This high growth rate was possible for two reasons: 1) the low base from where the country started: in 1970 industrial value added was only US\$245 million of 1985, and 2) the trade restrictions implemented to foster import-substituting activities. At this low level of development, there exists room for growth via import-substitution; in 1979, industrial output reached US\$ 400 million. However, the external crisis of the early eighties made it quite difficult and costly to acquire imported intermediate inputs, hampering any further expansion. The sector's growth during the 1980's was only 1.27 percent per year. Its share in output has declined from a peak of 15.4 percent in 1979 to 14.4 percent in 1987.

- 1.05 From 1970 to 1979, the non-traded goods sector - - construction, public utilities, transport, commerce, financial services, imputed rent on housing, public administration and defense - - grew at an annual average rate of 5.8%. Its contribution to GDP was 51.5 percent, and it employed 28.6 percent of the occupied labor force. In the 1980's, its output growth fell to 1.7 percent.

The public sector has grown substantially faster than the average during 1970-1987. Public expenditure growth averaged 8.6 percent annually in the 1970's before slowing down to 2.4 percent in the 1980's. As a consequence, its share of GDP grew from 16.2% in 1970-72 to 20.9% in 1977-79 and 23.4% in 1985-87. Its share of total employment grew from 6.5% in 1980 to 8.0 percent in 1986.

- 1.06 The crucial role played by the external sector is revealed by the fact that, in the 1970's, the average share of exports plus imports in GDP, a measure of the degree of openness, has been calculated at 69 percent on average, even reaching 74% in 1980. In the eighties, this ratio has been consistently lower and declined to 46% in 1987 as a result of export stagnation and import restrictions.

Bananas and coffee make up 50 percent of exports, but while output prospects for bananas are optimistic, the prospects for coffee are not as good over the medium run. With the exception of shrimp and sugar exports, the value of all other traditional exports remained stagnant from 1975 to 1987.

Non-traditional exports have been growing steadily -- except in 1982, when a fall in demand from CACM countries led to a temporary drop in value of these exports --and represent 29% of total exports. This performance could have been more dynamic but the increasing overvaluation of the lempira against the dollar and biases in the tariff structure worked against further development of these exports.

- 1.07 During the 1970's, an import substitution strategy encouraged the development of relatively inefficient industries heavily dependent on imported inputs. At the same time, the period of prosperity resulting from the expansionary fiscal policy led to an increase in imports of consumer goods.

Since 1975, as a result of the combination of an increasingly overvalued lempira and a worsening of the terms of trade, the trade account exhibits a persistent deficit equivalent on average to 5.9% of GDP. Adding Net Factor Payments, the deficit reaches 11.2% of GDP. The

trade account deficit peaked in 1980, narrowed in 1982 and 1983 as a result of the implementation of trade restrictions, but began to widen again in 1984 as the real effective exchange rate for imports started to fall.

Exchange regulations and imports controls were implemented in 1982 to attempt to stem the deterioration of the external balance. Although initially effective, these controls have been weakened by the lack of centralized foreign exchange assignment as well as the system of authorization for "self-financed imports". The volume and composition of imports do not reflect the initial objectives of the policy; the trade deficit in 1987 was equivalent to 4.5% of GDP and, while necessary inputs for industry were lacking, imports of some consumers goods not on the priority lists went unabated.

1.08 Honduras has not experienced inflationary bouts due to the maintenance of a fixed exchange rate regime since the 1910's and up, to recently, strong fiscal discipline. In the last few years, the expansionary fiscal policy added to comprehensive price control mechanisms created major distortions in relative prices. Since 1978/79, prices of non-traded goods have been rising faster than those of traded goods. As a consequence, the real exchange rate is significantly overvalued. In 1988 the lempira was traded at a discount of more than 30 percent in the free or parallel market.

1.09 The successful maintenance of a fixed exchange rate requires an orthodox policy mix -- fiscal balance and money supply controlled by external imbalances -- i.e., a version of the gold standard.

This has obviously not been the case in Honduras in recent years. The expansionary fiscal policy followed by Honduran authorities has resulted in the share of central government expenditures in GDP rising from 19.3% in 1975 to 31.2% in 1986, an annual rate of growth of 8.2%. Meanwhile, taxes represent only 14.7% of GDP, and during the 1980's the average fiscal deficit was equal to 10.3% of GDP.

1.10 Part of the widening fiscal gap has been filled by foreign official transfers. The Honduran government is the official recipient of almost all foreign assistance and tends to consider those funds as current revenues. In fact, revenues from sales of donated wheat under PL 480 are allocated to the Secretaría de Recursos Naturales.

These transfers have also provided needed foreign currency and have helped maintain a persistently overvalued exchange rate. These transfers represent an increasing proportion of GDP and rose from 1% in 1979 to 4.5% in 1986.

Ninety percent of the capital flows to Honduras are of an official nature, and most of the external debt is contracted with foreign governments at concessionary rates. However, the size of the external imbalance is such that the country has had to reschedule its external debt, and payments are in arrears.

These increasing amounts of bilateral assistance since the late 1970's have given Honduran authorities the leeway to avoid the macroeconomic adjustment necessary for the resumption of self-sustained growth.

- 1.11 The current policy has had a significant impact on the levels of incomes. Unemployment has risen to a very high rate for a country as poor as Honduras. It is unlikely that it could keep on growing, since the poor cannot afford to be unemployed. But the high rate of demographic growth yearly generates new entrants into the labor force who will not be able to find gainful employment. Even in the absence of increasing inflation, it is likely that the downward pressure on the real wage will intensify.
- 1.12 One of the major weaknesses of Honduras appears to be the poor technical ability of public institutions in macroeconomic management and policy implementation. There are countless examples of policy contradictions, of which a few are described here.

Since 1972, there has been a renewed emphasis on the agrarian reform program conducted by INA (National Agrarian Institute). As a part of this program, 50,000 families were moved to the Aguan valley. Once these families settled there, however, the government was unable to provide technical and credit assistance on a regular basis nor did the authorities grant regular property titles. Peasants were given a document which, though granting the use of the land, did not give full ownership. Access to mortgage credit is therefore severely limited. The main consequence has been the return of almost half of the settlers to their original communities.

Another example is IHMA (Honduras Institute for Agricultural Marketing), whose aim was to stabilize prices of basic grains -- corn, beans, rice and sorghum -- for the small peasants. But the agency was improperly funded and has not been able to buy more than 10 percent of the harvest, with the result that its support price is not relevant. Besides, small farmers are not the main customers of IHMA.

COHDEFOR (Honduran Corporation for Forestry Development) is in charge of establishing modes and intensity of forest exploitation, as well as marketing of forest products. This agency has been unable to control deforestation because the permits it issues are only annual. It, thereby, creates the incentive to cut down as many trees as possible due to the uncertainty of getting a new license. The agency has also been involved in various commercial and industrial activities with disastrous results. (World Bank 1987, p. 20)

The World Bank reports that CONADI (National Corporation for Industrial Development) and FINAVI (National Housing Bank) went bankrupt in the early 1980's as a consequence of unprofitable investments and alleged irregularities (World Bank 1987, P. 1).

Tax laws are extremely complex and full of loopholes, thus allowing for substantial tax evasion. Trade restrictions are also cumbersome. There are all sorts of duties, surcharges, licenses and quotas which go side by side with exemptions of different sorts. Until 1987, most of the import duties were specific: thus, as the price of the imported goods rose, tax collection in real terms eroded. A new tariff law will be implemented next year, correcting some of these problems by establishing ad-valorem duties.

## B. Population Trends: A Delayed Demographic Transition

- 1.13 Until recently, it was commonly accepted that the Honduran population in 1988 had reached 4.8 million. This figure was derived from a set of official projections made in 1978 by the Population Unit of CONSUPLANE on the basis of the 1974 Population Census, adjusted for omissions and errors. However, preliminary results of the 1988 Census (at the time of the mission not yet officially released) suggest that the number of inhabitants is significantly lower than expected; an initial count from the Census forms indicates a population of 4.2 million, i.e., one-eighth below the one previously forecast.
- 1.14 It appears very likely that the 1988 census suffers a certain degree of undercounting.<sup>1</sup> As a matter of fact, before any technical check-up could be undertaken (and even before the results were known), the Bureau of Census admitted the probability of a "floor" for omissions of 4%. Once corrected for this estimate of undercounting, the total population reaches 4.4 million, a figure still almost one-tenth below the projections.
- However, the omissions may have been over this 4%, especially in the rural areas where the majority of populations is settled. According to government officials involved in the Census operations, an omission rate of 6-8% could be reasonably expected. Therefore, if this omission rate was confirmed, the actual size of the Honduran population would be around 4.5 million, or approximately 5% lower than previously forecast.<sup>2</sup>
- 1.15 Despite the uncertainty about the absolute level of total population, one thing is indubitable; Honduras ranks among the countries with the highest population growth in the world. Even under the most moderate assumptions, the long-run (inter-census) population growth rate was not less than 3% per year; it is more likely that it was close to 3.5%, a rate at which total population doubles every two decades.
- 1.16 As in other Central American countries, such a rapid population growth is the result of an extremely high fertility rate declining at a slow pace combined with a more rapidly decreasing death rate.

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<sup>1</sup> One major reason for the omissions is that, unlike in many other countries, the Honduran Census is of a de jure nature, meaning that persons must be interviewed at their permanent legal addresses. Since the Census was conducted during the working days of a week, many houses were closed when the interviewers arrived because at that time the dwellers were at their jobs. Although the interviewers were instructed to come back until they were able to find the dwellers, in many cases they did not, just stating incorrectly that the house was empty.

<sup>2</sup> It should also be pointed out that, according to some of these officials, the adjusted population for 1974, that provided the basis for the projections, was somewhat overestimated. The omission (and, therefore, the adjustment) rate as calculated by CELADE was as high as 12%.

Still, in 1983-84, the global fertility rate (i.e., the number of children procreated by a female through her fertile age<sup>3</sup>) was over 6, a level one-half above the Latin American average and - it should be emphasized -- only 1.5 points (i.e. children) below the rate prevailing a quarter of a century before.

On the other hand, mortality decreased significantly, resulting in a 15-year increase of the life expectancy at birth over the last two and a half decades<sup>4</sup>. Notwithstanding this improvement, it should be noted that by the mid-eighties the level of mortality (to a large extent explained by infant mortality) continued to be one of the highest in the region: approximately 18.50/00.

- 1.17 This late demographic transition is consistent with -- and, in a sense, is the consequence of - the spatial distribution of the population. Unlike most Latin American countries, but like neighboring countries in Central America, the majority of population is still settled in rural areas. In 1983 (when the National Demographic Survey -- EDEN II -- was conducted) about 60% of Hondurans were living in the countryside, while a large proportion of the remainder were concentrated in a few cities.<sup>5</sup>
- 1.18 This distribution obviously influences the level as well as the dynamics of main demographic variables. Analysis of fertility trends by areas over the period (1969-1980) shows that, while the global fertility rate declined from 5.7 to 3.8 children per woman in the principal urban centers of Tegucigalpa and San Pedro Sula, the decrease was from 7.4 to 5.3 in the rest of urban areas. In rural areas, however, the fertility rate remained at an extraordinary high level of 8.0 to 8.5 children per woman. Therefore, the transition to a lower fertility rate relies upon urbanization which, as seen, is still very limited.
- 1.19 Estimates based on EDEN II (1983) confirm that geographic mobility is relatively low. Only one-fourth of the population aged five years and over had ever moved (relocated from their native Department), and of those, one-fifth -- a scarce 4.2% of the total -- had immigrated over the five-year period prior to the survey. This means that by the first half of the 1980's less than 1% of Hondurans were annually changing their department of residence.
- 1.20 Although through the same lapse of time, 54% of recent migrants<sup>6</sup> proceeded from rural areas and nearly three-fifths (58%) moved to urban centers, net rural-urban migration accounted for

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<sup>3</sup> Strictly speaking, the global fertility rate is the number of children that would be procreated by a female belonging to a hypothetical cohort of women who through their fertile age will give birth according to the observed age-specific fertility rates, without being exposed to any death risks until the end of their fertile age.

<sup>4</sup> In 1983-84, life expectancy at birth as estimated by CELADE on the basis of National Demographic Survey (EDENI) was 61.5 years. In 1960-61, it was only 46 years.

<sup>5</sup> Three cities (Tegucigalpa, San Pedro Sula and La Lima) accounted for one-half of urban population.

<sup>6</sup> Defined as those who have moved on a permanent basis to another Department over the five years prior to the survey, i.e. through 1978-1983.

only 12% of the total.<sup>7</sup> Over the period, rural population diminished its share by just one percent point, while urban population barely increased its size by one and a half points. This slow urbanization of the population is explained by two complementary observations. First, migrants tend to move to spots not too different from their places of origin, as suggested by the fact that almost six out of ten of them move within the same area (i.e. either rural-rural or urban-urban). Secondly, migration towards the main cities is a multiple-step process, as hinted at by the intense urban-urban flow that accounts for more than one-half of migration moving to urban centers.

One additional factor may also be relevant: under the circumstances -- at least those prevailing over this period -- there is not much room for a massive migration flow towards urban centers. In particular, the long-run rise in open unemployment suggests that the informal sector is no longer absorbing a growing labor surplus.<sup>8</sup>

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Migration flows were as follows:

<u>Total Migration</u>	<u>100.0</u>
Urban-Urban	33.5
Urban-Rural	14.9
Rural-Urban	27.0
Rural-Rural	24.6

The ultimate reason for this trend is, of course, the stagnation -- and before that the small size -- of the modern sector. See Chapter 2.

## 2. A SEGMENTED URBAN LABOR MARKET

2.01 In general, given a situation of increasing rural poverty, a slow pace in rural-urban migrations clearly suggests a deterioration of urban labor markets. In Honduras, the relatively moderate urban migration flows<sup>9</sup> despite a severe long term fall in real rural incomes appears to confirm this hypothesis. The incentive to move to the principal cities was reduced by the worsening of the labor situation in these urban centers.

2.02 Urban open unemployment doubled between 1974 and 1982, rising in Tegucigalpa from approximately 7.4% to 15.2% of the active labor force.<sup>10</sup> Although the unemployment rate subsequently decreased, it remained around 12-13% -- a level extraordinarily high for a low-income country.<sup>11</sup>

This steep rise in the unemployment rate was not caused by increased inflow of rural-urban migrants, which remained stable. Rather, this underutilization of labor may explain why this migration did not accelerate despite increased poverty in rural areas.

2.03 In 1974, new entrants represented 2.1% of the labor force. In 1982 that ratio had almost doubled, climbing up to 3.9%. In 1987, though somewhat smaller, it still was at the significant level of 3.3%.

Among the unemployed, between one-fourth and one-third -- according to the surveys conducted over the period 1974-1987 -- are new entrants to the labor force. A reflection of the difficulty of the job-search for inexperienced newcomers to the labor market, the level of unemployment among new entrants as well as its stability is also an indication of the job deficit with regard the net inflows to the labor market.<sup>12</sup>

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<sup>9</sup> At least until 1983 when the EDEN II Survey was conducted.

<sup>10</sup> The figure for 1974 is an estimate based on a household survey that, unlike the later ones, was restricted to lower- and middle-class sectors. According to that survey the unemployment rate was 8.1%. Assuming that this figure was representative of the lower 85% of total population and that the unemployment rate for the (not included) upper 15% was 3.5, the weighted average would come to 7.4%.

<sup>11</sup> Paradoxically, the lower the average income is the lower the long-run (e.g., structural) unemployment rate tends to be. This is because in the absence of welfare compensatory programs, poor families (and particularly their heads of households) cannot afford open unemployment. For this reason, the employment problem is mainly one of income job stability and working conditions.

<sup>12</sup> This is only a fraction of the overall job deficit and should be understood within this context.

Since the migration rate relies upon the income differentials adjusted by the probability of finding a position, this sole fact explains why, in spite of widespread rural poverty, rural-urban migrations are relatively moderate.

- 2.04** Inexperienced job-seekers account for a minor part of the unemployed. A proportion close to three-quarters of the unemployed are experienced workers who have lost their jobs. More significant, however, is the fact that, among them, two out of three (or about 6% of the labor force) used to work in firms employing five persons and over.<sup>13</sup>

Although this may partially express a turnover problem, the rate is so high that it strongly suggests the formal sector is at least stagnating and, more likely, shrinking. Under these conditions, the probability of getting a position in that sector is obviously very low, and, for the inexperienced, virtually nil.

All things considered, a cost-benefit analysis would probably conclude that, for the bulk of the rural poor (who also lack skills and often cannot read and write), it is not worthwhile leaving their areas of origin and migrating to the principal urban centers.<sup>14</sup> This is not a consequence of supposedly fair conditions in rural areas (on the contrary, they would justify a massive outflow), but a result of the weakness of urban labor markets.

- 2.05** This weakness derives from the extremely limited absorptive capacity of modern activities, and particularly, of the traded goods sector. Although a series is not available, special tabulations of the 1986 household survey prepared for the mission by the DGEC clearly suggest this fact. Urban traded modern sectors<sup>15</sup> (mainly industry) only represent 11.5% of urban employment, equivalent to a very small 3.9% of the national labor force. This means that as few as 50 thousand persons hold jobs in these sectors (out of 430 thousand employed in urban activities and 1.3 million belonging to the active population at the national level). In Tegucigalpa (Central District) the proportion is even smaller: 8.9% or 17 thousand out of an employed population of 198 thousand. Although in San Pedro Sula -- the industrial center of the country -- it is above the urban average, it is still very small: 16.2% or 19.5 thousand persons out of a total employment of 120 thousand.

- 2.06** The total employment in urban firms of five workers and more in construction, commerce, restaurants, hotels, transportation, communications, finance, business services and social and personal services amounts to only 88 thousand (44 thousand in Tegucigalpa, 31 thousand in San Pedro Sula and 13 thousand in other minor urban centers), or 20.5% of total urban employment and only 6.7% (i.e. 1 out of 15) of the total labor force.

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<sup>13</sup> This information is available for 1985 and 1987 only.

<sup>14</sup> It is not worthwhile in the sense that it is not economically profitable.

<sup>15</sup> Employment in the modern sector is defined by the number of persons holding a job in firms employing five and over. It also includes self-employed with higher education. Since the source for the estimates is a household and not an establishment survey, the categories (and therefore the estimates) should be considered as a proxy.

- 2.07 Such low employment in private modern firms obviously generates a small demand for goods and services. Total monthly labor income (as stated by the 1986 Household Survey) of those workers in urban traded sectors amount to L24.4 million -- or \$12.2 million at the official rate of 2:1. For Tegucigalpa (Central District) the amount is slightly over L.10 million. Total wages paid to workers in urban non-traded sector firms were 54.7 million per month in 1986, half of which was in Tegucigalpa.

In other words, the total wages paid by the urban modern sector amounted to L79.1 million. Conceding that, as is usual in household surveys, this amount is understated, and assuming a correction factor of one-third (which would probably be a maximum), actual total wages would not amount to more than L.105 million on a national basis and L.53.5 million in Tegucigalpa.

- 2.08 Since labor income from private formal activities and especially from the modern traded goods sector is quite small, the potential demand it supports is also substantially reduced.

No statistical series exists to support the hypothesis, but indirect evidence suggests that formal activities have been shrinking. As already stated, two out of three unemployed workers were previously employed in establishments of five or more workers. They represent almost 22% of present employment in the private modern sector, a rate too high to be explained by normal turnover rate.

Since unemployment has been growing despite the fast growth in public hiring, the growth in the number of unemployed workers formally in the modern sector suggests a shrinkage of that sector.

- 2.09 On the contrary, employment in the public sector has been steadily growing throughout the present decade. According to a series provided by the Central Bank, between 1980 and 1986, the number of public workers (including those of the public enterprises) grew by 38.5%, from 66.0 thousand to 91.4 thousand. The bulk of this increase (87.3% of total growth) originated in Central Government; the number of public servants went up from 40.2 thousand in 1980 to 62.4 thousand in 1986 with the average annual growth rate as high as 7.6%.

It is also worthwhile noting that employment in public enterprises actually decreased over the same period, thus confirming the bureaucratic character of the public sector's expansion. In 1986, according to the household survey, public employment represented 19.3% of urban employment and 37.8% of modern (private and public) jobs.

- 2.10 The public payroll increased by 25% in real terms from 1980 to 1986, but the average real wage in the public sector decreased over the period by 7.6 percent.

There are, however, significant differences in wage patterns among the components of the public sector. In non-financial public enterprises which decreased their level of employment, real wages increased 25% over the period, or an average of 3.8% annually. In central government, however, real wages decreased by as much as 17 percent, or 2.7 percent per year.

These divergent trends in public-sector wages may reflect changes in the composition of skilled workers. But it also appears that a trade-off between employment and wages occurred in the public sector.

- 2.11 The preceding discussion leads to the conclusion that at least since 1980 (and probably earlier), the expansion of bureaucratic State activities became the main source of modern job generation in urban areas. Public employment (i.e. income earned by civil servants) probably supported part of the employment level in private non-traded sectors, but it hardly had a positive effect on the absorptive capacity of productive traded sectors. On the contrary, it may be postulated that the economic policy that made the increase of public employment possible affected the growth of (and therefore, the job creation in) traded activities. Even in non-traded sectors, it is doubtful that it had a meaningful positive effect.
- The fact that a large number of unemployed workers were previously employed in firms of five or more workers suggests that the overall macroeconomic policy was detrimental to the expansion of (and job creation in) the private formal sector.
- 2.12 It should be emphasized that, to a large extent, modern job opportunities have been restricted to the relatively educated few. In a labor market where two out of three persons have less than seven years of education, the only sector expanding its absorptive capacity is the one where two out of three workers have at least four years of secondary education (and one-fourth have attended the university). Obviously, this pattern reinforces an already skewed income distribution (as well as a segmented social structure). Despite the fall of real wages in public administration and notwithstanding that for each educational level differences with private salaries were not significant, in 1986, on average, public employees earned 28.5% more than those working in private modern firms. When compared with total urban employed population, the disparity climbs to 58%.
- 2.13 Given the limited job opportunities offered by the modern sector, the only other sources for employment generation are the informal sector and domestic services. According to the special tabulations of the 1986 Household Survey, these sectors represent 39.7% and 9.3% respectively of urban employment. In Tegucigalpa, the proportions are 34.0% and 9.5%. While extremely important (almost 1 out of 2 jobs belong to these sectors), these sectors appear to have reached their limits of expansion. In fact, a comparison with an estimate made by PREALC for 1982 shows that throughout the first half of the 1980's (when the economic crisis might have stimulated its shelter role), the informal sector in the Central District apparently did not increase its relative size; on the contrary, PREALC's survey indicated that in 1982 the informal sector represented 37% of the capital's employment, i.e., three percentage points above the 1987 figure.
- 2.14 This trend is consistent with the evolution of the modern sectors. Since, to a large extent, the demand for goods and services produced by the informal sector comes from production workers, clerks, and lower supervisors in the modern sector, a stagnation of the latter -- not sufficiently offset by an increase of an upper-middle-class-oriented government payroll -- necessarily puts a limit to the self-creation of jobs. The limitation of opportunities for expansion of informal activities implies that any further growth of the labor force tends to augment open unemployment. This, and an apparent slowdown of rural-urban migration, is what has been happening in Honduras.

### 3. RELATIVE PRICES AND RURAL INCOMES

**3.01** The Honduran economy possesses one odd characteristic among underdeveloped nations: it has maintained a fixed exchange rate in relation to the dollar (2 lempiras to the U.S. dollar) since the 1910's. Until the 1950's, this rate was maintained through the extremely orthodox macroeconomic policy mix of balanced fiscal budgets and small increases in money supply. During the 1960's, the country joined the Central American Common Market and began to pursue more expansionary macroeconomic policies. As a consequence, the lempira started to be overvalued, and as early as 1968 Honduran industrialists lobbied to abandon the CACM. Since 1970, the country has experienced a permanent trade and current account deficit, an additional sign of overvaluation. Since 1977, the overvaluation of the lempira appears to have intensified.

**3.02** A comparison of a variety of measures of the real exchange rate for the lempira supports this hypothesis.

Using a gross definition of the traded goods sectors as the sum of agriculture, mining and manufacturing, and, for the non-traded goods sector, construction, public utilities, transport, commerce, financial services, imputed rent on housing, public administration and other services, the ratio of the implicit deflator of traded goods over non-traded goods shows a real appreciation from 1975 to 1977 due to the tripling of the price of coffee and a continued depreciation from 1977 to 1987.

Similarly, another measure of the real exchange rate, the weighted average price of import and exports goods in U.S. dollars over the national components of the wholesale price index, indicates a fall of 22.4% between 1978 and 1987.

**3.03** The real exchange rate for imports, i.e., the import unit index value over the price index for non-traded commodities, has been slipping to 69% of its 1975 value. If this represented the true value paid for imported goods, the Honduran economy would be flooded with imports. But after a 6.1% fall from 1975 to 1981, import restrictions, including quotas, licenses, prior deposits, and surcharges on existing duties were implemented. Added to these, foreign exchange had to be increasingly purchased in the parallel market where the lempira already started to be traded at a discount. As a proxy for these restrictions' impact, the ratio of the domestic price of imports (as included in the wholesale price index) and the U.S. dollar price index for imports rose by 9.2% in 1982 and 18.5% in 1983.

The effective real exchange rate for imports reflected this tightening of trade restrictions: it rose by 8.6 % in 1982 and 4.8 in 1983. But since then it has been steadily falling, and by 1987 it was only 84.5 % of its value in 1983.

**3.04** On the export side, the real exchange rate and the effective exchange rate do not differ much. There is a general export tax of 1% and several specific duties. From 1981 to 1982, the tax over the value of exports was 5%. Non-traditional exports are the beneficiaries of a tax-drawback mechanism, the CEFEX (Certificate for Promotion of Exports), but the red tape inherent in its administration has greatly reduced its impact.

Besides, non-traditional exports comprise only a very small share of total exports: bananas, coffee and seafood amounted to 70% of exports in the past three years.

Two indices of the effective real exchange rate for exports tend to confirm the hypothesis of currency overvaluation. The ratio of the U.S. dollar price index for Honduran exports and the implicit price deflator for the non-traded sectors increased between 1975 and 1977 as a consequence of high coffee prices and declined afterward to a level in 1987 equivalent to 52.1% of 1977 and 38.5% of 1980. The ratio of the U.S. dollar price for Honduran exports and the domestic components of the wholesale price index declined 31.8% from 1978 to 1987 and 26.6% from 1980 to 1987.

- 3.05 The gap between the effective real exchange rates for imports and exports rose from 1.11 in 1978 to 1.78 in 1983 before stabilizing at 1.65.

This gap constitutes a bias against the domestic production of internationally traded goods (i.e. export goods) in favor of non-traded goods and imports. Therefore, *ceteris paribus*, exports and traded sector production should decrease, and non-traded sectors and imports should increase their share.

From 1975-77 to 1985-87, the average share of the traded goods sector fell from 45.9% to 38.7%, while the share of exports in GDP decreased from 36.4% to 28.5%: the actual decrease would be actually much greater if computed on the basis of the high export average in 1978-80.

The share of imports in GDP increased until 1980, but since 1981 it has decreased due to the sharp increase in the real effective exchange rate for imports in the early 1980's and an increase in smuggling. Many items commercialized by the informal sector are smuggled and advertised as such, as in the Market Colon in Tegucigalpa: "In Mercado Colon, you do not have to pay customs duties or bribes, we just sell at the international price."

- 3.06 Since a very large share of exports is agriculturally-based, the poor performance of exports caused by the exchange rate distortion has affected agricultural output and incomes.

From 1970 to 1977, the average share of agriculture in total output was above 30%, but for the period 1980-87 its share was only 21.9%. Its average annual growth rate fell from 3.4% to 1.7%.

Resource allocation within the agricultural sector is difficult to trace because: 1) the agricultural frontier expanded from 570,000 hectares in 1920 to 700,000 hectares in 1982-83; and 2) the statistical data on production and prices is weak.<sup>16</sup>

- 3.07 Coffee, cotton, pineapple and sugarcane, four of the major agricultural export crops have, paradoxically, increased production substantially during the 1975-1986 period as a result of two factors: 1) increases in acreage larger than their share of agricultural output by medium and

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There are two data sources in Honduras for agricultural production and prices: the Secretaria de Economia y Comercio and the Central Bank. Although both sources claim to base their series on the National Agricultural Surveys, there are numerous inconsistencies between the two sources of data.

large farms motivated by the international commodities boom in the late seventies; and 2) the maturation of these permanent plants which increased yields.

In the long run, as is already apparent in the case of sugar cane and cotton, production will stagnate. In addition to these internal factors, international elements such as the imposition of duties by the International Coffee Agreement and import restrictions on sugar by the U.S. further limit export growth. Banana output has been stagnant since 1970 and plantations have not increased their size in the last seventeen years.

Non-traditional exports have failed to develop as a consequence of the overvaluation of the lempira.

- 3.08** The foreign exchange situation is not the only source of possible price distortion against agricultural products. Since 1972 comprehensive legislation allows the Honduran government to control prices for staples -- beans, corn, rice and sorghum -- as well as wheat flour.

The Honduran Institute for Agricultural Marketing (IHMA) controls producer and wholesale prices, while the National Supply Agency for Basic Products (BANASUPRO) controls the prices of staples.

- 3.09** IHMA's mandate is to stabilize the price of basic grains for small producers by setting support prices prior to planting, on the basis of estimates of production costs. Support prices have in general been higher than market prices, thus contributing to the agency's weak financial situation. Financial troubles in turn have curtailed its ability to buy a substantial amount of the harvested crops. As consistently indicated by the National Agricultural surveys, IHMA buys only 10% of the output of these staples. As soon as IHMA drops out of the market, the producer price falls to its equilibrium price.

The beneficiaries of IHMA's intervention (and high support prices) appear to be mainly medium- to large-size farmers and stockpilers. IHMA's actions then tend to be contrary to its mandate: it promotes oversupply from a limited number of relatively large producers and contributes to a lowering of the overall producer price level for grains.

- 3.10** IHMA's stock is then sold at a loss to BANASUPRO, a government-owned retail chain for basic staples whose mandate is to keep a regular supply of grains and other goods at their controlled prices. Most of the BANASUPRO outlets are located in urban areas, with over half of them concentrated in Tegucigalpa and San Pedro Sula. BANASUPRO has helped reduce the relative price of food items in urban areas.

- 3.11** The impact of these interventions on the market for staples in terms of price could not be determined within the context of the mission. On one side, there appears to be an extensive price-setting system with regular publication of item prices. On the other side, the actual intervention by the state on the market for staples appears to be quite limited in terms of control of output.

It is clear, however, that the relative prices of agricultural commodities fell over the last decade. The ratio of the food components of the consumer price index and other consumption goods and services has declined by 25% over 1978-1987. The ratio of the implicit deflator for agriculture

over the deflator for the rest of the economy has also fallen by 32.7% from 1978 to 1987 and 21.1% from 1980 to 1987. More specifically, the ratio of the price index for basic grains to the implicit deflator for the non-agricultural sector dropped from a level of 118.5 for the period 1975-78 to 80.2% in 1987, a fall of 32.3%.

- 3.12** IHMA not only influences prices through its marketing and stockpiling activities but also through its imports. It is the only agent authorized to import grains into Honduras, and almost all foreign assistance for food goes through the complex of IHMA and BANASUPRO. As the importing agents, these agencies set the resale prices of imported/donated milk and grains -- mainly wheat, and to a lesser extent rice.

At the consumer level, the most important competitor for corn is wheat, which is not produced in the country. In 1974 wheat imports totaled 50.8 million metric tons, of which 43% was donated. In 1986, total imports of wheat were 103.8 million metric tons, with donations representing 77% of this total. Wheat imports then grew, over this period, at an average annual rate of 6.1% per year, close to twice the population growth rate. The United States government, through its PL 480 program (Title I and Title II), has been the most significant donor of wheat.

- 3.13** The greater availability of wheat on the market would have tended to lower its relative price. Government price controls on wheat flour and bread accentuated the tendency. A computation of the ratio of the consumer price for bread and the price index for basic grains shows a deterioration of 30.9% since 1975. It would not be surprising, therefore, to find that, at least in urban areas, wheat has increased its importance in the diet and cut into the market for the more traditional staple, corn. In fact, food consumption surveys suggest that wheat increased substantially its importance in the diet between 1979 and 1987.

- 3.14** No rural household surveys could be found to trace the evolution of rural incomes. A computation of real income originating in agriculture --using agricultural value added and the cost of living index -- indicates a drop in real income of approximately 20%.

Since estimates of real income per capita at the national level show a fall of "only" 14%, it appears that the last decade has been particularly unfavorable for agricultural activities. Agriculture seems to have been the victim of the macroeconomic objective of low inflation through the combination of a fixed exchange rate which distorted prices against agricultural commodities and tight monetary policy which restricted the total volume of credit and cut off credits to marginal borrowers such as farmers.

- 3.15** The impact of the price distortions on rural incomes was probably uneven and depended on the type of crops planted by farmers on their landholding. The National Agricultural surveys show that small farmers dedicate most of their land to the production of basic grains. Given that their plots tend to be too small to provide a subsistence level of income, and the absence of appropriate credit institutions, perennial crops, which may be very profitable in the long run but do not provide an income in the first years, do not provide a satisfactory alternative to the traditional cropping pattern nor do annual crops with a high output variance.

The real income of small farmers, therefore, tends to follow the trend of the purchasing power of basic grains, which dropped 35.1% between 1977 and 1987. Since production of basic grains

has stagnated, the aggregate income from production of small farmers has probably fallen by an equivalent amount. On a per capita basis, the income situation becomes even more bleak since rural population has increased by 22% during the period.

Small farmers also derive a substantial portion of their household income from activities outside their farm: either daily labor in construction or road maintenance, or seasonal work on large plantations. No information exists for an assessment of the evolution of this share of rural household incomes. However, given the bias against traded goods and in particular agricultural products in the current value of the exchange rate, it is possible that the opportunities for transient labor on export-oriented farms decreased.

- 3.16 For producers of export crops the situation is more mixed. In some cases the increases in yield from plants reaching maturity have compensated somewhat for the decrease in prices. In others, increases in prices have allowed income to remain constant despite falling or stagnant production.

Medium- and large-size farmers allocate a substantial share of their land to extensive cattle raising. Their real income depends, to a large extent, on the price of beef and beef production. Production of beef has been increasing, while prices exhibit two trends: (1) farmgate prices lag behind non-agricultural prices; (2) consumer prices for beef rose faster than the farmgate price but lagged behind the consumer price index. Using these two series, real income from beef-raising either decreased by 20.2% or increased by 27.3%. The fact that beef production has been rising suggests that there is a positive incentive for raising cattle, and that it is unlikely that real incomes would have fallen. It is worth noting, however, that nowadays more animal heads are needed to generate the same purchasing power. Given the lack of alternatives in agriculture and the relatively low cost of extensive animal grazing, producers may have increased their herds to maintain their incomes.

- 3.17 Manufacturing also suffered the consequences of overvaluation. This sector's growth rate fell from an 8.7% annual average in the last half of the 1970's to 0.75% in the 1980's, a change explained by (1) a deterioration of the terms of trade of this sector and (2) an increase in the cost of imported inputs since the intensification of trade restrictions in 1982/83. The terms of trade of manufacturing decreased 10.7% with respect to non-traded sectors.

Price controls prevented passing on to consumers the cost of trade restrictions and reduced profitability in the sector. According to Berlinsky, the share of traded inputs in total manufacturing costs was 86.5% on average. According to the wholesale price index, the average price of manufactured goods rose 30.5%, while import restrictions increased costs of imported inputs by 42.6%.<sup>17</sup>

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Two points should be made on this topic:

- 1/ In all likelihood, computation of the cost of import restriction was done on the basis of following the actual legal requirements and did not take into account the spreading of the system of self-financing of imports.
- 2/ The costs of imports restriction should be compared with the impact of an adjustment of the exchange rate to a realistic level. With imported inputs close to 86.5% of total manufacturing costs, an adjustment to the exchange rate of 90 to 40% would increase costs by 26 to 35%.

## 4. SOCIAL WELFARE

### A. General Trends

- 4.01 The task of analyzing the health, nutritional and educational status of the Honduran population is complicated by the lack of clear time series available, making it difficult to describe the evolution of trends in precise terms and/or pinpoint priority areas for intervention. However, improvement of the global welfare situation is certainly a top priority, as Honduras ranks near the bottom among countries of the region in many indicators. The available data may not yield an exact picture, but it is clear that, despite improvements attained during the 1970's, there is much important ground yet to be gained.
- 4.02 Food consumption data show an increase in caloric intake on average for the Honduran population over the last decade. However, this apparent improvement in nutrition was based on increased consumption of bananas, corn, beans and fats compensating for sharply lower consumption of meat. This shift in dietary content from high-nutrient-density to low-nutrient-density was particularly pronounced in lower-middle and lower income sectors where real income drops over the last decade forced a restructuring of the consumption basket.
- 4.03 During the last 15 years, the combined share of health and education in the national budget was approximately 30%, with education twice as big as health in relative terms. The proportion of funds given to health and education, however, changed slightly in favor of the health sector. In 1970, education captured 69.1% and health 30.9% of combined allocations to these two sectors; by 1987, the education share dipped to 65% and that of health increased to 35%.
- 4.04 Recent government spending in these sectors has sought to promote infrastructural improvements. Spending in the health sector has been focused on hospitals, clinics, and improving basic services coverage. Educational outlays have focused on secondary and higher education, emphasizing technical training and engineering-related activities. Spending priorities have been oriented toward visible projects instead of more intangible ones, such as programs for health and nutritional education, literacy or agricultural extension.
- 4.05 During the 1970's there has been an improvement in overall health service coverage through rural health centers. As a result, the infant mortality rate has decreased significantly during that decade. Nevertheless, the rate is still quite high due to persistent difficulties in access to potable water and sanitary services.
- 4.06 Another problem involves the lack of public understanding of the benefits that clean water and other basic measures can make for better health. Further improvements in social indicators must come from advances in the health/ education sector, which must promote the acquisition of a broad public health knowledge and skills. The effective transmission of this knowledge to the Honduran population will serve as the basis for improving the country's social welfare.

## B. Food Consumption

- 4.07 The maintenance of adequate nutrition in a population requires the following: (1) a supply of food sufficient to cover nutritional requirements, (2) equitable distribution of food among different social groups and household members, and (3) consumption in proper quantity and quality. In the case of Honduras, surveys on actual consumption suggest improvement in the intake of calories and proteins for the population as a whole, but with a shift to a diet that could be characterized as low in nutrient density.
- 4.08 Food consumption in Honduras has been difficult to assess due to the absence of systematic studies of reliable indicators. Data on daily nutritional intake are available from two surveys, the National Survey of Food Consumption in Honduras (1987) and the Income and Consumption Survey (1978-1979). Methodological differences posed problems in the comparability of the results from the surveys. For example, one survey registered consumption levels for only one day, while the other averaged consumption over several days. Also, the 1978-79 survey was conducted over one year with three interviews, while the 1987 survey was done with a single interview. Another problem involves different categorical breakdowns employed in the two surveys, which were conducted by different institutions and for different purposes. Nonetheless, with these caveats in mind, some information can be drawn by a comparison of the two surveys.
- 4.09 The main components of the Honduran diet are corn, beans, bananas, cassava and potatoes. In 1987, corn and beans supplied 53.6% of the calories and 54.4% of the proteins for the average Honduran. Those proportions increase as income levels decrease; the poorer demographic segments depend heavily on these foods. Data from the 1978-1979 survey show that corn comprised 65% of the caloric intake of the rural poor earning less than 100 lempiras per month; for the urban poor earning the same income, the figure was 60%.
- 4.10 The data point to shifts in consumption patterns over the interval between surveys. The consumption of cheaper foodstuffs such as corn and wheat increased while more expensive foods higher in nutrient density, such as beef, poultry and pork, dropped in terms of intake and the proportion of calories and proteins supplied. Combined with fish, meat provided 5.1% of dietary calories and 14.5% of proteins in 1987, down from 7.9% and 21.5%, respectively, in 1978-1979. This shift occurred for two reasons: (1) a relative fall in the prices of corns and beans compared to other basic foodstuffs (price effect), and (2) a drop in real income which forced a substitution away from meat even though the price of meat did not increase relatively to the basic food basket (income effect).<sup>18</sup>

The surveys indicate that the lower the income group, the more intense the shift in nutritional composition intake. In lower middle class, consumption turned away from meat and back toward the traditional "poor man's" meal, corn and beans. Among the poorest of the population, the shift may have actually been away from these traditional items and towards bananas and wheat. The share of bananas increased by about 2.5 times in intake, more than doubling in calories and nearly doubling in protein between surveys. The emergence of wheat reflected the

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This shift in consumption raises questions as to the validity of the composition of the basic food basket and its relevance for the computation of cost of living increases.

increased availability of these grains as a result of the U.S. aid programs.<sup>19</sup> Lower-income segments, particularly in rural areas, continued to rely heavily on corn, beans and rice for the brunt of their caloric and protein intake.

- 4.11 Overall, during the period, the shift in consumption was such that, according to the 1987 survey, nutritional intake on average approximated the recommended daily standards of 2,196 calories and 46.0 grams of proteins: for the nation as a whole, daily caloric intake from the 16 major food products climbed from 1,727 (in 1978-1979) to 2,122 (a 22.9% increase), while daily protein intake improved from 51.2 grams to 64.3 grams (a 25.6% increase).

However, it is likely that this average picture hides substantial differences between income groups and regions. In spite of the fact that, the Honduran population has reached on average the recommended caloric and protein standards, other surveys indicate that 62.6% of Hondurans have caloric deficiencies or are under the caloric recommendation and 24.9% are under the protein requirements. These deficiencies are consistent with the change toward the more nutrient-poor dietary pattern described above.

- 4.12 As is the case throughout the region, the proportion of the population with nutritional deficiencies varies according to area of residence, with rural areas generally featuring higher rates of protein and caloric deficits. The 1987 survey showed that Health Region Four (the rural southwestern departments of Valle and Choluteca and parts of La Paz, Morazan and El Paraiso) had the highest proportion of deficits: 7.7% of respondents had protein intake levels under 70% of requirements (compared to a national average of 5.3%) and 35.1% had caloric deficits greater than 600 (a figure that represents 72.7% of requirements), versus a national average of 25.2%. Regions Six (the northern coastal departments of Atlantida and Colon) and Seven (the eastern central department of Olancho) also had protein and/or caloric deficits well above the national averages.

### C. Child Malnutrition

- 4.13 The main indicators of nutritional status in children under five years of age are malnutrition and undernutrition. Undernutrition refers to an insufficiency of energy intake that can become malnutrition. The body's requirement for energy tends to take precedence if energy intake is inadequate: a part of the dietary protein will be burned for energy and therefore will not be available to perform its distinctive functions (e.g., supporting growth, tissue repair, etc.). Children who have a caloric deficiency "adjust" through a slower rate of growth and a reduction in body size.
- 4.14 The energy intake of small children is inadequate because of the low calorie density of the staple foods (corn, wheat and rice) used when supplementary feeding is begun. Most of the malnourished children suffer from mild or moderate degrees of malnourishment. However, mild

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The increased acceptance may be due to economic as well as technical reasons. It is possible that wheat may have been sold at price below actual market value. But, given comparable prices for corn and wheat, the versatility of wheat as well as its ease of preparation tend to make it a preferred foodstuff over the traditional corn.

or moderate malnutrition during the first three years of life often impairs the mental as well as the physical development of children. Behavioral consequences including apathy and frequent illness often develop as well.

- 4.15 A study conducted over 1975-1977 by the Consejo Superior de Planificación Económica revealed that 75% (500,000) of children under five years of age suffered from some degree of malnutrition in terms of protein and/or caloric deficiencies. Figures from the 1987 survey indicate that 75.8% of children in this age group suffered from some degree of caloric deficiency or consumed less than 100% of recommended levels, indicating a basic stability in the nutritional status of children. 25.7% of these children had a caloric intake less than half of the required level, and 40.4% had intakes between 50-99% of the requirements.
- 4.16 Z-Score data from the 1987 national survey adjusted by the WHO indicate that in Honduras, over 50% of the children have a normal nutritional status. 62% of surveyed children less than five years of age had a normal weight/age, with more than half of those showing signs of malnutrition being in the mild category. 55.3% of respondents were normal according to the height/age criteria with 13.1% and 19.3% showing signs of mild or moderate malnutrition. The prevalence of height deficits may account for the surprisingly low (and probably misleading) weight/height deficits.
- 4.17 As with caloric and protein deficits, there were significant regional variations in the 1987 survey findings. Rural areas typically showed higher degrees of undernourishment than urban areas. In Region Five (the western departments of Ocotepeque, Lempira and Copan), over half of the respondents (51.2%) showed moderate or severe height/age undernourishment, with total height/age undernourishment at 77.4% of respondents. Regions Two (the central western departments of Intibuca, Comayagua and La Paz) and One (the central departments of Morazan and El Paraiso and the far eastern department of Gracias a Dios) also recorded undernourishment rates well above the national average. In stark testimony to the seriousness of this problem, even the Metropolitan area recorded a rate of 39.3%, by far the lowest proportion of height/age undernourishment among Honduran health regions.
- 4.18 Region Five also recorded the highest proportion of weight/age undernourishment, with 30.6% of respondents reporting moderate or severe undernourishment (versus a national average of 18.3%). Regions Four and Two showed the next highest levels of weight/age undernourishment, with 24.2% and 23.1% of respondents, respectively, having moderate or severe cases.
- 4.19 Regional rankings in terms of malnutrition vary according to the criteria used. For example, Region Five showed the highest degree of malnutrition by weight/age and height/age, while Region Four showed the highest prevalence of acute family caloric and protein deficits. These variations suggest the operation of two phenomena: (1) the widespread effects of malnutrition in Honduras, registering in every health region (including the Metropolitan area) in one way or another, and (2) problems in quantifying the extent of malnutrition because of a lack of accuracy or statistical rigidity, leading to difficulty in pinpointing the hardest-hit areas and in developing priorities for intervention.
- 4.20 Undernourishment levels according to weight/age criteria are much lower than those suggested by the height/age index. This trend implies that the most pressing dietary problem is one of

nutritional adequacy as opposed to quantity of intake (i.e., lower height/age reflects chronic lack of adequate nutrition). 1987 data on food intake showed that corn, rice and wheat comprised 40.2% of the dietary intake of children under five years of age, while just 19.9% of their diet came from animal sources. These data confirm the shift to a low-nutrient-density diet described above and suggest that this shift has been effect at least long enough to account for chronic malnutrition in the population under five years of age.

- 4.21 As children get older, the proportion at risk of malnutrition increases. Data from the 1987 survey on caloric consumption by age group illustrate this trend: children in the 18-23 month age group consumed an average of 858 calories per day (74.9% of the daily requirement); the 24-35 month age group consumed a daily average of 1,106 (82.0%); the 36-47 month group consumed a daily average of 1,106 (72.1%); and the 48-59 month group also consumed an average of 1,106 calories per day (69.1%).

In other words, the oldest children consumed on average an amount of calories close to the requirement for the youngest children, a statistic that illustrates how the malnutrition problem becomes more extensive as Honduran children grow. The 1987 survey showed that malnutrition was positively correlated with age in children under five years old. Height-for-age Z-scores in the 0-11 months age group indicated that just 11.4% of these children had malnutrition problems, while in the 36-47 and 48-59 months groups, the proportion of children with problems rose to 59.4% and 60.6%, respectively.

- 4.22 Although children malnutrition in Honduras is not as acute as in other countries of the region, it is still a chronic phenomenon as revealed by the widespread existence of height/age deficits (almost half of surveyed children). The problem is not so much a question of availability of food but rather a question of quality of the diet. There are also other elements which influence the ability of children to digest efficiently the food they eat. Intestinal infections, for example, are prevalent in situation of lack of drinkable water or adequate sanitation and contribute significantly to malnutrition.

#### D. Health Infrastructure

- 4.23 Health services are provided by both the public and private sectors. Public sector caregivers include the Ministry of Public Health and Social Assistance as the regulatory agency, the Honduran Social Security Institute, the National Autonomous Water Supply and Sewage Service, the Social Welfare Board, and the Department of Medicine, Hygiene and Occupational Safety of the Ministry of Labor.
- 4.24 Despite the onset of the crisis, government health expenditures increased in nominal terms from 1981 to 1986 by 153.6%, from 103 million lempiras to 261.2 million lempiras. In 1987, however, expenditures dropped 25.6%, to 194.3 million lempiras. In 1979, the sanitation/water sector received 35.6% of government allocations, while hospitals received a total of 58.3% (with 45.1% allocated to current expenditures and 13.2% to capital expenditures). The disbursement patterns had changed somewhat by 1987; the share of sanitation/water increased slightly, to 38.2%, while the combined hospital share fell by almost 10%, to 48.9%.

- 4.25 In recent years, hospital capital expenditures have fallen sharply and represented just 5.9% of government health outlays in 1987. This trend implies that future infrastructural expansion, a vital aspect of improving access to adequate health care for much of the population (especially in rural areas), will be limited. Moreover, the jump in administrative costs (from 6.1% of government health expenditures in 1979 to 12.8% in 1987) suggests a lack of efficiency in government health sector management, with a consequent waste of sparse fiscal resources.
- The abundance of public-sector social security regimes and the lack of coordination among them exemplify government health sector management difficulties. The social security system is plagued by high administrative costs, conflicting policies and poor coverage. The largest agency, the Honduran Social Security Institute, covers only salaried and public-sector employees: as of 1983, it covered only 7% of the total population and just 17.6% of the economically active population. These figures, moreover, reflect steady declines in coverage since 1979 (from levels of 8.1% and 18.3%, respectively).
- 4.26 Government efforts to expand access to health services have centered on the construction of rural health centers, which are intended to serve communities with less than 5,000 inhabitants. In 1987 there were 536 such centers, a total reflecting 255.0% growth since 1973. However, the rate of growth in the 1980's (26.1% over 1980-1987) has slowed significantly compared to the peak expansion of the mid-1970's.
- 4.27 These centers typically feature only very basic care, usually provided by a staff nurse, and are the lowest rung on the health care ladder. The next level consists of health centers which represent an intermediate phase of care between the basic rural health centers and more advanced hospitals, and serve communities from 5,000 to 10,000 residents with a staff doctor. These centers expanded from 67 in 1973 to 115 in 1987 (71.6%), but their rate of expansion has decreased sharply in recent years.
- 4.28 The hospitals themselves are structured by levels of available care: area hospitals, for example, represent the most basic level of hospital care (or third level in the overall care structure), serving populations between 10,000 and 50,000 and typically featuring only a limited extent of more specialized care. Regional hospitals offer more extensive specialized care and serve areas ranging from 50,000 to 200,000 residents. Finally, national hospitals offer the most advanced care and are intended to serve the entire population. The growth at these levels of care has been minimal, with no new area or regional hospitals and only two national hospitals opened since 1980. The rapid rate of Honduran population growth implies a potential overburdening of these facilities, especially at the area and regional levels.
- 4.29 Of the total human resources available in the health sector (14,253 workers), 59% work in the Health Ministry and 14.3% in the Social Security Institute. The distribution of the manpower is unequal, with a heavy concentration (74.3%) in the big cities, to the detriment of the rural areas. Two-thirds of ministry personnel work at the hospital level: 20% in urban health centers, 8% at the management level and 6% in rural health centers.

## E. Basic Services

- 4.30 The role of diarrheal diseases as the leading cause of both global and infant mortality (as of 1983) attests to the poor state of water and sewage coverage in Honduras, especially in the rural areas. Despite government attempts to combat this high-priority health problem, adequate coverage still eludes significant portions of the population, limiting prospects for improving their health conditions.
- 4.31 Progress has been significant, however, in expanding potable water coverage. Whereas in 1973 only 36.4% of the total population had direct connections or easy access to potable water, in 1983 75.3% of the population was served. The improvements were particularly spectacular in rural areas where, according to SANAA, the share of the population benefiting from water services increased from 11.4% to 74.6% in a decade.

Although efforts have been made to expand access to waste disposal over the same period, coverage levels remain far from satisfactory: as of 1983, almost two-thirds of the rural population and more than one-half of the national population remained without direct sewage hookups, access to latrines or septic tanks.

- 4.32 It should be noted that government resource allocations in this sector have been consistent, at least until 1983 (more recent data were not available): the share of this sector in government health expenditures dipped below 30.0% only once (1981) between 1979 and 1987. Installed capacity expanded steadily over 1980-1983, but is likely to have experienced declining rates of growth since then in view of the crisis and its consequent resource constraints.

## F. Infant Mortality

- 4.33 Although surveys published by the Ministry of Health do not yield a single, definitive infant mortality rate, the available figures indicate some clear trends. In the early 1970's, the rate was alarmingly high: 117.0 per thousand in 1970 according to vital adjusted statistics, 132.3 per thousand the same year under the 1972 National Demographic Survey, and 110.1 per thousand in 1971 under the 1983 National Demographic Survey.
- 4.34 By the early 1980's, significant improvements had been achieved: for example, the 1983 demographic survey showed a rate of 82.6 per thousand for 1981. Other data were even more encouraging, pointing to rates as low as 64.2 per thousand (the 1981 National Contraceptive Survey) for 1980. This progress is largely attributable to government resource allocations, expansion of the rural health centers network (which grew at a fast clip during the 1970's), and substantial progress in broadening potable water and waste disposal coverage.
- 4.35 It is unclear if this rate of improvement continued through the 1980's. Survey data give a rather confusing picture of the situation with a degradation in 1982-83 and a possible resumption of the positive trend in later years. For example, the 1984 National Maternal and Child Health Survey showed a rate of 76.4 per thousand in 1983, compared to 71.0 per thousand just two

years earlier. Similarly, the 1987 National Family Health Services Survey showed rates of 82.0 per thousand in 1981 and 79.2 per thousand in 1983, versus 67.5 per thousand in 1980. This survey, however, also showed subsequent improvements in the rate for 1984 and 1985 (62.6 and 61.0 per thousand, respectively).

It is possible that the onset of the crisis impacted negatively upon the previous progress in reducing infant mortality. This conclusion also follows from the declining rate of rural health center and basic services expansion. It is likely that progress has resumed, but at a slower rate than in the 1970's, and that further improvement will be contingent on an improved performance by the Honduran economy or on externally provided resources tailored to this objective.

- 4.36** As noted earlier, diarrheal diseases remain the leading cause of infant mortality, although substantial reductions have been achieved: the rate of 342.1 per 10,000 live births recorded in 1983 represented a decline of almost 50% from the 1970 rate of 669.0 per 10,000.
- 3.37** Diarrhea originates primarily from enteric infections related to poor water and sanitary conditions. According to the 1987 surveys, in households with in-house water capacity, the infant mortality rate was 48.9 per thousand, but in households where water was obtained from a river or spring infant mortality registered 71.1 per thousand. In households with earthen floors, infant mortality reached 71.5 per thousand. Some studies have shown that diarrhea, mortality and morbidity are reduced when water supply and sanitation are improved. For example, in one study it was found that an improvement in water quality and availability can reduce diarrhea morbidity by 37%.<sup>20</sup>
- 4.38** Little improvement has been attained in combatting the second leading cause of infant mortality, undefined perinatal conditions and other diseases. In fact, the 1983 rate of 158.8 per 10,000 represented a slight deterioration from the 1975 rate of 145.1 per 10,000. This situation is likely to continue, as the reduction of this cause entails technology and facilities beyond current capabilities.
- 4.39** The third main cause of infant mortality, disorders relating to a short gestation period and low birthweight, is also due to nutritional deficiencies, but in this case involving the mother. The infant mortality rate associated with this cause decreased from 144.3 per 10,000 in 1975 to 74.5 per 10,000 in 1983 (48.4%).
- 4.40** As is common throughout the region, infant mortality rates were lower in the urban compared to the rural areas. According to the 1987 National Family Health Survey, urban infant mortality stood at 92.0 per thousand in 1970, compared to 119.0 per thousand for the rural areas. By 1984, reductions of 46.5% (urban) and 42.0% (rural) had been achieved, but the slightly greater progress in the urban areas meant a larger disparity between urban and rural infant mortality.

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- 4.41 Maternal education is likely a contributing factor to this disparity. The 1987 Family Health Survey also showed that in 1970, the offspring of women with no education had a mortality rate of 135.0 per thousand, exactly three times greater than the rate for the children of women with seven or more years of education. By 1984, the mortality rate of the children of uneducated mothers reached 89.7 per thousand, whereas the rate was 37.1 per thousand among the offspring of the most educated mothers. The highest rate of infant mortality decline was in the children of women with 4-6 years of education, from 81.0 per thousand to 49.4 per thousand.

These data suggest an improvement in primary education at this level during this period. They also illustrate the relationship with lack of education, as well as access to health care and basic services, in high rates of infant mortality. These conditions are endemic to rural areas in Honduras and account for both the current disparity between urban and rural infant mortality and the difficulty of achieving further improvement in these areas.

### G. Education

- 4.42 Trends in public education expenditures show an increase in the sector's share of the national budget, from 15.5% in 1980 to 19.0% in 1987, and a greater emphasis in funding for higher education: in 1987, 32.1% of the education budget was allocated to university education (plus administration), compared to 23.7% in 1980. In 1980, 57.4% of the public education budget went to primary education; this proportion dropped to 45.9% in 1987. The share allotted to technical education increased almost fourfold over the 1980-1987 period, from 2.1% to 8.0%. Per capita expenditures adjusted for inflation have declined 22% at the primary level in the last seven years, while there has been an increase of 14% in per capita expenditures on higher education.
- 4.43 The educational system is structured along lines similar to those encountered throughout the region. Entry into the system begins with three years of pre-primary education, followed by six years of primary education. Secondary education consists of common (three years duration) and diversified (2-3 years) cycles; completion of the common cycle is considered equivalent to a basic education. The diversified cycle constitutes preparation for higher education as well as for direct entry into the labor force. Official higher education is offered in non-university training schools (with programs in teaching, agriculture and forestry) and public and private universities. Additionally, there are non-official vocational and technical training schools, such as the Institute for Professional Development (INFOP).
- 4.44 In view of the 43% Honduran illiteracy rate, government policies have sought to expand access to the educational system among the general population. As a result of government efforts, educational enrollment has increased substantially in the last 18 years. At the primary level, expansion has focused primarily on the rural areas, which have had higher rates of enrollment growth than the nation as a whole. Significant enrollment increases have also occurred in technical disciplines at the diversified secondary cycle and at the university level.
- 4.45 Educational expansion at the primary level has narrowed the non-schooling gap (i.e., the gap between school-age population and actual enrollment). The number of primary school students enrolled in Honduras rose from 381,685 in 1970 to 840,390 in 1987, a 120.2% increase. Efforts

to boost rural enrollment had considerable success: the proportion of students from rural areas increased to 62.2% in 1987 from 43.7% in 1970. The gross enrollment ratio<sup>21</sup> at the primary level increased during the same period from 87.3% to 105.2%.

- 4.46 Secondary enrollment increased from 35,532 in 1970 to 179,444 in 1986, a more than fivefold jump; the gross enrollment ratio climbed from 12.1% to 33.8% over the same period. The gross enrollment ratio in higher education increased from 3.5% in 1973 to 9.4% in 1984, while enrollment went from 8,271 to 36,620. Overall, secondary and higher education enrollments have expanded at a greater rate than enrollment in primary school.

This trend indicates success in government efforts to create a better-trained and more capable work force, but at the potential cost of diverting resources from other pressing needs, such as the effort to reduce illiteracy by expanding primary coverage and improving instruction at that level. Given the limitations in resource availability, Honduran policymakers face difficult allocation decisions in the educational sector.

- 4.47 Enrollment growth has been faster than the growth of infrastructure in the primary school system: in rural areas, for example, there are an average of two teachers per primary school, versus 12 teachers per primary school in the urban areas. Growth in the numbers of rural teachers, facilities and complete schools (i.e., schools offering instruction in primary grades 1-6) has not kept pace with that of students. Rural teachers typically must often attempt to instruct simultaneously an average of three grades per classroom. Problems in overcrowded classrooms, such as a lack of adequate instruction or personalized attention, have contributed to high repetition and dropout among students.

- 4.48 These phenomena can be measured through survival rates, the percentage of students starting first grade in a particular year who advance to the next grades in subsequent years on time. For the 1973-1986 period, the percentage of pupils enrolled in the first grade who reached sixth grade was just 26.3% for the 1973-78 cohort and 30.0% for the 1980-85 cohort, indicating a slight improvement in system retention and efficiency. 30.7% of students from the 1973-78 cohort and 34.5% from the 1980-85 cohort reached the fifth grade, the point at which UNESCO assumes that permanent literacy may be achieved. Thus, despite this modest improvement, the overall low rates of survival suggest that the problem of illiteracy will likely persist for some time to come.

- 4.49 Dropout has been more prevalent in rural compared to urban areas, especially during the 1980's. In 1982, 74.8% of total dropouts came from rural areas; in 1987, the rural share of total dropouts increased to 83.8%. This problem is especially serious in the provinces of Comayagua, Lempira, Intibuca and Gracias a Dios. It is necessary to point out that in remote regions such as the Gracias a Dios province, the dropout problem is exacerbated by linguistic barriers.

- 4.50 Primary school repetition rates have been estimated at 16% since 1979, with the highest rates in the first grade (reaching, for example, 27% in 1983). These relatively high repetition rates

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The ratio of all students to the population of school-age children (e.g., 7-12 years for primary school, 13-17 years for secondary school, 20-24 years for university level).

may partly account for the high rates of primary enrollment, since repeating students are included in enrollment data. They also are likely to have contributed to the high dropout rates, especially in rural areas.

- 4.51 Student repetition and dropout are often accompanied by poor health, nutrition. As elementary school enrollment expands, reaching poor rural areas and integrating increasing numbers of children from lower-income families, the educational system will need to adapt to new students and the socioeconomic situations they face.
- 4.52 In the strata of the population with incomes insufficient for maintaining the family, the family has to emigrate and/or the children must work to obtain additional resources. Children from these families are thus forced to leave school. As the educational system expands its coverage and begins to reach these strata of the population, levels of repetition and dropout will probably remain at "structural" minimums, a phenomenon that has begun to manifest itself in Honduras over the last ten years.

**ANNEX A**  
**MACROECONOMIC VARIABLES**

TABLE A-1  
HONDURAS: GDP AND PER CAPITA INCOME

	GDP M x L1978	GNP M x L1978	GNP M x US\$1985	INCOME PER CAPITA US\$	POPULATION Thousand
1975	2611	2843	2219	718.5	3088
1976	2863	3088	2410	752.6	3202
1977	3103	3398	2652	798.3	3322
1978	3372	3641	2841	824.6	3446
1979	3602	3876	3025	847.1	3571
1980	3647	3876	3025	819.5	3691
1981	3672	3943	3077	805.3	3821
1982	3604	3771	2942	743.9	3956
1983	3638	3872	3021	737.9	4095
1984	3728	3999	3121	737.1	4234
1985	3789	4086	2189	729.9	4369
1986	3877	4182	3264	722.7	4516
1987	4049	4371	3411	728.3	4684
Average Growth	1.5%	1.5%	1.5%	-1.8%	

Sources: (1) Banco Central de Honduras, "Cuentas Nacionales 1975-1984",  
and "Boletín Estadístico", February 1988  
(2) World Bank, "Honduras: Country Economic Memorandum, 1987"

TABLE A-2  
HONDURAS: GDP BY SECTORS

A - MILLION OF 1966 LEMPIRAS

	AGRICULTURE	MINING	MANUFACTURE	NON-TRADED SECTOR	PUB. ADMIN & DEFENSE (1)	GDP
1970	407	26	170	569	40	1172
1971	444	24	178	595	44	1241
1972	449	26	185	634	54	1294
1973	470	34	192	672	48	1368
1974	429	45	190	695	45	1359
1975	389	33	195	696	45	1313
1976	425	28	215	733	54	1401
1977	449	30	236	819	60	1534
1978	485	37	259	897	68	1678
1979	518	43	280	939	83	1780
1980	539	38	295	967	86	1839
1981	548	36	296	971	90	1851
1982	552	39	279	976	93	1846
1983	567	39	268	957	93	1831
1984	584	42	274	972	94	1872
1985	599	40	268	1002	96	1909
Average						
Annual Growth	5.0%		5.7%	5.8%	9.1%	4.8%

B - STRUCTURE OF REAL GDP (BASE: 1966)

	AGRICULTURE	MINING	MANUFACTURE	NON-TRADED SECTOR	PUB. ADMIN & DEFENSE (1)	GDP
1970	34.7%	2.2%	14.5%	48.5%	3.4%	100.0%
1971	35.8%	1.9%	14.3%	47.9%	3.5%	100.0%
1972	34.7%	2.0%	14.3%	49.0%	4.2%	100.0%
1973	34.4%	2.5%	14.0%	49.1%	3.5%	100.0%
1974	31.6%	3.3%	14.0%	51.1%	3.3%	100.0%
1975	29.6%	2.5%	14.9%	53.0%	3.4%	100.0%
1976	30.3%	2.0%	15.3%	52.3%	3.9%	100.0%
1977	29.3%	2.0%	15.4%	53.4%	3.9%	100.0%
1978	28.9%	2.2%	15.4%	53.5%	4.1%	100.0%
1979	29.1%	2.4%	15.7%	52.8%	4.7%	100.0%
1980	29.3%	2.1%	16.0%	52.6%	4.7%	100.0%
1981	29.6%	1.9%	16.0%	52.5%	4.9%	100.0%
1982	29.9%	2.1%	15.1%	52.9%	5.0%	100.0%
1983	31.0%	2.1%	14.6%	52.3%	5.1%	100.0%
1984	31.2%	2.2%	14.6%	51.9%	5.0%	100.0%
1985	31.4%	2.1%	14.0%	52.5%	5.0%	100.0%

C - MILLION OF 1978 LEMPIRAS

	AGRICULTURE	MINING	MANUFACTURE	NON-TRADED SECTOR	PUB. ADMIN & DEFENSE (1)	GDP
1975	751	54	398	1408	79	2611
1976	835	51	426	1551	96	2863
1977	885	54	484	1680	107	3103
1978	945	73	520	1834	134	3372
1979	1039	77	554	1932	159	3602
1980	1047	66	538	1996	164	3647
1981	1048	60	526	2038	182	3672
1982	1030	72	507	1995	169	3604
1983	1052	78	533	1975	163	3638
1984	1064	83	552	2029	175	3728
1985	1084	89	565	2051	189	3789
1986	1102	87	568	2120	198	3877
1987	1183	75	586	2205	215	4049
Average						
Annual Growth	1.7%		1.3%	1.7%	4.0%	1.5%

D - STRUCTURE OF REAL GDP (BASE: 1978 LEMPIRAS)

	AGRICULTURE	MINING	MANUFACTURE	NON-TRADED SECTOR	PUB. ADMIN & DEFENSE (1)	GDP
1975	28.8%	2.1%	15.2%	53.9%	3.0%	100.0%
1976	29.2%	1.8%	14.9%	54.2%	3.4%	100.0%
1977	28.5%	1.7%	15.6%	54.1%	3.4%	100.0%
1978	28.0%	2.2%	15.4%	54.4%	4.0%	100.0%
1979	28.8%	2.1%	15.4%	53.6%	4.4%	100.0%
1980	28.7%	1.8%	14.8%	54.7%	4.5%	100.0%
1981	28.5%	1.6%	14.3%	55.5%	5.0%	100.0%
1982	28.6%	2.0%	14.1%	55.4%	4.7%	100.0%
1983	28.9%	2.1%	14.7%	54.3%	4.5%	100.0%
1984	28.5%	2.2%	14.8%	54.4%	4.7%	100.0%
1985	28.6%	2.3%	14.9%	54.1%	5.0%	100.0%
1986	28.4%	2.2%	14.7%	54.7%	5.1%	100.0%
1987	29.2%	1.9%	14.5%	54.5%	5.3%	100.0%

Note: (1) Already included in the non-traded sector

Sources: World Bank, "Honduras: Country Economic Memorandum, 1987"

Banco Central de Honduras

TABLE A-3  
HONDURAS: COMPOSITION OF GDP, 1975-1987  
(Percent)

Year	Traded sectors*	Non-traded sectors	Exports	Imports	Agriculture	Manufacturing
1975	45.2%	54.8%	33.3%	43.5%	27.1%	15.6%
1976	45.2%	54.8%	36.9%	42.5%	28.3%	14.9%
1977	47.3%	52.7%	38.9%	44.4%	30.4%	15.0%
1978	45.6%	54.4%	40.5%	46.1%	28.0%	15.4%
1979	44.7%	55.3%	41.9%	47.3%	26.6%	15.4%
1980	42.8%	57.2%	40.8%	49.6%	25.6%	15.1%
1981	40.5%	59.5%	35.3%	43.3%	23.8%	14.8%
1982	40.3%	59.7%	29.5%	31.9%	23.1%	15.0%
1983	40.6%	59.4%	28.9%	33.4%	22.9%	15.5%
1984	39.8%	60.2%	28.8%	36.8%	22.0%	15.5%
1985	39.0%	61.0%	28.6%	34.6%	21.6%	15.1%
1986	39.2%	60.8%	29.7%	32.0%	22.5%	14.5%
1987	37.8%	62.1%	27.2%	30.9%	21.7%	14.4%

NOTE: \*--Agriculture, mining, and manufacturing.

SOURCE: Central Bank of Honduras.

TABLE A-4  
HONDURAS: MEASURES OF EXTERNAL IMBALANCE, 1975-1986  
(Percent of GDP)

Year	Trade Account Deficit	Current Account Deficit	Int'l Transfers	Total External Disequilibrium*
1975	9.9%	11.0%	1.7%	12.7%
1976	4.9%	8.6%	1.1%	9.7%
1977	5.0%	8.7%	1.0%	9.7%
1978	5.2%	9.2%	1.0%	10.3%
1979	4.7%	9.8%	1.0%	10.8%
1980	8.1%	14.0%	0.9%	14.9%
1981	7.2%	12.3%	1.1%	13.4%
1982	3.3%	8.7%	2.5%	11.2%
1983	4.2%	8.2%	1.9%	10.1%
1984	5.9%	9.0%	3.1%	12.2%
1985	4.7%	7.0%	4.0%	11.0%
1986	7.9%	3.2%	4.8%	7.9%

NOTE: \*--Equals current account balance minus transfers.

SOURCES: World Bank (1987), p. 58.  
Central Bank of Honduras, Statistical Bulletin,  
Feb. 1988.

TABLE A-5  
HONDURAS: MEASURES OF FISCAL IMBALANCE, 1975-1986

Year	Central Government Expenditures (Current) (1)	Central Government Expenditures (Deflated) (2)	Central Gov't Expenditures as Share of GDP	Tax Revenues as Share of GDP	Fiscal Deficit as Share of GDP
1975	395.3	630.5	19.3%	N.A.	N.A.
1976	483.0	710.6	19.9%	N.A.	N.A.
1977	585.5	768.6	19.8%	N.A.	N.A.
1978	769.9	961.8	22.8%	N.A.	N.A.
1979	868.3	991.9	22.0%	N.A.	N.A.
1980	1025.2	1025.2	22.5%	15.3%	8.3%
1981	1010.6	943.6	20.6%	14.1%	8.1%
1982	1329.1	1172.2	26.0%	14.0%	11.0%
1983	1583.4	1337.1	29.4%	13.2%	11.6%
1984	1941.4	1573.0	33.8%	15.3%	12.8%
1985	2101.7	1621.5	34.3%	16.1%	10.6%
1986	2071.5	1513.3	31.2%	15.0%	9.4%

NOTES: (1) Millions of current lempiras

(2) Deflated by GDP deflator; millions of 1980 lempiras

SOURCES: World Bank (1987), p. 67.

Central Bank of Honduras, Statistical Bulletin, Feb. 1988.

TABLE A-6  
HONDURAS: REAL EXCHANGE RATES, 1975-1987

Year	RER1 (1)	RER2 (2)
1975	107.04	N.A.
1976	108.20	N.A.
1977	117.38	N.A.
1978	110.74	102.91
1979	103.37	100.12
1980	100.00	100.00
1981	94.03	95.16
1982	92.59	91.05
1983	89.75	80.46
1984	87.58	82.02
1985	83.57	80.77
1986	86.15	81.53
1987	80.57	79.82

NOTES: (1) RER1 equals the ratio between the implicit GDP deflator for the traded sector (agriculture, mining and manufactures) and that for the non-traded sector.

(2) RER2 equals the ratio between the weighted index for exports and imports and the national component of the wholesale price index.

SOURCE: Mission estimates based on data from the Central Bank of Honduras.

TABLE A-7  
HONDURAS: MANUFACTURING TERMS OF TRADE, 1975-1987

Year	WPIIN (1)	DMAN (2)	TIMAN (3)
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1975	N.A.	62.78	103.10
1976	N.A.	66.73	101.60
1977	N.A.	71.68	101.12
1978	74.91	78.31	102.32
1979	84.27	85.66	99.19
1980	100.00	100.00	100.00
1981	106.37	108.09	98.47
1982	117.60	118.32	101.15
1983	123.67	122.24	98.61
1984	126.89	126.40	96.91
1985	128.91	128.35	91.92
1986	130.34	132.77	91.24
1987	130.49	135.64	89.32

NOTES: (1) Wholesale Price Index for industrial components.

(2) Implicit GDP deflator for manufactures.

(3) Manufacturing terms of trade; equals the ratio between Column (2) and the implicit deflator for non-traded sectors.

SOURCE: Central Bank of Honduras.

TABLE A-8  
HONDURAS: RURAL-URBAN TERMS OF TRADE, 1975-1987

Year	RPRU1 (1)	RPRU2 (2)	RPRU3 (3)	RPRU4 (4)
----	-----	-----	-----	-----
1975	99.09	107.86	118.48	128.80
1976	97.32	112.37	115.38	117.11
1977	101.87	128.43	123.57	110.40
1978	102.61	117.21	116.57	99.97
1979	101.52	104.81	103.28	102.44
1980	100.00	100.00	100.00	100.00
1981	96.84	91.87	88.97	93.16
1982	92.42	88.19	94.46	82.71
1983	89.54	85.72	96.31	91.75
1984	83.84	83.23	83.89	98.00
1985	81.52	80.80	87.02	85.84
1986	79.62	85.93	87.71	82.63
1987	76.92	78.83	80.20	88.98

NOTES: (1) Ratio between food and non-food components of Consumer Price Index.

(2) Ratio between implicit deflator for agriculture and that for the rest of the economy.

(3) Ratio between a price index for basic grains (corn, beans, sorghum, rice) and the non-agricultural implicit deflator.

(4) Ratio between an index for the price of bread and that for the price of basic grains.

SOURCE: Mission estimates from original data provided by Central Bank of Honduras.

TABLE A-9  
HONDURAS: EFFECTIVE REAL EXCHANGE RATES FOR EXPORTS  
AND IMPORTS, 1975-1987

Table A-9a: Imports

Year	MPP (1)	PIPTRAD (2)	RERM (3)	IMREST (4)	EREM (5)
1975	63.27	60.88	103.92	N.A.	N.A.
1976	66.67	65.68	101.51	N.A.	N.A.
1977	71.73	70.84	101.26	N.A.	N.A.
1978	75.59	76.53	98.76	1.15	113.22
1979	85.34	86.36	98.82	1.10	108.37
1980	100.00	100.00	100.00	1.00	100.00
1981	107.03	109.71	97.55	1.09	106.47
1982	113.45	116.91	97.04	1.19	115.63
1983	106.35	123.97	85.79	1.41	121.14
1984	107.56	130.44	82.46	1.42	117.13
1985	106.80	139.63	76.49	1.42	108.98
1986	107.33	145.52	73.76	1.44	105.88
1987	108.92	151.85	71.73	1.43	102.32

- NOTES: (1) Dollar price index for Honduran imports.  
 (2) Implicit deflator for non-traded sectors.  
 (3) Ratio between Column (1) and Column (2); equals real exchange rate for imports.  
 (4) Ratio between the import component of the Wholesale Price Index and Column (1).  
 (5) Column (3) \* Column (4).

Table A-9b: Exports

Year	XPP (1)	EREX1 (2)	EREX2 (3)	Gap between import and export rates (4)	
1975	49.88	81.93	N.A.	N.A.	
1976	65.13	99.16	N.A.	N.A.	
1977	83.59	118.01	N.A.	N.A.	
1978	82.44	107.72	107.67	1.052	1.051
1979	84.01	97.28	99.29	1.091	1.114
1980	100.00	100.00	100.00	1.000	1.000
1981	91.18	83.11	86.79	1.227	1.281
1982	90.52	77.43	80.26	1.441	1.493
1983	84.58	68.23	70.63	1.715	1.775
1984	88.95	68.20	73.53	1.593	1.717
1985	91.43	65.48	74.07	1.471	1.664
1986	98.43	67.64	77.96	1.358	1.565
1987	93.32	61.46	73.42	1.394	1.665

- NOTES: (1) Dollar price index for Honduran exports.  
 (2) Ratio between Column (1) and the implicit deflator for the non-traded sector.  
 (3) Ratio between Column (1) and the national components of the Wholesale Price Index.  
 (4) Ratio between Column (5) in A-9a and Column (2) in A-9b.

SOURCE: Mission estimates from original data provided by Central Bank of Honduras. 36

TABLE A-10  
HONDURAS: INDEX OF VOLUME OF EXPORTS  
BASE 1980=100

	EXPORTS	BANANAS	COFFEE	BEEF	SUGAR	WOOD
1970	75	86	45	43		137
1971	91	113	44	53		146
1972	91	98	56	63		182
1973	96	96	66	68		220
1974	75	74	54	45		178
1975	67	42	86	58	12	169
1976	75	70	77	72	8	160
1977	75	82	63	62	24	166
1978	90	83	101	79	28	133
1979	107	104	116	105	44	125
1980	100	100	100	100	100	100
1981	101	89	120	83	102	108
1982	94	94	101	57	107	112
1983	97	74	131	54	130	97
1984	94	87	119	33	110	86
1985	102	98	126	30	146	79
1986						

TABLE A-11  
HONDURAS: VOLUME OF EXPORTS OF MAJOR AGRICULTURAL CROPS

	BANANAS (1)	COFFEE (2)	MEAT (3)	WOOD (4)				
1976	33080	721	20694	364				
1977	39030	18.0%	599	-16.9%	17644	-14.7%	545	49.7%
1978	39472	1.1%	958	59.9%	22637	28.3%	358	-34.3%
1979	49469	25.3%	1101	14.9%	29980	32.4%	336	-6.1%
1980	47450	-4.1%	946	-14.1%	28605	-4.6%	269	-19.9%
1981	42234	-11.0%	1133	19.8%	23846	-16.6%	290	7.8%
1982	44736	5.9%	956	-15.6%	16195	-32.1%	301	3.8%
1983	35095	-21.6%	1238	29.5%	15474	-4.5%	262	-13.0%
1984	41250	17.5%	1130	-8.7%	9519	-38.5%	231	-11.8%
1985	46540	12.8%	1192	5.5%	8643	-9.2%	213	-7.8%
1986	42467	-8.8%	1324	11.1%	9876	14.3%	219	2.8%
		2.8%		8.4%		-5.2%		-4.0%

(1) Thousand of 40 lbs boxes

(2) Thousand of 60 Kgs bags

(3) Thousand of kilograms

(4) Thousand of cubic meters

**ANNEX B**  
**EMPLOYMENT AND INCOME**

TABLE B-1  
HONDURAS: EMPLOYMENT BY ECONOMIC SECTORS

A - THOUSAND OF EMPLOYED PERSONS

	AGRICULTURE	MINING	MANUFACTURE	NON-TRADED SECTOR	PUBLIC SECTOR	TOTAL EMPLOYMENT
1970	456.7	3.6	72.2	192.0		724.5
1971	465.1	3.6	76.2	199.7		744.6
1972	474.7	3.6	79.9	207.4		765.6
1973	480.5	3.6	83.8	219.3		787.2
1974	487.5	3.7	89.7	227.7		808.6
1975	494.2	4.0	93.6	239.0		830.8
1976	500.9	4.0	98.6	250.5		854.0
1977	507.5	4.2	104.1	262.5		878.3
1978	514.0	4.3	109.5	275.4		903.2
1979	520.6	4.5	115.1	288.5		928.7
1980	528.4	4.6	120.5	302.3	65.9	955.8
1981	536.3	4.8	126.2	316.7	68.1	984.0
1982	544.3	4.9	132.1	331.9	75.0	1013.2
1983	552.4	5.0	138.4	347.8	80.0	1043.6
1984	568.5	5.2	142.4	357.8	85.9	1073.9
1985	584.8	5.3	146.5	368.5	87.0	1105.1
1986	605.9	4.4	150.9	376.4	91.5	1137.6

B - STRUCTURE OF LABOR FORCE

	AGRICULTURE	MINING	MANUFACTURE	NON-TRADED SECTOR	PUBLIC SECTOR (1)	TOTAL EMPLOYMENT
1970	63.0%	0.5%	10.0%	26.5%	N.A.	100.0%
1971	62.5%	0.5%	10.2%	26.8%	N.A.	100.0%
1972	62.0%	0.5%	10.4%	27.1%	N.A.	100.0%
1973	61.0%	0.5%	10.6%	27.9%	N.A.	100.0%
1974	60.3%	0.5%	11.1%	28.2%	N.A.	100.0%
1975	59.5%	0.5%	11.3%	28.8%	N.A.	100.0%
1976	58.7%	0.5%	11.5%	29.3%	N.A.	100.0%
1977	57.8%	0.5%	11.9%	29.9%	N.A.	100.0%
1978	56.9%	0.5%	12.1%	30.5%	N.A.	100.0%
1979	56.1%	0.5%	12.4%	31.1%	N.A.	100.0%
1980	55.3%	0.5%	12.6%	31.6%	6.9%	100.0%
1981	54.5%	0.5%	12.8%	32.2%	6.9%	100.0%
1982	53.7%	0.5%	13.0%	32.8%	7.4%	100.0%
1983	52.9%	0.5%	13.3%	33.3%	7.7%	100.0%
1984	52.9%	0.5%	13.3%	33.3%	8.0%	100.0%
1985	52.9%	0.5%	13.3%	33.3%	7.9%	100.0%
1986	53.3%	0.4%	13.3%	33.1%	8.0%	100.0%

Note: (1) included in the non-traded sector

Source: World Bank, "Honduras: Country Economic Memorandum, 1987"

TABLE B-2  
HONDURAS: COMPOSITION OF NATIONAL URBAN LABOR FORCE BY SEX,  
FAMILY RELATIONSHIP AND SECTOR OF EMPLOYMENT, 1986

Family Relationship	Informal Sector			Domestic Service			Formal Private Sector			Public Sector			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Total Employed Population	100,718	70,125	170,843	223	39,764	39,987	95,607	40,947	136,554	48,217	34,792	83,009	244,765	185,628	430,393
Head of Household	66,956	18,811	85,769	52	2,385	2,437	60,625	8,434	69,059	35,324	7,815	43,139	162,959	37,445	200,404
Spouse	719	30,786	31,505		3,181	3,181	785	13,978	14,763	481	15,490	15,971	1,985	63,435	65,420
Children	22,354	10,882	33,236	46	4,605	4,651	21,434	12,050	33,484	8,395	6,890	15,285	52,229	34,427	86,656
Parents	475	1,654	2,129		365	365	426	243	669	314	387	701	1,215	2,649	3,864
Other Relatives	7,905	5,566	13,471		2,424	2,424	9,544	4,929	14,473	3,013	3,419	6,432	20,462	16,338	36,800
Other Non-Relatives	2,181	1,593	3,774	63	1,428	1,491	2,701	1,229	3,930	690	791	1,481	5,635	5,041	10,676
Domestic Servants	126	833	959	62	25,376	25,438	92	84	176				280	26,293	26,573
Percentage by Sector of Employment															
Total Employed Population	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Head of Household	66.5%	26.8%	50.2%	23.3%	6.0%	6.1%	63.4%	20.6%	50.6%	73.3%	22.5%	52.0%	66.6%	20.2%	46.6%
Spouse	0.7%	43.9%	18.4%		8.0%	8.0%	0.8%	34.1%	10.8%	1.0%	44.5%	19.2%	0.8%	34.2%	15.2%
Children	22.2%	15.5%	19.5%	20.6%	11.6%	11.6%	22.4%	29.4%	24.5%	17.4%	19.8%	18.4%	21.3%	18.5%	20.1%
Parents	0.5%	2.4%	1.2%		0.9%	0.9%	0.4%	0.6%	0.5%	0.7%	1.1%	0.8%	0.5%	1.4%	0.9%
Other Relatives	7.8%	7.9%	7.9%		6.1%	6.1%	10.0%	12.0%	10.6%	6.2%	9.8%	7.7%	8.4%	8.8%	8.6%
Other Non-Relatives	2.2%	2.3%	2.2%	28.3%	3.6%	3.7%	2.8%	3.0%	2.9%	1.4%	2.3%	1.8%	2.3%	2.7%	2.5%
Domestic Servants	0.1%	1.2%	0.6%	27.8%	63.8%	63.6%	0.1%	0.2%	0.1%				0.1%	14.2%	6.2%
Percentage by Family Relationship															
Total Employed Population	59.0%	41.0%	100.0%	0.6%	99.4%	100.0%	70.0%	30.0%	100.0%	58.1%	41.9%	100.0%	56.9%	43.1%	100.0%
Head of Household	78.1%	21.9%	100.0%	2.1%	97.9%	100.0%	87.8%	12.2%	100.0%	81.9%	18.1%	100.0%	81.3%	18.7%	100.0%
Spouse	2.3%	97.7%	100.0%		100.0%	100.0%	5.3%	94.7%	100.0%	3.0%	97.0%	100.0%	3.0%	97.0%	100.0%
Children	67.3%	32.7%	100.0%	1.0%	99.0%	100.0%	64.0%	36.0%	100.0%	54.9%	45.1%	100.0%	60.3%	39.7%	100.0%
Parents	22.3%	77.7%	100.0%		100.0%	100.0%	63.7%	36.3%	100.0%	44.8%	55.2%	100.0%	31.4%	68.6%	100.0%
Other Relatives	58.7%	41.3%	100.0%		100.0%	100.0%	65.9%	34.1%	100.0%	46.8%	53.2%	100.0%	55.6%	44.4%	100.0%
Other Non-Relatives	57.8%	42.2%	100.0%	4.2%	95.8%	100.0%	68.7%	31.3%	100.0%	46.6%	53.4%	100.0%	52.8%	47.2%	100.0%
Domestic Servants	13.1%	86.9%	100.0%	0.2%	99.8%	100.0%	52.3%	47.7%	100.0%				1.1%	98.9%	100.0%

SOURCE: DGEC, Continuous Labor Force Survey, 1986.

TABLE E-3  
HONDURAS: ACTIVITY, EMPLOYMENT AND UNEMPLOYMENT RATES  
IN TEGUCIGALPA AND SAN PEDRO SULA, BY GENDER, 1974-1987

		Tegucigalpa -----				
		1974 (4)	1982	1985	1986	1987
		----	----	----	----	----
<b>Both Sexes</b>						
	Activity Rate (1)	47.0	55.2	51.9	52.2	55.8
	Unemployment Rate (2)	8.1	15.2	13.6	12.2	12.1
	Employment Rate (3)	43.2	46.8	44.9	45.8	49.0
<b>Males</b>						
	Activity Rate (1)	65.9	67.7	64.4	65.3	67.4
	Unemployment Rate (2)	7.6	16.9	14.0	13.3	12.2
	Employment Rate (3)	60.9	56.3	55.4	56.6	59.2
<b>Females</b>						
	Activity Rate (1)	32.9	45.3	41.8	41.8	46.2
	Unemployment Rate (2)	9.9	13.3	13.0	10.9	11.9
	Employment Rate (3)	30.0	39.3	36.4	37.2	40.7
		<b>San Pedro Sula -----</b>				
<b>Both Sexes</b>						
	Activity Rate (1)	--	53.7	48.1	53.5	54.2
	Unemployment Rate (2)	--	13.7	13.2	11.9	10.3
	Employment Rate (3)	--	46.3	41.8	47.1	48.6
<b>Males</b>						
	Activity Rate (1)	--	69.9	66.1	68.3	69.2
	Unemployment Rate (2)	--	13.6	12.5	11.7	10.3
	Employment Rate (3)	--	60.4	57.8	60.3	62.1
<b>Females</b>						
	Activity Rate (1)	--	40.6	33.4	41.5	42.1
	Unemployment Rate (2)	--	13.9	14.3	12.1	10.5
	Employment Rate (3)	--	35.0	28.6	36.5	37.7

NOTES: (1) Activity Rate =  $\frac{\text{Persons in labor force}}{\text{Persons aged 10+ years}} \times 100$

(2) Unemployment Rate =  $\frac{\text{Persons seeking jobs}}{\text{Persons in labor force}} \times 100$

(3) Employment Rate = Activity Rate X (1 - Unemployment Rate)

(4) Lower and middle strata only.

SOURCE: Household Surveys



TABLE B-5  
HONDURAS: URBAN EMPLOYED POPULATION, BY ECONOMIC SECTOR  
AND LABOR MARKET SEGMENT, 1986

	Total Urban					Tegucigalpa				
	Total	Informal Sector	Domestic Service	Private Formal Sector	Public Sector	Total	Informal Sector	Domestic Service	Private Formal Sector	Public Sector
Total Employed Population	430,393	170,843	39,987	136,554	83,009	197,883	17,284	18,837	60,921	50,841
Agriculture	14,909	8,302	26	6,008	573	1,701	630		756	315
Industry	76,206	33,108	92	42,265	741	30,366	13,860		16,065	441
Elec., Gas & Water	4,275	68		251	3,956	2,583			63	2,520
Construction	21,711	11,740		9,666	305	12,096	5,103		6,804	189
Commerce, Restaurants & Hotels	112,707	77,012	497	34,728	470	46,305	31,500	315	14,112	378
Transportation & Communications	17,573	7,927		6,503	3,143	9,009	3,528		3,528	1,953
Financial & Business Services	18,522	3,319		12,564	2,629	10,206	1,764		6,678	1,764
Pub Admin./Social & Personal Services	162,519	28,560	39,347	23,662	70,950	84,420	10,584	18,522	12,222	43,092
Unspecified	1,981	807	25	907	242	1,197	315		693	189
Percentage of Labor Market Segment										
43	Total Employed Population	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	Agriculture	3.5%	4.9%	0.1%	4.4%	0.7%	0.9%	0.9%	1.2%	0.6%
	Industry	17.7%	19.4%	0.2%	31.0%	0.9%	15.3%	20.6%	26.4%	0.9%
	Elec., Gas & Water	1.0%			0.2%	4.8%	1.3%		0.1%	5.0%
	Construction	5.0%	6.9%		7.1%	0.4%	6.1%	7.6%	11.2%	0.4%
	Commerce, Restaurants & Hotels	26.2%	45.1%	1.2%	25.4%	0.6%	23.4%	46.8%	1.7%	23.2%
	Transportation & Communications	4.1%	4.6%		4.8%	3.8%	4.6%	5.2%	5.8%	3.8%
	Financial & Business Services	4.3%	1.9%		9.2%	3.2%	5.2%	2.6%	11.0%	3.5%
	Pub Admin./Social & Personal Services	37.8%	16.7%	98.4%	17.3%	85.5%	42.7%	15.7%	20.1%	84.8%
	Unspecified	0.5%	0.5%	0.1%	0.7%	0.3%	0.6%	0.5%	98.3%	1.1%
Percentage of Occupational Area										
	Total Employed Population	100.0%	39.7%	9.3%	31.7%	19.3%	100.0%	34.0%	9.5%	30.8%
	Agriculture	100.0%	55.7%	0.2%	40.3%	3.8%	100.0%	37.0%	44.4%	18.5%
	Industry	100.0%	43.4%	0.1%	55.5%	1.0%	100.0%	45.6%	52.9%	1.5%
	Elec., Gas & Water	100.0%	1.6%		5.9%	92.5%	100.0%		2.4%	97.6%
	Construction	100.0%	54.1%		44.5%	1.4%	100.0%	42.2%	56.3%	1.6%
	Commerce, Restaurants & Hotels	100.0%	68.3%	0.4%	30.8%	0.4%	100.0%	68.0%	0.7%	30.5%
	Transportation & Communications	100.0%	45.1%		37.0%	17.9%	100.0%	39.2%	39.2%	21.7%
	Financial & Business Services	100.0%	17.9%		67.9%	14.2%	100.0%	17.3%	65.4%	17.3%
	Pub Admin./Social & Personal Services	100.0%	17.6%	24.2%	14.6%	43.7%	100.0%	12.5%	21.9%	14.5%
	Unspecified	100.0%	40.7%	1.3%	45.6%	12.2%	100.0%	26.3%	57.9%	15.8%

SOURCE: DCEC, Continuous Labor Force Survey, September 1986.

San Pedro Sula

Other Urban

	San Pedro Sula					Other Urban				
	Total	Informal Sector	Domestic Service	Private Formal Sector	Public Sector	Total	Informal Sector	Domestic Service	Private Formal Sector	Public Sector
Total Employed Population	120,382	45,678	11,684	50,278	12,742	112,128	57,881	9,466	25,355	19,426
Agriculture	2,254	1,242		966	46	10,954	6,430	26	4,286	212
Industry	27,968	9,154	92	18,538	184	17,872	10,094		7,662	116
Elec., Gas & Water	828			138	590	864	68		50	746
Construction	4,278	2,346		1,840	92	5,337	4,291		1,022	24
Commerce, Restaurants & Hotels	36,386	20,792		15,502	92	30,016	24,720	182	5,114	
Transportation & Communications	4,048	2,070		1,334	644	4,516	2,329		1,641	546
Financial & Business Services	5,796	920		4,508	368	2,510	635		1,378	497
Pub Admin./Social & Personal Services	38,594	9,016	11,592	7,360	10,626	39,505	8,960	9,233	4,080	17,232
Unspecified	230	138		92		554	354	25	122	53

Percentage of Labor Market Segment

	44									
	Total Employed Population	Informal Sector	Domestic Service	Private Formal Sector	Public Sector	Total	Informal Sector	Domestic Service	Private Formal Sector	Public Sector
Total Employed Population	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Agriculture	1.9%	2.7%		1.9%	0.4%	9.8%	11.1%	0.3%	16.9%	1.1%
Industry	23.2%	20.0%	0.8%	36.9%	1.4%	15.9%	17.4%		30.2%	0.6%
Elec., Gas & Water	0.7%			0.3%	5.4%	0.9%	0.1%		0.2%	3.8%
Construction	3.6%	5.1%		3.7%	0.7%	4.8%	7.4%		4.0%	0.1%
Commerce, Restaurants & Hotels	30.2%	45.5%		30.8%	0.7%	26.8%	42.7%	1.9%	20.2%	
Transportation & Communications	3.4%	4.5%		2.7%	5.1%	4.0%	4.0%		6.5%	2.8%
Financial & Business Services	4.8%	2.0%		9.0%	2.9%	2.2%	1.1%		5.4%	2.6%
Pub Admin./Social & Personal Services	32.1%	19.7%	99.2%	14.6%	83.4%	35.2%	15.5%	97.5%	16.1%	88.7%
Unspecified	0.2%	0.3%		0.2%		0.5%	0.6%	0.3%	0.5%	0.3%

Percentage of Occupational Area

	Total Employed Population	Informal Sector	Domestic Service	Private Formal Sector	Public Sector	Total	Informal Sector	Domestic Service	Private Formal Sector	Public Sector
Total Employed Population	100.0%	37.9%	9.7%	41.8%	10.6%	100.0%	51.6%	8.4%	22.6%	17.3%
Agriculture	100.0%	55.1%		42.9%	2.0%	100.0%	58.7%	0.2%	39.1%	1.9%
Industry	100.0%	32.7%	0.3%	66.3%	0.7%	100.0%	56.5%		42.9%	0.6%
Elec., Gas & Water	100.0%			16.7%	83.3%	100.0%	7.9%		5.8%	86.3%
Construction	100.0%	54.8%		43.0%	2.2%	100.0%	80.4%		19.1%	0.4%
Commerce, Restaurants & Hotels	100.0%	57.1%		42.6%	0.3%	100.0%	82.4%	0.6%	17.0%	
Transportation & Communications	100.0%	51.1%		33.0%	15.9%	100.0%	51.6%		36.3%	12.1%
Financial & Business Services	100.0%	15.9%		77.8%	6.3%	100.0%	25.3%		54.9%	19.8%
Pub Admin./Social & Personal Services	100.0%	23.4%	30.0%	19.1%	27.5%	100.0%	22.7%	23.4%	10.3%	43.6%
Unspecified	100.0%	60.0%		40.0%		100.0%	63.9%	4.5%	22.0%	9.6%

TABLE B-6  
HONDURAS: URBAN EMPLOYED POPULATION, BY SIZE  
OF FIRM AND LABOR MARKET SEGMENT, 1986

Size of Firm	Total Urban					Tegucigalpa				
	Total	Informal Sector	Domestic Service	Private Formal Sector	Public Sector	Total	Informal Sector	Domestic Service	Private Formal Sector	Public Sector
Total Employed Population	430,393	170,843	39,987	136,554	83,009	197,883	67,284	18,837	60,921	50,841
1 - 4 Workers	207,662	164,467	39,172	2,032	1,991	84,294	64,323	18,333	945	693
5 - 9 Workers	31,919	2,248	568	27,060	2,043	13,608	819	441	11,592	756
10 or more Workers	190,812	4,128	247	107,462	78,975	99,981	2,142	63	48,384	49,392
Percentage of Labor Market Segment										
Total Employed Population	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
1 - 4 Workers	48.2%	96.3%	98.0%	1.5%	2.4%	42.6%	95.6%	97.3%	1.6%	1.4%
5 - 9 Workers	7.4%	1.3%	1.4%	19.8%	2.5%	6.9%	1.2%	2.3%	19.0%	1.5%
10 or more Workers	44.3%	2.4%	0.6%	78.7%	95.1%	50.5%	3.2%	0.3%	79.4%	97.1%
Percentage of Size of Firm										
Total Employed Population	100.0%	39.7%	9.3%	31.7%	19.3%	100.0%	34.0%	9.5%	30.8%	25.7%
1 - 4 Workers	100.0%	79.2%	18.9%	1.0%	1.0%	100.0%	76.3%	21.7%	1.1%	0.8%
5 - 9 Workers	100.0%	7.0%	1.8%	84.8%	6.4%	100.0%	6.0%	3.2%	85.2%	5.6%
10 or more Workers	100.0%	2.2%	0.1%	56.3%	41.4%	100.0%	2.1%	0.1%	48.4%	49.4%

SOURCE: DGECC, Continuous Labor Force Survey, September 1986.

Size of Firm	San Pedro Sula					Other Urban				
	Total	Informal Sector	Domestic Service	Private	Public Sector	Total	Informal Sector	Domestic Service	Private	Public Sector
				Formal Sector					Formal Sector	
Total Employed Population	120,382	45,678	11,684	50,278	12,742	112,128	57,881	9,466	25,355	19,426
1 - 4 Workers	56,028	43,838	11,454	598	138	67,340	56,306	9,385	489	1,160
5 - 9 Workers	10,166	874	46	9,108	138	8,145	555	81	6,360	1,144
10 or more Workers	54,188	966	184	40,572	12,466	36,643	1,020		18,506	17,117
Percentage of Labor Market Segment										
Total Employed Population	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
1 - 4 Workers	46.5%	96.0%	98.0%	1.2%	1.1%	60.1%	97.3%	99.1%	1.9%	6.0%
5 - 9 Workers	8.4%	1.9%	0.4%	18.1%	1.1%	7.3%	1.0%	0.9%	25.1%	5.9%
10 or more Workers	45.0%	2.1%	1.6%	80.7%	97.8%	32.7%	1.8%	0.0%	73.0%	88.1%
Percentage of Size of Firm										
Total Employed Population	100.0%	37.9%	9.7%	41.8%	10.6%	100.0%	51.6%	8.4%	22.6%	17.0%
1 - 4 Workers	100.0%	78.2%	20.4%	1.1%	0.2%	100.0%	83.6%	13.9%	0.7%	1.7%
5 - 9 Workers	100.0%	8.6%	0.5%	89.6%	1.4%	100.0%	6.8%	1.0%	78.1%	14.1%
10 or more Workers	100.0%	1.8%	0.3%	74.9%	23.0%	100.0%	2.8%	0.0%	50.5%	46.7%

TABLE B-1  
HONDURAS: URBAN EMPLOYED POPULATION, BY OCCUPATIONAL  
STATUS AND LABOR MARKET SEGMENT, 1986

	Total Urban					Tegucigalpa				
	Total	Informal Sector	Domestic Service	Private Formal Sector	Public Sector	Total	Informal Sector	Domestic Service	Private Formal Sector	Public Sector
Total Employed Population	430,393	170,843	39,987	136,554	83,009	197,883	67,284	18,837	60,921	50,841
Non-Salaried Workers	128,173	121,905		6,268		52,857	49,833		3,024	
Employers	11,097	7,116		3,981		4,788	2,898		1,890	
Self-Employed	100,761	98,474		2,287		43,092	41,958		1,134	
Unpaid Family Workers	16,315	16,315				4,977	4,977			
Salaried Workers	262,233	48,938		130,286	83,009	126,189	17,451		57,897	50,841
Private Employees	179,224	48,938		130,286		75,348	17,451		57,897	
Public Employees	83,009				83,009	50,841				50,841
Domestic Servants	39,987		39,987			18,837		18,837		
Percentage of Labor Market Segment										
-----										
47 Total Employed Population	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Non-Salaried Workers	29.8%	71.4%		4.6%		26.7%	74.1%		5.0%	
Employers	2.6%	4.2%		2.9%		2.4%	4.3%		3.1%	
Self-Employed	23.4%	57.6%		1.7%		21.8%	62.4%		1.9%	
Unpaid Family Workers	3.8%	9.5%				2.5%	7.4%			
Salaried Workers	60.9%	28.6%		95.4%	100.0%	63.8%	25.9%		95.0%	100.0%
Private Employees	41.6%	28.6%		95.4%		38.1%	25.9%		95.0%	
Public Employees	19.3%				100.0%	25.7%				100.0%
Domestic Servants	9.3%		100.0%			9.5%		100.0%		
Percentage of Occupational Group										
-----										
Total Employed Population	100.0%	39.7%	9.3%	31.7%	19.3%	100.0%	34.0%	9.5%	30.8%	25.7%
Non-Salaried Workers	100.0%	95.1%		4.9%		100.0%	94.3%		5.7%	
Employers	100.0%	64.1%		35.9%		100.0%	60.5%		39.5%	
Self-Employed	100.0%	97.7%		2.3%		100.0%	97.4%		2.6%	
Unpaid Family Workers	100.0%	100.0%				100.0%	100.0%			
Salaried Workers	100.0%	18.7%		49.7%	31.7%	100.0%	13.8%		45.9%	40.3%
Private Employees	100.0%	27.3%		72.7%		100.0%	23.2%		76.8%	
Public Employees	100.0%				100.0%	100.0%				100.0%
Domestic Servants	100.0%		100.0%			100.0%		100.0%		

SOURCE: DGEC, Continuous Labor Force Survey, September 1986.

	San Pedro Sula					Other Urban				
	Total	Informal Sector	Domestic Service	Private Formal Sector	Public Sector	Total	Informal Sector	Domestic Service	Private Formal Sector	Public Sector
Total Employed Population	120,382	45,673	11,684	50,278	12,742	112,128	57,881	9,466	25,355	19,426
Non-Salaried Workers	33,816	32,016		1,794		41,506	40,056		1,450	
Employers	3,312	2,116		1,196		2,997	2,102		895	
Self-Employed	25,392	24,794		598		32,277	31,722		555	
Unpaid Family Workers	5,106	5,106				6,232	6,232			
Salaried Workers	74,888	13,662		48,484	12,742	61,156	17,825		23,905	19,426
Private Employees	62,146	13,662		48,484		41,730	17,825		23,905	
Public Employees	12,742				12,742	19,426				19,426
Domestic Servants	11,684		11,684			9,466		9,466		
Percentage of Labor Market Segment										
Total Employed Population	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Non-Salaried Workers	28.1%	70.1%		3.6%		37.0%	69.2%		5.7%	
Employers	2.8%	4.6%		2.4%		2.7%	3.6%		3.5%	
Self-Employed	21.1%	54.3%		1.2%		28.8%	54.8%		2.2%	
Unpaid Family Workers	4.2%	11.2%				5.6%	10.8%			
Salaried Workers	62.2%	29.9%		96.4%	100.0%	54.5%	30.8%		94.3%	100.0%
Private Employees	51.6%	29.9%		96.4%		37.2%	30.8%		94.3%	
Public Employees	10.6%				100.0%	17.3%				100.0%
Domestic Servants	9.7%		100.0%			8.4%		100.0%		
Percentage of Occupational Group										
Total Employed Population	100.0%	37.9%	9.7%	41.8%	10.6%	100.0%	51.6%	8.4%	22.6%	17.3%
Non-Salaried Workers	100.0%	94.7%		5.3%		100.0%	96.5%		3.5%	
Employers	100.0%	63.9%		36.1%		100.0%	70.1%		29.9%	
Self-Employed	100.0%	97.6%		2.4%		100.0%	98.3%		1.7%	
Unpaid Family Workers	100.0%	100.0%				100.0%	100.0%			
Salaried Workers	100.0%	18.2%		64.7%	17.0%	100.0%	29.1%		39.1%	31.8%
Private Employees	100.0%	22.0%		78.0%		100.0%	42.7%		57.3%	
Public Employees	100.0%				100.0%	100.0%				100.0%
Domestic Servants	100.0%		100.0%			100.0%		100.0%		

TABLE B-8  
HONDURAS: URBAN EMPLOYED POPULATION, BY EDUCATIONAL  
LEVEL AND LABOR MARKET SEGMENT, 1986

	Total Urban -----					Tegucigalpa -----				
	Total	Informal Sector	Domestic Service	Private		Total	Informal Sector	Domestic Service	Private	
				Formal Sector	Public Sector				Formal Sector	Public Sector
Total Employed Population	430,393	170,843	39,987	136,554	83,009	197,883	67,284	18,837	60,921	50,841
None	43,278	28,548	5,621	6,973	2,136	16,317	10,017	2,520	2,709	1,071
Pre-Primary	301	130	46	109	16	63			63	
1-2 Years of Primary	35,147	19,542		8,606	2,245	14,742	7,371	1,701	4,284	1,386
3-4 Years of Primary	58,674	30,615		14,916	4,229	25,011	12,159	4,473	6,426	1,953
5-6 Years of Primary	118,425	50,440	16,277	37,598	14,110	51,912	19,026	8,001	16,191	8,694
1-3 Years of Secondary	44,306	15,414		16,696	8,124	22,428	7,749	1,701	7,938	5,040
4 and More Years of Secondary	88,961	20,272		35,686	31,773	41,202	8,190	441	14,742	17,829
1-3 Years of Higher	13,007	1,807	73	4,985	6,142	8,190	1,071		2,961	4,158
4 and More Years of Higher	28,294	3,075	0	10,985	14,234	18,018	1,701		5,607	10,710
<b>Percentage of Labor Market Segment</b> -----										
Total Employed Population	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
None	10.1%	16.7%	14.1%	5.1%	2.6%	8.2%	14.9%	13.4%	4.4%	2.1%
Pre-Primary	0.1%	0.1%	0.1%	0.1%					0.1%	
1-2 Years of Primary	8.2%	11.4%		6.3%	2.7%	7.4%	11.0%	9.0%	7.0%	2.7%
3-4 Years of Primary	13.6%	17.9%		10.9%	5.1%	12.6%	18.1%	23.7%	10.5%	3.8%
5-6 Years of Primary	27.5%	29.5%	40.7%	27.5%	17.0%	26.2%	28.3%	42.5%	26.6%	17.1%
1-3 Years of Secondary	10.3%	9.6%		12.2%	9.8%	11.3%	11.5%	9.0%	13.0%	9.9%
4 and More Years of Secondary	20.7%	11.9%		26.1%	38.3%	20.8%	12.2%	2.3%	24.2%	35.1%
1-3 Years of Higher	3.0%	1.1%	0.2%	3.7%	7.4%	4.1%	1.6%		4.9%	8.2%
4 and More Years of Higher	6.6%	1.8%		8.0%	17.1%	9.1%	2.5%		9.2%	21.1%
<b>Percentage of Educational Level</b> -----										
Total Employed Population	100.0%	39.7%	9.3%	31.7%	19.3%	100.0%	34.0%	9.5%	30.8%	25.7%
None	100.0%	66.0%	13.0%	16.1%	4.9%	100.0%	61.4%	15.4%	16.6%	6.6%
Pre-Primary	100.0%	43.2%	15.3%	36.2%	5.3%	100.0%			100.0%	
1-2 Years of Primary	100.0%	55.6%		24.5%	6.4%	100.0%	50.0%	11.5%	29.1%	9.4%
3-4 Years of Primary	100.0%	52.2%		25.4%	7.2%	100.0%	48.6%	17.9%	25.7%	7.8%
5-6 Years of Primary	100.0%	42.6%	13.7%	31.7%	11.9%	100.0%	36.7%	15.4%	31.2%	16.7%
1-3 Years of Secondary	100.0%	37.0%		37.7%	18.3%	100.0%	34.6%	7.6%	35.4%	22.5%
4 and More Years of Secondary	100.0%	22.8%		40.1%	35.7%	100.0%	19.9%	1.1%	35.8%	43.3%
1-3 Years of Higher	100.0%	13.9%	0.6%	38.3%	47.2%	100.0%	13.1%		36.2%	50.8%
4 and More Years of Higher	100.0%	10.9%		38.8%	50.3%	100.0%	9.4%		31.1%	59.4%

SOURCE: DGEC, Continuous Labor Force Survey, September 1986.

	San Pedro Sula					Other Urban				
	Total	Informal Sector	Domestic Service	Private Formal Sector	Public Sector	Total	Informal Sector	Domestic Service	Private Formal Sector	Public Sector
Total Employed Population	120,382	45,678	11,684	50,278	12,742	112,128	57,681	9,466	25,355	19,426
None	9,936	5,934	1,380	2,300	322	17,025	12,597	1,721	1,964	743
Pre-Primary	138	46	46	46		100	84			16
1-2 Years of Primary	9,338	4,922	2,024	2,298	184	11,067	7,249	1,029	2,114	675
3-4 Years of Primary	16,100	7,820	2,346	5,152	782	17,563	10,636	2,095	3,338	1,494
5-6 Years of Primary	35,190	15,088	4,738	13,570	1,794	31,323	16,326	3,538	7,837	3,622
1-3 Years of Secondary	11,960	4,002	552	6,164	1,242	9,918	4,663	919	2,594	1,842
4 and More Years of Secondary	27,278	6,394	552	15,272	5,060	20,481	5,688	237	5,672	8,884
1-3 Years of Higher	3,726	598	46	1,748	1,334	1,091	138	27	276	650
4 and More Years of Higher	6,716	874		3,818	2,024	3,560	500		1,560	1,500

Percentage of Labor Market Segment

Total Employed Population	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
None	8.3%	13.0%	11.8%	4.6%	2.5%	15.2%	21.8%	18.2%	7.7%	3.8%
Pre-Primary	0.1%	0.1%	0.4%	0.1%		0.1%	0.1%			0.1%
1-2 Years of Primary	7.8%	10.8%	17.3%	4.4%	1.4%	9.9%	12.5%	10.9%	8.3%	3.5%
3-4 Years of Primary	13.4%	17.1%	20.1%	10.2%	6.1%	15.7%	18.4%	22.1%	13.2%	7.7%
5-6 Years of Primary	29.2%	33.0%	40.6%	27.0%	14.1%	27.9%	28.2%	37.4%	30.9%	18.6%
1-3 Years of Secondary	9.9%	8.8%	4.7%	12.3%	9.7%	8.8%	8.1%	6.7%	10.2%	9.5%
4 and More Years of Secondary	22.7%	14.0%	4.7%	30.4%	39.7%	18.2%	9.8%	2.5%	22.4%	45.7%
1-3 Years of Higher	3.1%	1.3%	0.4%	3.5%	10.5%	1.0%	0.2%	0.3%	1.1%	3.3%
4 and More Years of Higher	5.6%	1.9%		7.6%	15.9%	3.2%	0.9%		6.2%	7.7%

Percentage of Educational Level

Total Employed Population	100.0%	37.9%	9.7%	41.8%	10.6%	100.0%	51.6%	8.4%	22.6%	17.3%
None	100.0%	59.7%	13.9%	23.1%	3.2%	100.0%	74.0%	10.1%	11.5%	4.4%
Pre-Primary	100.0%	33.3%	33.3%	33.3%		100.0%	84.0%			16.0%
1-2 Years of Primary	100.0%	52.7%	21.7%	23.6%	2.0%	100.0%	65.5%	9.3%	19.1%	6.1%
3-4 Years of Primary	100.0%	48.6%	14.6%	32.0%	4.9%	100.0%	60.6%	11.9%	19.0%	8.5%
5-6 Years of Primary	100.0%	42.9%	13.5%	38.6%	5.1%	100.0%	52.1%	11.3%	25.0%	11.6%
1-3 Years of Secondary	100.0%	33.5%	4.6%	51.5%	10.4%	100.0%	47.0%	8.3%	26.2%	18.6%
4 and More Years of Secondary	100.0%	23.4%	2.0%	56.0%	18.5%	100.0%	27.8%	1.2%	27.7%	43.4%
1-3 Years of Higher	100.0%	16.0%	1.2%	46.9%	35.8%	100.0%	12.6%	2.5%	25.3%	59.6%
4 and More Years of Higher	100.0%	13.0%		56.8%	30.1%	100.0%	14.0%		43.8%	42.1%

TABLE B-9  
HONDURAS: INCOME LEVEL BY URBAN REGION AND OCCUPATIONAL AREA, 1986  
(Lempiras per month)

		Total Urban -----									
		Total		Informal Sector		Dom. Service		Formal Private Sector		Public Sector	
		Mean	SD	Mean	SD	Mean	SD	Mean	SD	Mean	SD
		----	--	----	--	----	--	----	--	----	--
19	Total Employed Population	469.9	694.8								
	Agriculture	475.5	1013.6	330.1	960.2	0.0	0.0	615.8	802.4	1121.7	2065.8
	Industry	385.2	551.5	247.8	372.1	45.0	15.1	490.8	642.1	551.8	231.0
	Elec., Gas & Water	861.7	204.2	476.9	423.7			1325.3	1763.7	838.9	695.4
	Construction	407.8	654.3	319.6	636.1			516.8	669.5	344.9	139.3
	Commerce, Restaurants & Hotels	398.2	606.2	347.7	580.4	125.1	36.6	514.4	651.6	383.1	227.6
	Transportation & Communications	626.6	695.0	503.7	496.6			652.1	837.3	883.7	723.4
	Finance & Business Services	925.6	1059.2	794.7	808.5			932.6	1131.4	1057.3	958.5
	Public Admin./Social & Personal Services	488.1	701.3	318.9	570.4	96.7	41.7	632.2	953.1	725.3	729.5
	Unspecified	450.7	475.2	306.1	210.9	50.0	0.0	623.0	626.5	328.7	133.0
			San Pedro Sula -----								
	Total Employed Population	481.1	707.7								
	Agriculture	647.2	1413.6	148.4	217.3			914.7	1246.7	8000.0	0.0
	Industry	428.1	543.4	283.1	472.8	45.0	15.1	499.7	564.1	612.5	195.4
	Elec., Gas & Water	855.4	1083.3	416.7	605.6			2100.0	2078.0	606.5	421.7
	Construction	534.0	645.8	369.7	541.3			749.0	717.2	424.5	125.2
	Commerce, Restaurants & Hotels	486.1	759.3	427.4	774.8			566.3	732.6	227.5	47.8
	Transportation & Communications	751.7	820.3	595.6	655.7			774.6	930.0	1206.5	878.6
	Finance & Business Services	826.7	798.5	902.6	1136.6			761.8	678.0	1432.5	869.9
	Public Admin./Social & Personal Services	412.2	644.0	342.9	599.9	101.4	44.3	541.5	665.5	720.4	822.3
	Unspecified	320.0	56.7	293.3	37.8			360.0	40.2		

SOURCE: DGEC, Continuous Labor Force Survey, 1986.

										Tegucigalpa	
										-----	
		Total		Informal Sector		Dom. Service		Formal Private Sector		Public Sector	
		Mean	SD	Mean	SD	Mean	SD	Mean	SD	Mean	SD
		----	--	----	--	----	--	----	--	----	--
Total Employed Population		535.2	775.1								
Agriculture		961.7	1849.4	1759.8	2724.8			464.0	775.3	560.0	404.9
Industry		420.2	657.1	262.3	383.6			552.7	805.1	557.9	223.7
Elec., Gas & Water		938.9	763.9	358.8	567.7			500.0	0.0	949.9	770.2
Construction		427.2	765.6	361.9	870.4			479.4	683.6	316.0	131.9
Commerce, Restaurants & Hotels		385.7	525.5	339.2	499.3	142.0	26.4	494.1	574.8	421.0	237.8
Transportation & Communications		649.8	722.5	507.2	387.6			676.8	929.1	856.8	704.3
Finance & Business Services		1036.3	1236.7	790.9	661.9			1081.5	1383.0	1110.4	1047.6
Public Admin./Social & Personal Services		579.7	790.2	336.1	537.7	105.7	39.6	705.5	1118.5	807.6	793.3
Unspecified		575.7	775.1	424.0	250.3			717.6	681.9	308.3	11.8
										Other Urban	
										-----	
Total Employed Population		342.5	481.0								
Agriculture		365.4	636.9	223.8	480.7	0.0	0.0	575.2	780.8	463.9	323.0
Industry		258.9	283.2	195.8	212.8			339.3	337.9	432.2	265.8
Elec., Gas & Water		636.9	518.6	476.9	423.7			226.8	21.0	678.9	529.2
Construction		262.5	209.9	242.0	191.2			348.4	255.5	267.5	116.8
Commerce, Restaurants & Hotels		311.0	487.6	291.6	467.4			95.7	33.0	412.9	570.4
Transportation & Communications		468.0	441.9	416.9	463.5			499.3	428.1	592.0	345.2
Finance & Business Services		703.9	680.2	649.1	540.5			770.0	819.3	590.9	272.7
Public Admin./Social & Personal Services		366.5	495.5	274.4	575.0	72.6	32.0	576.4	829.3	522.2	377.1
Unspecified		234.8	199.1	206.1	150.7	50.0	0.0	283.4	242.6	401.4	273.1



TABLE B-11  
HONDURAS: INCOME LEVEL BY URBAN REGION AND LEVEL OF EDUCATION, 1986  
(Lempiras per month)

		Total Urban -----									
		Total		Informal Sector		Dom. Service		Formal Private Sector		Public Sector	
		Mean	SD	Mean	SD	Mean	SD	Mean	SD	Mean	SD
		----	--	----	--	----	--	----	--	----	--
Total Employed Population		469.9	694.8								
	None	184.1	162.6	187.9	181.7	91.6	34.9	219.8	121.2	259.3	103.5
	Pre-Primary	175.0	111.4	110.7	109.7	100.0	0.0	265.1	47.1	300.0	0.0
	Primary: 1 - 2 years	257.9	283.4	246.8	271.2	100.3	58.6	340.4	354.6	372.3	187.4
	Primary: 3 - 4 years	257.2	276.3	260.5	317.5	96.8	46.4	322.5	253.5	340.3	148.9
	Primary: 5 - 6 years	291.1	316.3	287.8	375.4	97.7	37.0	337.2	287.3	403.4	229.5
	Secondary: 1 - 3 years	388.0	500.8	366.3	658.4	97.1	31.3	418.2	397.4	479.5	351.7
	Secondary: 4 and more years	661.8	732.4	602.9	979.8	96.0	41.6	714.7	770.1	661.8	453.6
	Higher Education: 1 - 3 years	718.7	676.8	599.0	741.1	92.6	9.7	739.4	880.5	744.5	411.7
	Higher education: 4 and more years	1773.1	1440.0	1781.6	1646.6			1980.4	1615.4	1666.9	1223.7
		San Pedro Sula -----									
Total Employed Population		481.1	707.7								
	None	202.4	201.9	230.2	246.4	85.3	29.0	197.9	91.2	224.3	49.3
	Pre-Primary	140.0	134.1	0.0	0.0	100.0	0.0	320.0	0.0		
	Primary: 1 - 2 years	272.7	346.0	295.2	325.4	117.3	73.6	358.9	482.7	350.0	112.1
	Primary: 3 - 4 years	275.8	258.3	283.3	279.5	99.0	38.0	346.3	263.5	267.2	60.6
	Primary: 5 - 6 years	298.9	355.4	293.0	389.4	99.7	34.0	360.0	365.0	412.1	213.9
	Secondary: 1 - 3 years	450.0	699.5	481.0	993.4	100.0	25.2	467.4	485.9	496.5	548.2
	Secondary: 4 and more years	658.0	754.9	648.6	1065.1	101.3	39.6	670.5	678.3	693.1	462.8
	Higher Education: 1 - 3 years	692.7	603.1	873.2	1169.5	100.0	0.0	634.7	425.9	708.2	357.2
	Higher education: 4 and more years	1860.9	1444.1	1924.0	1610.6			1811.5	1219.6	1860.3	1729.6



TABLE B-12  
**HONDURAS: INDICES OF PUBLIC SECTOR EMPLOYMENT AND  
 AVERAGE REAL WAGES, 1980-1986**  
 (1980 = 100)

	Employment -----						
	1980	1981	1982	1983	1984	1985	1986 (2)
	----	----	----	----	----	----	----
Central Government (1)	100.0	103.2	118.6	128.7	141.1	136.9	155.0
Autonomous Institutions	100.0	105.6	112.2	119.9	121.2	126.2	137.5
Sub-Total	100.0	103.7	117.4	127.0	137.4	143.1	151.8
Public Enterprises							
Financial	100.0	106.2	112.8	124.4	135.5	130.0	137.5
Non-Financial	100.0	101.1	102.2	101.0	104.8	94.6	94.0
Sub-Total	100.0	101.6	103.3	103.4	108.0	98.3	98.6
TOTAL (1)	100.0	103.2	113.9	121.1	130.1	131.9	138.4
	Average Real Wages (3) -----						
Central Government (1)	100.0	105.7	93.1	83.1	77.8	78.5	83.0
Autonomous Institutions	100.0	109.1	107.0	100.3	98.6	96.6	95.2
Sub-Total	100.0	106.2	95.5	86.0	81.1	81.4	85.5
Public Enterprises							
Financial	100.0	86.6	84.6	77.5	78.2	93.6	100.0
Non-Financial	100.0	98.4	104.1	104.1	95.1	114.2	125.9
Sub-Total	100.0	95.9	100.7	99.8	96.6	113.6	125.3
TOTAL (1)	100.0	104.1	96.8	89.1	84.5	87.5	92.4

NOTES: (1) Excludes defense, national security and local governments.

(2) Preliminary data.

(3) Average nominal wages deflated by the Consumer Price Index.

SOURCE: Mission estimates based on raw data obtained from Department of Economic Studies, Central Bank of Honduras.



TABLE B-14  
HONDURAS: URBAN EMPLOYED POPULATION, BY INCOME  
LEVEL AND LABOR MARKET SEGMENT, 1986

1986 Lempiras per Month -----	Total Urban -----				
	Total	Informal Sector	Domestic Service	Private Formal Sector	Public Sector
<b>Total Employed Population</b>	430,347	170,797	39,987	136,554	83,009
<b>No Income*</b>	17,786	17,098	55	536	57
1 - 100	61,867	26,376	28,610	5,705	1,176
101 - 200	94,513	49,771		29,793	4,180
201 - 300	72,549	30,066		30,121	11,895
301 - 400	45,580	16,395	46	18,221	10,918
401 - 600	58,583	14,816		20,833	22,934
601 - 800	26,486	4,978		9,449	12,059
801 - 1200	24,122	5,281		9,171	9,670
1201 - 1600	10,130	1,662		5,004	3,464
1601 - 2000	7,736	1,940		3,065	2,731
2001 - 9998	10,995	2,414		4,656	3,925
<b>Percentage of Labor Market Segment -----</b>					
<b>Total Employed Population</b>	100.0%	100.0%	100.0%	100.0%	100.0%
<b>No Income*</b>	4.1%	10.0%	0.2%	0.4%	0.1%
1 - 100	14.4%	15.4%	71.5%	4.2%	1.4%
101 - 200	22.0%	29.1%		21.8%	5.0%
201 - 300	16.9%	17.6%		22.1%	14.3%
301 - 400	10.6%	9.6%	0.1%	13.3%	13.2%
401 - 600	13.6%	8.7%		15.3%	27.6%
601 - 800	6.2%	2.9%		6.9%	14.5%
801 - 1200	5.6%	3.1%		6.7%	11.6%
1201 - 1600	2.4%	1.0%		3.7%	4.2%
1601 - 2000	1.8%	1.1%		2.2%	3.3%
2001 - 9998	2.6%	1.4%		3.4%	4.7%
<b>Percentage of Income Level -----</b>					
<b>Total Employed Population</b>	100.0%	39.7%	9.3%	31.7%	19.3%
<b>No Income*</b>	100.0%	96.1%	0.5%	3.0%	0.3%
1 - 100	100.0%	42.6%	46.2%	9.2%	1.9%
101 - 200	100.0%	52.7%		31.5%	4.4%
201 - 300	100.0%	41.4%		41.5%	16.4%
301 - 400	100.0%	36.0%	0.1%	40.0%	24.0%
401 - 600	100.0%	25.3%		35.6%	39.1%
601 - 800	100.0%	18.8%		35.7%	45.5%
801 - 1200	100.0%	21.9%		38.0%	40.1%
1201 - 1600	100.0%	16.4%		49.4%	34.2%
1601 - 2000	100.0%	25.1%		39.6%	35.3%
2001 - 9998	100.0%	22.0%		42.3%	35.7%

NOTE: \*--Includes unpaid family workers.

SOURCE: DDEC, Continuous Labor Force Survey,

Tegucigalpa  
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1986 Lempiras per Month -----	Private				Public Sector
	Total	Informal Sector	Domestic Service	Formal Sector	
<b>Total Employed Population</b>	197,883	67,284	18,837	60,921	50,841
No Income*	5,859	5,355	63	441	
1 - 100	23,562	9,387	11,718	1,953	504
101 - 200	39,690	19,782	6,741	11,781	1,386
201 - 300	33,579	11,907	315	14,301	7,056
301 - 400	21,672	7,434		7,497	6,741
401 - 600	30,933	6,615		10,332	13,986
601 - 800	12,663	2,079		3,843	6,741
801 - 1200	13356	2,205		4,473	6,678
1201 - 1600	5,733	630		2,520	2,583
1601 - 2000	4095	756		1323	2016
2001 - 9998	6741	1134		2457	3150

Percentage of Labor Market Segment  
-----

<b>Total Employed Population</b>	100.0%	100.0%	100.0%	100.0%	100.0%
No Income*	3.0%	8.0%	0.3%	0.7%	
1 - 100	11.9%	14.0%	62.2%	3.2%	1.0%
101 - 200	20.1%	29.4%	35.8%	19.3%	2.7%
201 - 300	17.0%	17.7%	1.7%	23.5%	13.9%
301 - 400	11.0%	11.0%		12.3%	13.3%
401 - 600	15.6%	9.8%		17.0%	27.5%
601 - 800	6.4%	3.1%		6.3%	13.3%
801 - 1200	6.7%	3.3%		7.3%	13.1%
1201 - 1600	2.9%	0.9%		4.1%	5.1%
1601 - 2000	2.1%	1.1%		2.2%	4.0%
2001 - 9998	3.4%	1.7%		4.0%	6.2%

Percentage of Income Level  
-----

<b>Total Employed Population</b>	100.0%	34.0%	9.5%	30.8%	25.7%
No Income*	100.0%	91.4%	1.1%	7.5%	
1 - 100	100.0%	39.8%	49.7%	8.3%	2.1%
101 - 200	100.0%	49.8%	17.0%	29.7%	3.5%
201 - 300	100.0%	35.5%	0.9%	42.6%	21.0%
301 - 400	100.0%	34.3%		34.6%	31.1%
401 - 600	100.0%	21.4%		33.4%	45.2%
601 - 800	100.0%	16.4%		30.3%	53.2%
801 - 1200	100.0%	16.5%		33.5%	50.0%
1201 - 1600	100.0%	11.0%		44.0%	45.1%
1601 - 2000	100.0%	18.5%		32.3%	49.2%
2001 - 9998	100.0%	16.8%		36.4%	46.7%

San Pedro Sula  
-----

1986 Lempiras per Month  
-----

	Total	Informal Sector	Domestic Service	Private Formal Sector	Public Sector
	-----	-----	-----	-----	-----
Total Employed Population	120,336	45,632	11,684	50,278	12,742
No Income*	5,198	5,152		46	
1 - 100	15,870	5,198	8,372	2,070	230
101 - 200	26,128	11,730	3,174	10,396	828
201 - 300	22,034	9,200	92	10,836	1,886
301 - 400	13,754	4,646	46	7,636	1,426
401 - 600	14,030	4,094		6,900	3,036
601 - 800	8,326	1,702		4,094	2,530
801 - 1200	6,440	1,794		3,404	1,242
1201 - 1600	2,898	598		1,886	414
1601 - 2000	2622	782		1380	460
2001 - 9998	3036	736		1610	690

Percentage of Labor Market Segment  
-----

Total Employed Population	100.0%	100.0%	100.0%	100.0%	100.0%
No Income*	4.3%	11.3%		0.1%	
1 - 100	13.2%	11.4%	71.7%	4.1%	1.8%
101 - 200	21.7%	25.7%	27.2%	20.7%	6.5%
201 - 300	18.3%	20.2%	0.8%	21.6%	14.8%
301 - 400	11.4%	10.2%	0.4%	15.2%	11.2%
401 - 600	11.7%	9.0%		13.7%	23.8%
601 - 800	6.9%	3.7%		8.1%	19.9%
801 - 1200	5.4%	3.9%		6.8%	9.7%
1201 - 1600	2.4%	1.3%		3.8%	3.2%
1601 - 2000	2.2%	1.7%		2.7%	3.6%
2001 - 9998	2.5%	1.6%		3.2%	5.4%

Percentage of Income Level  
-----

Total Employed Population	100.0%	37.9%	9.7%	41.8%	10.6%
No Income*	100.0%	99.1%		0.9%	
1 - 100	100.0%	32.8%	52.8%	13.0%	1.4%
101 - 200	100.0%	44.9%	12.1%	39.8%	3.2%
201 - 300	100.0%	41.8%	0.4%	49.3%	8.6%
301 - 400	100.0%	33.8%	0.3%	55.5%	10.4%
401 - 600	100.0%	29.2%		49.2%	21.6%
601 - 800	100.0%	20.4%		49.2%	30.4%
801 - 1200	100.0%	27.9%		52.9%	19.3%
1201 - 1600	100.0%	20.6%		65.1%	14.3%
1601 - 2000	100.0%	29.8%		52.6%	17.5%
2001 - 9998	100.0%	24.2%		53.0%	22.7%

Other Urban  
-----

1986 Lampiras per Month  
-----

	Total	Informal Sector	Domestic Service	Private Formal Sector	Public Sector
Total Employed Population	112,128	57,881	9,466	25,355	19,426
No Income*	6,729	6,591	32	49	57
1 - 100	22,435	11,791	8,520	1,682	442
101 - 200	28,695	18,259	854	7,616	1,966
201 - 300	16,936	8,959	60	4,964	2,953
301 - 400	10,154	4,315		3,088	2,751
401 - 600	13,620	4,107		3,601	5,912
601 - 800	5,497	1,197		1,512	2,788
801 - 1200	4,326	1,282		1,294	1,750
1201 - 1600	1,499	434		598	467
1601 - 2000	1019	402		362	255
2001 - 9998	1218	544		589	85

Percentage of Labor Market Segment  
-----

Total Employed Population	100.0%	100.0%	100.0%	100.0%	100.0%
No Income*	6.0%	11.4%	0.3%	0.2%	0.3%
1 - 100	20.0%	20.4%	90.0%	6.6%	2.3%
101 - 200	25.6%	31.5%	9.0%	30.0%	10.1%
201 - 300	15.1%	15.5%	0.6%	19.6%	15.2%
301 - 400	9.1%	7.5%		12.2%	14.2%
401 - 600	12.1%	7.1%		14.2%	30.4%
601 - 800	4.9%	2.1%		6.0%	14.4%
801 - 1200	3.9%	2.2%		5.1%	9.0%
1201 - 1600	1.3%	0.7%		2.4%	2.4%
1601 - 2000	0.9%	0.7%		1.4%	1.3%
2001 - 9998	1.1%	0.9%		2.3%	0.4%

Percentage of Income Level  
-----

Total Employed Population	100.0%	51.6%	8.4%	22.6%	17.3%
No Income*	100.0%	97.9%	0.5%	0.7%	0.8%
1 - 100	100.0%	52.6%	38.0%	7.5%	2.0%
101 - 200	100.0%	63.6%	3.0%	26.5%	6.9%
201 - 300	100.0%	52.9%	0.4%	29.3%	17.4%
301 - 400	100.0%	42.5%		30.4%	27.1%
401 - 600	100.0%	30.2%		26.4%	43.4%
601 - 800	100.0%	21.8%		27.5%	50.7%
801 - 1200	100.0%	29.6%		29.9%	40.5%
1201 - 1600	100.0%	29.0%		39.9%	31.2%
1601 - 2000	100.0%	39.5%		35.5%	25.0%
2001 - 9998	100.0%	44.7%		48.4%	7.0%

**ANNEX C**  
**LAND AND AGRICULTURAL PRODUCTION**

TABLE C-1  
HONDURAS: PATTERNS OF LAND USE, 1974

	Farm Size (Hectares)			
	0 - 5	5 - 100	101 and over	All
Number of farms	124,781	67,078	3,473	195,332
Percent of total (national)	63.9%	34.3%	1.8%	
Total area	238,993	1,231,863	1,159,003	2,629,859
Percent of total (national)	9.1%	46.8%	44.1%	
Annual crops				
Area	139,534	181,149	45,661	366,344
Percent of total (by farm size)	58.4%	14.7%	3.9%	13.9%
Perennial crops				
Area	34,218	117,343	60,450	212,011
Percent of total (by farm size)	14.3%	9.5%	5.2%	8.1%
Pastures				
Area	25,778	562,831	759,168	1,347,777
Percent of total (by farm size)	10.8%	45.7%	65.5%	51.2%
Pines				
Area	1,540	32,729	92,081	126,350
Percent of total (by farm size)	0.6%	2.7%	7.9%	4.8%
Fruits				
Area	1,273	24,434	41,014	66,721
Percent of total (by farm size)	0.5%	2.0%	3.5%	2.5%

SOURCE: DGEC, 1974 National Agricultural Survey

TABLE C-2  
HONDURAS: REGIONAL LAND USE, 1980

Region/Crop Type	Farm Size (Hectares)		
	0 - 5	5 - 100	101 and over
West			
Annual	59.9%	14.3%	10.3%
Perennial	19.7%	9.2%	3.4%
Mid-West			
Annual	54.9%	15.7%	6.9%
Perennial	14.5%	15.8%	11.7%
Litoral Atlantic			
Annual	72.9%	11.1%	13.0%
Perennial	9.3%	4.6%	3.0%
North			
Annual	55.4%	9.6%	1.8%
Perennial	30.9%	33.4%	28.7%
Northeast			
Annual	63.4%	29.2%	16.1%
Perennial	15.9%	4.8%	8.2%
Mid-East			
Annual	47.7%	14.0%	26.4%
Perennial	27.6%	21.2%	12.2%

SOURCE: ADAI, 1980 Agricultural Survey

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TABLE C-3  
HONDURAS: BASIC GRAINS PRODUCTION\*, 1974

Crop	Farm Size (Hectares)		
	0 - 5	5 - 100	101 and over
Corn	40.5%	49.1%	10.4%
Beans	42.1%	49.7%	8.2%
Sorghum	47.3%	43.2%	9.5%
Rice	27.3%	56.1%	16.6%

NOTE: \*--Percentage of total crop production by size of holding.

SOURCE: DGECC, 1974 National Agricultural Survey

TABLE C-4  
HONDURAS: LAND USE FOR BASIC GRAINS AND ACCESS TO TECHNICAL ASSISTANCE AND CREDIT, BY REGION AND FARM SIZE, 1984

Region	Farm Size (hectares)		
	0 - 5	5 - 100	101 and over
<b>West</b>			
Area for Basic Grains (1)	38.6%	10.0%	1.6%
Technical Assistance (2)	6.3%	16.6%	56.3%
Access to Credit (3)	--	--	--
<b>Mid-West</b>			
Area for Basic Grains (1)	40.0%	14.8%	3.4%
Technical Assistance (2)	5.4%	16.7%	47.8%
Access to Credit (3)	2.9%	9.9%	56.5%
<b>Litoral Atlantic</b>			
Area for Basic Grains (1)	34.9%	4.8%	2.2%
Technical Assistance (2)	8.3%	22.5%	75.0%
Access to Credit (3)	1.2%	12.4%	36.8%
<b>North</b>			
Area for Basic Grains (1)	40.3%	10.4%	3.4%
Technical Assistance (2)	2.3%	11.1%	29.0%
Access to Credit (3)	2.2%	16.4%	33.3%
<b>South</b>			
Area for Basic Grains (1)	38.5%	9.1%	1.0%
Technical Assistance (2)	4.9%	8.8%	34.8%
Access to Credit (3)	0.9%	6.2%	52.2%

NOTES: (1) Percentage of farms allocated to basic grains.

(2) Percentage of farmers who received technical assistance.

(3) Percentage of farmers who received credit.

SOURCE: ADAI, 1984 Agricultural Survey.

TABLE C-5  
HONDURAS: AREA OF CULTIVATION, BY MAJOR CROPS, 1970-1986

Table C-5a: Cultivation in Hectares

Year	Corn	Beans	Sorghum	Rice	Bananas	Sugar Cane	Coffee	Cotton	Pineapples	TOTAL AREA
1970	281,381	72,219	34,530	10,694	21,463	30,228	98,749	3,958	1,143	572,145
1971	282,546	71,635	36,155	11,222	20,922	26,985	100,683	3,252	1,154	572,659
1972	283,261	71,050	37,780	11,776	20,394	26,729	102,617	3,637	1,196	577,296
1973	283,977	70,466	39,405	12,358	19,879	26,474	104,551	7,240	1,240	584,828
1974	287,011	62,075	52,802	13,549	18,924	25,982	101,589	6,084	1,344	590,432
1975	286,284	62,015	42,655	14,218	18,813	25,734	108,419	8,210	1,394	589,368
1976	330,532	73,525	55,605	20,692	19,192	28,170	110,353	4,600	1,445	667,023
1977	380,705	75,111	60,702	17,998	19,576	27,827	112,287	10,245	1,506	730,009
1978	430,878	76,696	65,799	15,304	19,968	27,484	114,221	17,707	1,553	794,893
1979	418,260	81,305	73,554	15,618	20,298	30,467	114,651	13,271	2,629	798,696
1980	351,988	59,789	51,676	20,294	20,903	23,645	122,614	12,730	3,163	716,481
1981	339,243	68,265	61,845	19,658	19,300	34,770	122,864	7,800	3,200	699,744
1982	338,985	76,471	58,364	21,712	17,594	52,200	122,500	8,023	4,000	732,810
1983	286,515	58,395	30,669	14,665	17,889	51,992	122,012	6,267	4,548	625,267
1984	286,852	49,883	49,817	20,976	20,386	39,013	125,918	7,630	N.A.	N.A.
1985	331,520	78,541	45,415	18,728	20,758	44,765	124,113	7,258	N.A.	N.A.
1986	322,374	76,342	48,594	20,713	19,797	41,802	122,688	4,334	N.A.	N.A.

Growth Rates

3.59%	0.00%	4.67%	1.48%	0.00%	15.16%	3.89%	(1971-1979)
						0.00%	(1980-1983)

Table C-5b: Share of Total Area Planted

	Basic Grains (1)	Export Crops (2)	Roots/Vegetables	Other Crops	Change in Total Area
1970	69.7%	27.0%	1.2%	2.1%	
1971	70.1%	26.5%	1.2%	2.2%	0.1%
1972	70.0%	26.6%	1.1%	2.3%	0.8%
1973	69.5%	27.0%	1.1%	2.4%	1.3%
1974	70.4%	25.8%	1.1%	2.7%	1.0%
1975	68.7%	27.3%	1.1%	2.8%	-0.2%
1976	72.0%	24.3%	1.1%	2.6%	13.2%
1977	73.2%	23.3%	1.0%	2.5%	9.4%
1978	74.1%	22.6%	1.0%	2.4%	8.9%
1979	73.7%	22.4%	1.0%	2.9%	0.5%
1980	67.5%	25.1%	0.6%	2.6%	-10.3%
1981	69.9%	26.4%	1.0%	2.7%	-2.3%
1982	67.6%	27.3%	0.9%	4.2%	4.7%
1983	62.5%	31.7%	1.0%	4.9%	-14.7%

NOTES: (1) Corn, beans, sorghum and rice.  
(2) Bananas, coffee, cotton and sugar cane.

SOURCE: Secretaría de Economía y Comercio, as reported in M. Garcia et al (1987).

TABLE C-6  
HONDURAS: AGRICULTURAL PRODUCTION, BY MAJOR CROPS, 1970-1986  
(Metric tons)

Year	Corn		Beans		Sorghum		Rice		Bananas	
	Total	Change	Total	Change	Total	Change	Total	Change	Total	Change
1970	337,610		45,295		44,454		13,678		874,860	
1971	338,591	0.3%	42,699	-5.7%	46,047	3.6%	14,622	6.9%	863,489	-1.3%
1972	339,576	0.3%	40,103	-6.1%	47,640	3.5%	15,632	6.9%	852,265	-1.3%
1973	340,563	0.3%	37,508	-6.5%	49,234	3.3%	16,711	6.9%	841,187	-1.3%
1974	342,561	0.6%	34,148	-9.0%	40,624	-17.5%	19,913	19.2%	819,979	-2.5%
1975	343,557	0.3%	33,299	-2.5%	52,420	29.0%	21,288	6.9%	852,779	4.0%
1976	358,129	4.2%	32,406	-2.7%	52,271	-0.3%	34,584	62.5%	886,890	4.0%
1977	380,566	8.5%	30,968	-4.4%	43,753	-16.3%	27,519	-20.4%	922,365	4.0%
1978	419,002	7.8%	29,529	-4.6%	35,236	-19.5%	20,454	-25.7%	959,260	4.0%
1979	519,254	23.9%	43,839	48.5%	52,998	50.4%	28,058	37.2%	1,004,398	4.7%
1980	345,582	-33.4%	28,527	-34.9%	37,916	-28.5%	24,381	-13.1%	970,721	-3.4%
1981	388,217	12.3%	35,943	26.0%	52,216	37.7%	22,462	-7.9%	929,275	-4.3%
1982	481,656	24.1%	42,256	17.6%	57,645	10.4%	36,719	63.5%	824,479	-11.3%
1983	379,401	-21.2%	36,225	-14.3%	33,414	-42.0%	21,879	-40.4%	834,221	1.2%
1984	406,813	7.2%	30,157	-16.8%	44,244	32.4%	46,229	111.3%	944,315	13.2%
1985	382,045	-6.1%	50,682	68.1%	38,727	-12.5%	34,000	-26.5%	1,091,409	15.6%
1986	412,364	7.9%	49,182	-3.0%	32,136	-17.0%	40,318	18.6%	1,019,773	-6.6%
Average		1.5%		0.0%		-1.3%		-6.0%		0.0%

NOTE: \*--Excludes pineapples.

SOURCE: Secretaria de Economia y Comercio, as reported in M. Garcia et al (1987).

Year	Coffee		Cotton		Sugar Cane		Pineapples		TOTAL OUTPUT*	
	Total	Change	Total	Change	Total	Change	Total	Change	Total	Change
1970	37,984		3,205		950,216		4,636		2,307,302	
1971	39,456	3.9%	2,053	-35.9%	797,456	-16.1%	5,313	14.6%	2,144,413	-7.1%
1972	40,927	3.7%	2,290	11.5%	815,266	2.2%	6,088	14.6%	2,153,699	0.4%
1973	42,399	3.6%	4,267	86.3%	833,474	2.2%	6,977	14.6%	2,165,343	0.5%
1974	41,778	-1.5%	11,847	177.6%	873,644	4.8%	12,981	86.1%	2,104,494	0.9%
1975	45,342	8.5%	5,129	-56.7%	893,156	2.2%	14,877	14.6%	2,246,970	2.9%
1976	46,816	3.3%	3,096	-39.6%	913,104	2.2%	17,048	14.6%	2,327,296	3.6%
1977	48,285	3.1%	6,350	105.1%	933,497	2.2%	17,219	1.0%	2,401,303	3.2%
1978	49,757	3.0%	11,386	79.3%	954,346	2.2%	17,391	1.0%	2,478,970	3.2%
1979	59,796	20.2%	12,937	13.6%	1,190,455	24.7%	31,360	80.3%	2,911,735	17.5%
1980	58,563	-2.1%	23,150	78.9%	1,411,065	18.5%	30,230	-3.6%	2,899,905	-0.4%
1981	75,347	28.7%	17,200	-25.7%	1,079,782	-23.5%	141,500	368.1%	2,600,442	-10.3%
1982	72,420	-3.9%	18,620	8.3%	2,818,000	161.0%	160,800	13.6%	4,351,795	67.3%
1983	74,000	2.2%	16,500	-11.4%	2,838,700	0.7%	195,344	21.5%	4,234,340	-2.7%
1984	69,351	-6.3%	23,030	39.6%	2,746,608	-3.2%	N.A.		4,310,747	1.8%
1985	75,091	8.3%	14,591	-36.6%	2,995,182	9.1%	N.A.		4,681,727	8.6%
1986	81,409	8.4%	10,409	-28.7%	2,994,909	0.0%	N.A.		4,640,500	-0.9%
Average		5.3%		13.2%		11.2%		28.5%		

**TABLE C-7**  
**HONDURAS: REAL INCOME FROM CATTLE RAISING, 1975-1987**

Year	RICR1 (1)	RICR2 (2)	RICR3 (3)
----	-----	-----	-----
1975	107.07	86.18	96.63
1976	111.28	85.79	98.53
1977	120.13	90.67	105.40
1978	120.98	88.99	104.99
1979	111.70	99.80	105.75
1980	100.00	100.00	100.00
1981	99.92	111.14	105.53
1982	93.84	110.12	101.98
1983	94.05	110.34	102.19
1984	92.73	108.76	100.74
1985	94.60	110.97	102.78
1986	95.21	111.68	103.44
1987	96.57	113.26	104.91

NOTES: (1) Equals the price of beef at farmgate times beef production deflated by the non-agricultural implicit deflator.

(2) Equals the price of beef at consumer levels times production deflated by the non-agricultural implicit deflator.

(3) Simple arithmetic average of Column (1) and Column (2).

SOURCES: Garcia et al, p. 191;  
 Central Bank of Honduras.

TABLE C-8  
HONDURAS: AGRICULTURAL FAMILY INCOME AND TYPES OF CROPS  
BY FARM SIZE

FARM SIZE IN HECTARES

		TOTAL		0-2		2-3		3-5		5-10		10-20		20+	
<b>FAMILY INCOME</b>															
Farm Income	Lemp.			987	100.0%	1432	100.0%	1728	100.0%	2867	100.0%	3360	100.0%		
Off-farm Income	Lemp.			607	51.5%	1036	72.3%	1318	76.3%	2432	84.9%	3008	89.5%		
				380	38.5%	396	27.7%	410	23.7%	434	15.1%	352	10.5%		
<b>FARMS</b>															
Number		195341	100.0%	72421	37.1%	28703	14.7%	23657	12.1%	28264	14.5%	19220	9.8%	23076	11.8%
Total Area	Ha	2629800	100.0%	75200	2.9%	69900	2.7%	93900	3.6%	201300	7.7%	268100	10.2%	1921400	73.1%
Average Area	Ha	13.5		1.0		2.4		4.0		7.1		13.9		83.3	
Area in Crops	Ha	655872	100.0%	67851	10.3%	51196	7.8%	54705	8.3%	84465	12.9%	80084	12.2%	317571	48.4%
Average	Ha	3.36		0.94		1.78		2.31		2.99		4.17		13.76	
Capacity Utilization (1)		24.9%		90.2%		73.2%		58.3%		42.0%		29.9%		16.5%	
<b>AVERAGE PLANTED AREA (2)</b>															
Basic Crops	Ha			1.11	89.5%	1.91	85.3%	2.25	80.1%	2.65	75.3%	3.27	70.0%	5.93	54.4%
Trad. Exports	Ha			0.07	5.6%	0.23	10.3%	0.41	14.6%	0.68	19.3%	1.12	24.0%	3.82	35.0%
Roots, Veg.	Ha			0.03	2.4%	0.04	1.8%	0.05	1.8%	0.06	1.7%	0.07	1.5%	0.17	1.6%
Fruit	Ha			0.02	1.6%	0.04	1.8%	0.07	2.5%	0.09	2.6%	0.14	3.0%	0.35	3.2%
Indust. Crops	Ha			0.01	0.8%	0.01	0.4%	0.02	0.7%	0.03	0.9%	0.06	1.3%	0.4	3.7%
Other Crops	Ha					0.01	0.4%	0.01	0.4%	0.01	0.3%	0.01	0.2%	0.24	2.2%
All Crops	Ha			1.24	100.0%	2.24	100.0%	2.81	100.0%	3.52	100.0%	4.67	100.0%	10.91	100.0%
Cropping Intensity (3)				1.32		1.26		1.22		1.18		1.12		0.75	

(1) Total area under cultivation over total farm area

(2) Including double cropping and interplanting

(3) Planted area in all crops (including double cropping and interplanting)  
divided by the cultivated area

Source: Censo Nacional Agropecuario 1974

**ANNEX D**  
**FOOD AND NUTRITION**

TABLE D-1  
HONDURAS: COST OF A BASIC FOOD BASKET<sup>a</sup>, 1975-1987  
(Current lempiras)

Year	Cost
----	----
1975	32.4
1976	34.4
1977	39.8
1978	41.6
1979	53.4
1980	63.0
1981	67.4
1982	70.8
1983	75.0
1984	74.1
1985	75.4
1986	77.4
1987	78.5

NOTE: <sup>a</sup>---Defined by CONSUPLANE as providing appropriate caloric consumption (i.e., 2,130 calories per day) within Honduran consumption habits.

SOURCE: Mission calculations using consumer prices provided by the Central Bank of Honduras.

TABLE D-2  
HONDURAS: CONSUMER PRICES OF PRINCIPAL FOODS, 1970-1986  
(lempiras per pound, except where indicated)

Food Item	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
-----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----
Grain Corn	0.09	0.07	0.09	0.10	0.12	0.18	0.13	0.21	0.20	0.20	0.26	0.22	0.22	0.27	0.19	0.21	0.26
Red Beans	0.25	0.20	0.21	0.33	0.33	0.34	0.35	0.44	0.54	0.54	0.90	0.81	0.62	0.66	0.67	0.74	0.70
No. 2 Rice	0.25	0.32	0.33	0.30	0.39	0.48	0.49	0.54	0.63	0.66	0.71	0.76	0.88	0.93	0.85	0.84	0.85
Wheat Flour	N.A.	N.A.	N.A.	N.A.	N.A.	0.38	0.38	0.38	0.38	0.38	0.44	0.48	0.50	0.50	0.50	0.50	0.50
Chicken	0.99	1.02	0.99	1.07	1.25	1.28	1.28	1.32	1.35	1.40	1.49	1.61	1.69	1.84	1.89	1.90	2.13
Tomatoes	0.28	0.29	0.33	0.32	0.32	0.33	0.37	0.44	0.43	0.52	0.65	0.66	0.56	0.56	0.55	0.46	0.48
Bananas (each)	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.03	0.03	0.04	0.04	0.05	0.06	0.06	0.07	0.07
Milk (bottle)	0.24	0.25	0.25	0.27	0.32	0.33	0.35	0.34	0.38	0.40	0.49	0.57	0.61	0.60	0.61	0.64	0.66
Beef	0.84	0.92	0.95	1.09	1.34	1.31	1.35	1.52	1.70	2.05	2.31	2.70	2.95	2.93	2.95	2.99	3.01
Pork Chops	0.96	1.03	1.04	1.14	1.41	1.51	1.56	1.70	1.79	1.95	2.13	2.69	3.00	3.03	3.08	3.09	3.12
Medium Eggs (dozen)	1.13	1.10	1.14	1.15	1.31	1.31	1.38	1.42	1.45	1.52	1.86	1.88	1.93	2.02	1.92	1.87	2.01
Medium Potatoes	0.24	0.28	0.24	0.30	0.36	0.34	0.37	0.38	0.36	0.47	0.56	0.59	0.54	0.58	0.56	0.50	0.64
Red Onions	0.41	0.46	0.44	0.39	0.41	0.52	0.58	0.70	0.73	0.84	0.91	0.95	1.11	1.05	1.35	1.13	1.21
Cabbage	0.24	0.25	0.27	0.28	0.26	0.31	0.37	0.35	0.34	0.41	0.51	0.48	0.40	0.45	0.39	0.30	0.36

SOURCE: USDA & USAID, "Agricultural Development Policies in Honduras," Feb. 1988

TABLE D-3  
HONDURAS: PROTEIN AND CALORIC INTAKE, BY TYPE OF FOOD, 1978-79 AND 1987  
(per capita daily averages)

Type of Food	1978-1979			1987					
	Intake (grams)	Calories	Proteins (grams)	Intake (grams)	% Change	Calories	% Change	Proteins (grams)	% Change
Beans	48.2	162.4	10.6	63.9	32.6%	215.3	32.6%	14.1	33.0%
Rice	40.2	146.3	2.8	41.6	3.5%	151.4	3.5%	3.0	7.1%
Wheat	N.A.	N.A.	N.A.	26.3		96.5	N.A.	3.2	N.A.
Corn	217.2	768.9	17.4	260.8	20.1%	923.2	20.1%	20.9	20.1%
Percent of Total	40.5%	62.4%	60.2%	50.5%		65.3%		54.1%	
Milk	55.6	33.9	1.8	59.7	7.4%	36.4	7.4%	2.0	11.1%
Cheese	10.8	36.8	3.7	16.0	48.1%	54.6	48.4%	5.4	45.9%
Sugar	35.5	124.8	0.0	39.9	12.4%	153.2	22.8%	0.0	0.0%
Eggs	20.3	30.0	2.3	24.9	22.7%	36.9	23.0%	2.8	21.7%
Percent of Total	16.2%	13.1%	15.2%	18.1%		13.2%		15.9%	
Beef	34.1	83.2	6.4	22.9	-32.8%	55.9	-32.8%	4.3	-32.8%
Fish	3.4	3.4	0.7	5.2	52.9%	5.2	52.9%	1.1	57.1%
Poultry	11.6	24.1	2.1	12.5	7.8%	26.0	7.9%	2.3	9.5%
Pork	11.6	25.1	1.8	10.1	-15.9%	21.8	-13.1%	1.6	-11.1%
Percent of Total	6.0%	7.9%	21.5%	6.5%		5.1%		14.5%	
Bananas	21.7	21.0	0.3	57.1	163.1%	55.4	163.8%	0.7	133.3%
Percent of Total	2.9%	1.2%	0.6%	7.3%		2.6%		1.1%	
Fruits/Vegetables*	222.7	73.0	1.3	109.1	-51.0%	50.3	-31.1%	2.9	123.1%
Animal Fats	22.2	194.3	0.0	27.5	23.9%	240.6	23.8%	0.0	0.0%
<b>TOTAL</b>	<b>755.1</b>	<b>1727.2</b>	<b>51.2</b>	<b>777.5</b>	<b>3.0%</b>	<b>2122.7</b>	<b>22.9%</b>	<b>64.3</b>	<b>25.6%</b>

NOTE: \*--Includes cabbage, cassava, orange, potatoes, butter, plantains, onions and tomatoes.

SOURCES: Central America Integration Office, "Food Consumption and Nutritional Intake by Socioeconomic Groups, 1978-79."

Ministry of Health, "1987 National Food Consumption Survey."

TABLE D-4  
HONDURAS: FAMILY CALORIC DEFICITS, BY REGION, 1987  
(percent)

Caloric Deficit (Kcala)	Metropolitan Area	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Nation
1 - 100	6.0%	0.5%	8.2%	5.2%	3.5%	2.9%	9.6%	0.6%	6.1%
100 - 199	5.3%	3.2%	8.2%	7.9%	3.5%	5.7%	7.7%	6.9%	6.3%
200 - 299	6.0%	1.1%	5.1%	4.6%	7.0%	5.7%	9.6%	10.3%	5.7%
300 - 399	7.9%	7.4%	9.2%	5.9%	6.1%	8.6%	6.7%	3.4%	6.9%
400 - 499	7.9%	7.4%	7.1%	4.9%	8.8%	10.5%	4.8%	1.7%	6.6%
500 - 599	4.6%	9.6%	8.2%	4.3%	6.1%	7.6%	5.8%	3.4%	5.8%
Subtotal	37.7%	37.2%	46.0%	32.8%	35.0%	41.0%	44.2%	34.3%	37.4%
600 - 699	5.3%	4.3%	5.1%	5.9%	5.3%	4.8%	3.8%	15.5%	5.7%
700 - 799	3.3%	5.3%	3.1%	4.9%	6.1%	4.8%	1.0%	1.7%	4.1%
800 - 899	3.3%	4.3%	0.0%	6.9%	5.3%	5.7%	2.9%	2.2%	4.5%
900 - 999	11.3%	10.6%	7.1%	10.8%	18.4%	6.7%	10.6%	10.3%	10.9%
Subtotal	23.2%	24.5%	15.3%	28.5%	35.1%	22.0%	18.3%	29.7%	25.2%
Total Deficit	60.9%	61.7%	61.3%	61.3%	70.1%	63.0%	62.5%	64.0%	62.6%
No Deficit	39.1%	38.3%	38.7%	38.7%	29.9%	37.0%	37.5%	36.0%	37.4%
Number of Respondents	151	94	98	305	114	105	104	58	1,029
Percent of Total	14.7%	9.1%	9.5%	29.6%	11.1%	10.2%	10.1%	5.6%	100.0%

Region 1 includes departments of Francisco Morazan (except Tegucigalpa), El Paraiso and Gracias a Dios, except for scattered cities.

Region 2 includes departments of Comayagua, Intibuca and La Paz, except for scattered cities.

Region 3 includes departments of Cortes, Santa Barbara and Yoro, except for scattered cities.

Region 4 includes departments of Valle and Choluteca and certain cities in La Paz, El Paraiso and Francisco Morazan.

Region 5 includes departments of Copan, Ocotepeque and Lempira, except for scattered cities, and certain cities from Santa Barbara.

Region 6 includes departments of Atlantida, Colon and Islas de la Bahia; remainder of Yoro; and city of Esquipulas del Norte from Olancho.

Region 7 includes department of Olancho, except for city of Esquipulas del Norte.

SOURCE: Ministry of Public Health, 1987 National Nutrition Survey

TABLE D-5  
HONDURAS: FAMILY PROTEIN DEFICITS, BY REGION, 1987  
(percent)

Protein Intake (% of daily requirements)	Metropolitan Area	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Nation
Total Deficit	21.1%	23.5%	22.4%	25.5%	37.7%	21.0%	22.2%	24.0%	24.9%
<50%	1.3%	0.0%	1.0%	1.6%	2.6%	1.0%	4.8%	0.0%	1.7%
50 - 59%	1.3%	0.0%	1.0%	1.6%	3.5%	0.0%	1.0%	3.4%	1.5%
60 - 69%	0.0%	4.3%	0.0%	2.3%	4.4%	1.9%	1.9%	3.4%	2.1%
Subtotal	2.6%	4.3%	2.0%	5.5%	10.5%	2.9%	7.7%	6.8%	5.3%
70 - 79%	3.3%	5.3%	6.1%	3.6%	8.8%	1.9%	1.0%	5.2%	4.2%
80 - 89%	4.6%	9.6%	6.1%	7.2%	7.0%	6.7%	7.7%	3.4%	6.7%
90 - 99%	10.6%	4.3%	8.2%	9.2%	11.4%	9.5%	5.8%	8.6%	8.7%
Subtotal	18.5%	19.2%	20.4%	20.0%	27.2%	18.1%	14.5%	17.2%	19.6%
100% and over	78.8%	76.5%	77.5%	74.3%	62.2%	79.0%	77.9%	75.8%	75.1%
100 - 109%	12.6%	7.4%	4.1%	7.2%	9.6%	9.5%	13.5%	8.6%	8.9%
110% and over	66.2%	69.1%	73.4%	67.1%	52.6%	69.5%	64.4%	67.2%	66.2%
Number of Respondents	151	94	98	305	114	105	104	58	1,029
Percent of Total	14.7%	9.1%	9.5%	29.6%	11.1%	10.2%	10.1%	5.6%	100.0%

Region 1 includes departments of Francisco Morazan (except Tegucigalpa), El Paraiso and Gracias a Dios, except for scattered cities.

Region 2 includes departments of Comayagua, Intibuca and La Paz, except for scattered cities.

Region 3 includes departments of Cortes, Santa Barbara and Yoro, except for scattered cities.

Region 4 includes departments of Valle and Choluteca and certain cities in La Paz, El Paraiso and Francisco Morazan.

Region 5 includes departments of Copan, Ocotepeque and Lempira, except for scattered cities, and certain cities from Santa Barbara.

Region 6 includes departments of Atlantida, Colon and Islas de la Bahia; remainder of Yoro; and city of Esquipulas del Norte from Olancho.

Region 7 includes department of Olancho, except for city of Esquipulas del Norte.

SOURCE: Ministry of Public Health, 1987 National Nutrition Survey

TABLE D-6  
HONDURAS: WEIGHT/AGE UNDERNOURISHMENT IN CHILDREN UNDER 5 YEARS  
OF AGE AS DETERMINED BY ADJUSTED Z-SCORES, BY REGION, 1987  
(percent)

Nutritional Status	Metropolitan Area	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Nation
Normal (between 1.0 and -1.0 SD)	86.5%	59.3%	62.8%	61.6%	54.9%	44.9%	64.6%	56.1%	62.0%
Mild Malnutrition (between -1.0 and -2.0 SD)	7.9%	17.6%	20.2%	21.0%	20.8%	24.6%	19.9%	27.0%	19.7%
Moderate Malnutrition (between -2.0 and -3.0 SD)	4.0%	16.9%	14.5%	13.6%	21.1%	23.6%	11.5%	13.9%	14.5%
Severe Malnutrition (-3.0 SD or below)	1.6%	6.2%	2.6%	3.8%	3.1%	7.0%	3.9%	3.0%	3.8%
Total Malnutrition	13.5%	40.7%	37.3%	38.4%	45.0%	55.2%	35.3%	43.9%	38.0%
Number of Respondents	392	395	311	320	969	335	394	219	3,359
Percent of Total	11.7%	11.8%	9.3%	9.5%	27.9%	10.0%	11.7%	6.5%	100.0%

Region 1 includes departments of Francisco Morazan (except Tegucigalpa), El Paraiso and Gracias a Dios, except for scattered cities.

Region 2 includes departments of Comayagua, Intibuca and La Paz, except for scattered cities.

Region 3 includes departments of Cortes, Santa Barbara and Yoro, except for scattered cities.

Region 4 includes departments of Valle and Choluteca and certain cities in La Paz, El Paraiso and Francisco Morazan.

Region 5 includes departments of Copan, Ocotepeque and Lempira, except for scattered cities, and certain cities from Santa Barbara.

Region 6 includes departments of Atlantida, Colon and Islas de la Bahia; remainder of Yoro; and city of Esquipulas del Norte from Olancho.

Region 7 includes department of Olancho, except for city of Esquipulas del Norte.

SOURCE: Ministry of Public Health, 1987 National Nutrition Survey

TABLE D-7  
HONDURAS: HEIGHT/AGE UNDERNOURISHMENT IN CHILDREN UNDER 5 YEARS  
OF AGE AS DETERMINED BY Z-SCORES, BY REGION, 1987  
(percent)

Nutritional Status	Metropolitan Area	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Nation
Above Normal (1.0 SD or above)	9.8%	4.2%	3.2%	6.3%	3.0%	3.0%	4.1%	2.8%	4.0%
Normal (between 1.0 and -1.0 SD)	51.0%	29.3%	29.2%	33.6%	35.3%	19.6%	39.9%	34.7%	34.4%
Mild Malnutrition (between -1.0 and -2.0 SD)	22.1%	29.0%	27.0%	26.9%	28.2%	26.2%	25.8%	29.7%	26.7%
Moderate Malnutrition (between -2.0 and -3.0 SD)	12.6%	20.2%	27.6%	21.7%	21.6%	27.4%	19.9%	21.9%	21.4%
Severe Malnutrition (-3.0 SD or below)	4.6%	17.3%	13.2%	11.5%	11.9%	23.8%	10.2%	11.0%	12.5%
Total Malnutrition	39.3%	66.5%	67.8%	60.1%	61.7%	77.4%	55.9%	62.6%	60.6%
Number of Respondents	390	307	319	958	394	332	391	219	3,310
Percent of Total	11.8%	9.3%	9.6%	28.9%	11.9%	10.0%	11.8%	6.6%	100.0%

Region 1 includes departments of Francisco Morazan (except Tegucigalpa), El Paraiso and Gracias a Dios, except for scattered cities.

Region 2 includes departments of Comayagua, Intibuca and La Paz, except for scattered cities.

Region 3 includes departments of Cortes, Santa Barbara and Yoro, except for scattered cities.

Region 4 includes departments of Valle and Choluteca and certain cities in La Paz, El Paraiso and Francisco Morazan.

Region 5 includes departments of Copan, Ocotepeque and Lempira, except for scattered cities, and certain cities from Santa Barbara.

Region 6 includes departments of Atlantida, Colon and Islas de la Bahia; remainder of Yoro; and city of Esquipulas del Norte from Olancho.

Region 7 includes department of Olancho, except for city of Esquipulas del Norte.

SOURCE: Ministry of Public Health, 1987 National Nutrition Survey

TABLE D-8  
HONDURAS: WEIGHT/HEIGHT UNDERNOURISHMENT IN CHILDREN UNDER 5 YEARS  
OF AGE AS DETERMINED BY Z-SCORES, BY REGION, 1987  
(percent)

Nutritional Status	Metropolitan Area	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Nation
Above Normal (1.0 SD or above)	17.1%	6.8%	9.2%	8.3%	5.1%	6.3%	8.4%	5.5%	8.5%
Normal (between 1.0 and -1.0 SD)	71.9%	71.1%	79.5%	72.9%	64.4%	69.4%	73.5%	70.7%	72.2%
Mild Malnutrition (between -1.0 and -2.0 SD)	9.4%	19.8%	9.8%	17.1%	27.8%	22.2%	15.8%	16.4%	17.3%
Moderate Malnutrition (between -2.0 and -3.0 SD)	1.3%	1.6%	1.6%	1.3%	2.5%	1.5%	1.8%	0.5%	1.5%
Severe Malnutrition (-3.0 SD or below)	0.3%	0.6%	0.0%	0.3%	0.3%	0.6%	0.5%	0.9%	0.4%
Total Malnutrition	11.0%	22.0%	11.4%	18.7%	30.6%	24.3%	18.1%	17.8%	19.2%
Number of Respondents	392	308	314	967	396	333	392	219	3,321
Percent of Total	11.8%	9.3%	9.5%	29.1%	11.9%	10.0%	11.8%	6.6%	100.0%

Region 1 includes departments of Francisco Morazan (except Tegucigalpa), El Paraiso and Gracias a Dios, except for scattered cities.

Region 2 includes departments of Comayagua, Intibuca and La Paz, except for scattered cities.

Region 3 includes departments of Cortes, Santa Barbara and Yoro, except for scattered cities.

Region 4 includes departments of Valle and Choluteca and certain cities in La Paz, El Paraiso and Francisco Morazan.

Region 5 includes departments of Copan, Ocotepeque and Lempira, except for scattered cities, and certain cities from Santa Barbara.

Region 6 includes departments of Atlantida, Colon and Islas de la Bahia; remainder of Yoro; and city of Esquipulas del Norte from Olancho.

Region 7 includes department of Olancho, except for city of Esquipulas del Norte.

SOURCE: Ministry of Public Health, 1987 National Nutrition Survey

TABLE D-9  
HONDURAS: WEIGHT/AGE UNDERNOURISHMENT IN CHILDREN UNDER 5 YEARS OF AGE  
AS DETERMINED BY Z-SCORES, BY LEVEL OF FAMILY CALORIC INTAKE, 1987  
(percent)

Nutritional Status	Level of Family Caloric Intake (percent of daily requirements)		
	<70%	70% - 99%	100% and over
Normal (greater than -1.0 SD)	38.3%	47.8%	54.4%
Moderate Risk (between -2.0 and -1.0 SD)	36.2%	34.0%	32.0%
Severe and High Risk (-2.0 SD or below)	25.5%	18.2%	13.7%
Number of Respondents	196	406	344
Percent of Total	20.7%	42.9%	36.4%

SOURCE: Ministry of Public Health,  
1987 National Nutrition Survey

TABLE D-10  
HONDURAS: PREVALENCE OF MALNUTRITION,  
BY WHO-ADJUSTED Z-SCORES, 1987  
(percent)

Nutritional Status	Weight/ Age	Height/ Age	Weight/ Height
Normal	62.0%	55.3%	96.1%
Mild (-1.0 to -1.9 SD)	19.7%	13.1%	0.2%
Moderate (-2.0 to -2.9 SD)	14.5%	19.3%	0.0%
Severe (-3.0 or greater SD)	3.8%	12.3%	3.7%
Total Malnutrition	38.0%	44.7%	3.9%

SOURCE: Ministry of Public Health,  
1987 National Nutrition Survey

TABLE D-11  
HONDURAS: CHRONIC MALNUTRITION BY AGE GROUP, 1987  
(percent)

	0 - 11	12 - 23	24 - 35	36 - 47	48 - 59
Percentage of Children with low Height/Age (adjusted Z-Scores)	11.4%	48.2%	43.2%	59.4%	60.6%

SOURCE: Ministry of Health, 1987 National Nutrition Survey

**ANNEX E**  
**HEALTH**

TABLE E-1  
HONDURAS: GOVERNMENT HEALTH EXPENDITURES, 1972-1987  
(millions of current lempiras)

Year	Sanitation/Water		Hospitals (Current)		Hospitals (Capital)		Hospitals (Total)		Administration		TOTAL	
	Amount	Share of Total	Amount	Share of Total	Amount	Share of Total	Amount	Share of Total	Amount	Share of Total	Amount	% Change
1972	N.A.		N.A.		N.A.		N.A.		N.A.		25.4	
1973	N.A.		N.A.		N.A.		N.A.		N.A.		29.3	15.4%
1974	N.A.		N.A.		N.A.		N.A.		N.A.		45.6	55.6%
1975	N.A.		N.A.		N.A.		N.A.		N.A.		47.6	4.4%
1976	N.A.		N.A.		N.A.		N.A.		N.A.		66.4	39.5%
1977	N.A.		N.A.		N.A.		N.A.		N.A.		48.6	-25.3%
1978	N.A.		N.A.		N.A.		N.A.		N.A.		65.1	31.2%
1979	27.5	35.6%	34.8	45.1%	10.2	13.2%	45.0	58.3%	4.7	6.1%	77.2	18.6%
1980	35.3	34.3%	42.8	41.6%	18.5	18.0%	61.3	59.5%	6.4	6.2%	103.0	35.4%
1981	37.8	29.1%	49.7	38.3%	31.9	24.6%	81.6	62.9%	10.4	8.0%	129.8	26.0%
1982	41.6	32.7%	54.6	42.9%	21.3	16.7%	75.9	59.6%	9.9	7.8%	127.4	-1.8%
1983	62.0	44.2%	57.5	41.0%	10.7	7.6%	68.2	48.6%	10.1	7.2%	140.3	10.1%
1984	85.5	50.5%	58.0	34.2%	15.0	8.9%	73.0	43.1%	10.9	6.4%	169.4	20.7%
1985	65.3	37.9%	59.5	34.5%	37.1	21.5%	96.6	56.0%	10.6	6.1%	172.5	1.8%
1986	94.7	36.3%	71.2	27.3%	60.4	23.1%	131.6	50.4%	34.9	13.4%	261.2	51.4%
1987	74.3	36.2%	83.6	43.0%	11.5	5.9%	95.1	48.9%	24.9	12.8%	194.3	-25.6%

SOURCE: Budget Dept., Ministry of Health

TABLE E-2  
HONDURAS: GROWTH OF HEALTH CARE FACILITIES, BY LEVEL OF CARE, 1973-1987

Year	Rural Health Centers (1)		Health Centers (2)	Hospitals (3)	Hospitals (4)	Hospitals (5)
	Total	% Change				
1973	151		N.A.	4	6	5
1974	200	32.5%	N.A.	4	6	5
1975	259	29.5%	N.A.	4	6	7
1976	280	8.1%	67	5	6	7
1977	335	19.6%	69	5	6	7
1978	357	6.6%	74	5	6	7
1979	364	2.0%	74	6	6	7
1980	425	16.8%	74	6	6	7
1981	433	1.9%	95	6	6	7
1982	457	5.5%	98	6	6	7
1983	471	3.1%	97	6	6	7
1984	482	2.3%	107	6	6	9
1985	506	5.0%	111	6	6	9
1986	519	2.6%	115	6	6	9
1987	536	3.3%	115	6	6	9

- (1) Features a nurse.
- (2) Features a physician.
- (3) Comprises 4 specializations.
- (4) Comprises over 4 specializations.
- (5) Comprises all specializations.

SOURCE: Dept. of Statistics, Ministry of Health

TABLE E-3  
HONDURAS: INFANT MORTALITY RATE BY VARIOUS SOURCES, 1970-1985  
(per thousand)

Year	VAS (1)	1974		ERPA (4)	ENSMI (5)	ENESF (6)
		Population Survey	EDENH-II (2)			
1970	117.0		132.3			
1971		118.2	131.4	110.1		
1972					96.7	
1973		116.2			92.4	
1974				98.3	92.4	
1975	104.4				87.1	
1976						
1977				83.5	73.9	
1978					95.9	72.9
1979				84.0		
1980					64.2	72.6
1981				82.6	71.0	67.5
1982				83.3	68.9	82.0
1983					76.4	79.2
1984						62.6
1985						61.0

SOURCES: All published by Ministry of Health:

- (1) Vital adjusted statistics.
- (2) 1972 National Demographic Survey.
- (3) 1983 National Demographic Survey.
- (4) 1981 National Contraceptive Survey.
- (5) 1984 National Maternal and Child Health Survey.
- (6) 1987 National Family Health Services Survey.

TABLE E-4  
HONDURAS: INFANT MORTALITY RATE BY AREA OF  
RESIDENCE, 1970, 1980 AND 1984  
(per thousand)

Year	Urban (1)	Rural (2)	Rural/Urban (2)/(1)
1970	92.0	119.0	1.29
1980	67.0	92.0	1.37
1984	49.2	69.0	1.40

SOURCES: EDENH-II, 1983;  
1987 National Epidemiology and  
Family Health Survey

TABLE E-5  
HONDURAS: INFANT MORTALITY BY GROUPS OF CAUSES, 1970-1983  
(rates per 100,000 live births)

Cause of Death	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	% change* 1970-84
Diarrhea diseases	669.0	638.6	N.A.	113.9	850.5	828.9	679.7	707.2	519.5	645.5	554.8	541.5	534.4	342.1	48.9%
Ill-defined perinatal conditions and other diseases	N.A.	N.A.	N.A.	N.A.	N.A.	145.1	160.5	140.7	209.3	197.6	129.5	161.4	203.5	158.3	
Short gestation/low birthweight	N.A.	N.A.	N.A.	N.A.	N.A.	144.3	157.6	126.3	159.9	N.A.	103.5	99.3	96.5	74.5	
Pneumonia	217.5	179.6	N.A.	205.3	145.0	132.7	109.9	118.7	122.8	107.2	98.7	95.6	89.0	73.9	55.0%
Bronchitis	102.6	N.A.	N.A.	146.8	109.3	128.1	109.1	76.9	113.2	119.9	91.7	87.5	76.0	62.3	39.3%
Other respiratory diseases	N.A.	N.A.	N.A.	N.A.	N.A.	109.6	84.6	74.8	100.4	67.7	62.8	72.6	69.9	53.1	
Perinatal infections	N.A.	N.A.	N.A.	N.A.	N.A.	108.0	67.9	74.1	57.6	73.4	36.5	67.0	69.9	49.5	
Cardiac dysrhythmias	N.A.	N.A.	N.A.	51.1	28.5	79.5	52.7	46.0	54.9	N.A.	34.6	50.9	43.9	40.9	
Whooping cough	161.4	188.1	N.A.	128.6	110.1	69.4	47.0	43.2	53.5	62.1	33.3	39.7	36.4	33.6	79.2%
Bronchial pneumonia	39.2	55.3	N.A.	75.0	77.6	67.1	47.0	39.1	40.4	48.0	31.4	37.8	24.7	26.3	32.9%

SOURCE: Ministry of Health

TABLE E-6  
HONDURAS: INFANT MORTALITY RATE BY MATERNAL  
EDUCATION, 1970, 1980 AND 1984  
(per thousand)

Year	Years of Education			
	0	1 - 3	4 - 6	7 and more
1970	135.0	101.0	81.0	45.0
1980	112.0	89.0	74.0	39.0
1984	89.7	67.2	49.4	37.1

SOURCES: EDENH-II, 1983;  
1987 National Epidemiology and  
Family Health Survey

TABLE E-7  
HONDURAS: WATER AND SEWAGE INSTALLED CAPACITY, 1980-1983

Facilities Constructed	1980	1981	1982	1983	1980-83
Water Systems	93	127	155	152	527
Water System Improvements	6	--	11	11	28
Wells	1,213	1,043	1,073	1,481	4,810
Sewage Disposal	--	13	1	2	16
Latrines	16,395	16,248	31,494	31,380	95,517
Septic Tanks	12	13	15	14	54

NOTES: (1) National Autonomous Aqueducts and Sewage Service provides services for urban areas and rural communities with over 200 residents.

(2) Ministry of Public Health provides service for rural communities with less than 200 inhabitants.

SOURCES: Ministry of Public Health;  
National Autonomous Aqueducts and Sewage Service (SANAA)

TABLE E-8  
HONDURAS: WATER AND SEWAGE COVERAGE,  
1973, 1978 AND 1983

	1973		1978		1983	
	Population Served* (000)	Percent of Total	Population Served* (000)	Percent of Total	Population Served* (000)	Percent of Total
<b>Water</b>						
Urban	826.0	92.6%	1,079.7	91.3%	1,193.6	76.4%
Rural	229.0	11.4%	683.0	30.3%	1,885.7	74.6%
Total	1,055.0	36.4%	1,762.7	51.2%	3,079.3	75.3%
<b>Sewage/Latrines</b>						
Urban	386.0	43.3%	514.7	49.7%	916.5	58.7%
Rural	216.1	10.8%	414.0	18.4%	971.5	38.3%
Total	602.1	20.8%	1,001.6	29.1%	1,815.1	44.4%

NOTE: \*--Defined as directly connected and/or with easy access.

SOURCES: SANAA;  
Dept. of Environmental Health, Ministry of Public Health

TABLE E-9  
HONDURAS: SOCIAL SECURITY COVERAGE, 1979-1983  
(percent)

Share of Workers Covered (as a percentage of)	1979	1980	1981	1982	1983
Total Population	8.1%	8.0%	7.8%	7.2%	7.0%
Active Population	18.3%	18.2%	17.6%	15.8%	17.6%
<b>Area Populations:</b>					
Tagucigalpa	43.5%	42.5%	40.8%	37.9%	38.2%
San Pedro Sula	24.1%	24.0%	22.7%	19.3%	17.6%
Telk	20.1%	20.1%	18.5%	17.5%	12.6%
La Ceiba	10.1%	8.8%	9.5%	8.8%	5.9%
Puerto Cortes	4.1%	4.6%	4.8%	5.2%	5.0%
Choluteca	2.1%	2.5%	2.1%	1.4%	1.3%
Amapala	9.6%	3.9%	1.5%	0.4%	0.9%
San Lorenzo	4.2%	5.8%	5.6%	4.3%	3.0%
Santa Rosa de Copan	3.1%	2.5%	2.3%	2.2%	2.2%

SOURCE: IHSS, Catalogue of Minimum Indicators, 1979-1983

TABLE F-1  
HONDURAS: GOVERNMENT EDUCATION EXPENDITURES, 1972-1987  
(millions of current lempiras)

Year	Primary		Secondary		Technical		Adult		University/ Administration		TOTAL Amount & Change
	Amount	Share of Total	Amount	Share of Total	Amount	Share of Total	Amount	Share of Total	Amount	Share of Total	
1973	N.A.		N.A.		N.A.		N.A.		N.A.		55.9
1974	N.A.		N.A.		N.A.		N.A.		N.A.		65.6
1975	N.A.		N.A.		N.A.		N.A.		N.A.		16.7%
1976	N.A.		N.A.		N.A.		N.A.		N.A.		21.0%
1977	N.A.		N.A.		N.A.		N.A.		N.A.		17.8%
1978	N.A.		N.A.		N.A.		N.A.		N.A.		9.6%
1979	N.A.		N.A.		N.A.		N.A.		N.A.		117.8
1980	101.1	57.4%	27.9	15.8%	3.7	2.1%	1.7	1.0%	41.7	23.7%	175.1
1981	123.6	57.5%	29.2	13.6%	4.8	2.2%	2.0	0.9%	55.3	25.7%	214.9
1982	112.6	45.9%	32.6	13.3%	5.4	2.2%	2.0	0.8%	92.8	37.8%	245.4
1983	120.0	47.4%	29.2	11.5%	10.0	4.0%	1.9	0.8%	91.9	36.3%	253.0
1984	122.3	50.0%	30.0	12.3%	13.4	5.5%	1.9	0.8%	76.8	31.4%	244.4
1985	142.2	43.7%	34.4	10.6%	33.4	10.3%	2.1	0.6%	113.3	34.8%	325.4
1986	159.4	44.8%	48.0	13.5%	33.2	9.3%	2.1	0.6%	113.2	31.8%	355.9
1987	172.8	45.9%	50.2	13.3%	30.1	8.0%	2.4	0.6%	120.6	32.1%	376.1

SOURCE: Budget Dept., Ministry of Education

TABLE F-2  
HONDURAS: EDUCATIONAL ENROLLMENT LEVELS, 1970-1987

Year	Primary			Rural Share of Total		Secondary		University		TOTAL	
	Total	% Change	Urban	Rural	Total	Total	% Change	Total	% Change	Amount	% Change
1970	381,685		214,815	166,870	43.7%	35,532		N.A.		N.A.	
1971	392,668	2.9%	216,815	175,853	44.8%	39,336	10.7%	N.A.		N.A.	
1972	412,050	4.9%	229,766	182,284	44.2%	43,521	10.6%	N.A.		N.A.	
1973	420,714	2.1%	233,084	187,630	44.6%	47,413	8.9%	8,271		476,398	
1974	442,666	5.2%	250,563	192,103	43.4%	51,695	9.0%	9,226	11.5%	503,587	5.7%
1975	460,744	4.1%	258,937	201,807	43.8%	56,195	8.7%	10,635	15.3%	527,574	4.8%
1976	483,210	4.9%	275,098	208,112	43.1%	64,412	14.6%	12,951	21.8%	560,573	6.3%
1977	491,872	1.8%	214,859	277,013	56.3%	73,180	13.6%	15,464	19.4%	580,516	3.6%
1978	524,520	6.6%	224,040	300,480	57.3%	103,311	41.2%	19,562	26.5%	647,393	11.5%
1979	575,152	9.7%	241,072	334,080	58.1%	114,564	10.9%	21,386	9.3%	711,102	9.8%
1980	576,821	0.3%	230,458	346,363	60.0%	127,989	11.7%	24,606	15.1%	729,416	2.6%
1981	613,633	6.4%	240,413	373,220	60.8%	100,743	-21.3%	28,844	17.2%	743,220	1.9%
1982	671,780	9.5%	274,055	397,725	59.2%	148,508	47.4%	28,090	-2.6%	848,378	14.1%
1983	703,608	4.7%	N.A.	N.A.	N.A.	156,665	5.5%	N.A.		N.A.	
1984	736,902	4.7%	277,427	459,475	62.4%	164,453	5.0%	29,535		930,890	
1985	774,078	5.0%	291,656	482,422	62.3%	158,789	-3.4%	36,620	24.0%	969,487	4.1%
1986	810,412	4.7%	305,824	504,588	62.3%	179,444	13.0%	N.A.			
1987	840,390	3.7%	317,382	523,008	62.2%	N.A.		N.A.			

SOURCES: Ministry of Education, Statistical Yearbook;  
Ministry of Economics

TABLE F-3  
HONDURAS: GROSS ENROLLMENT RATIOS\*, 1970-1987

Year	Primary	Secondary	University
1970	87.3%	12.1%	N.A.
1971	86.6%	13.1%	N.A.
1972	87.6%	14.0%	3.5%
1973	86.1%	14.7%	3.7%
1974	87.3%	15.4%	4.1%
1975	87.5%	16.2%	4.8%
1976	86.9%	17.8%	5.5%
1977	86.8%	19.4%	6.7%
1978	89.3%	26.3%	7.1%
1979	94.4%	28.0%	7.9%
1980	95.3%	30.0%	8.8%
1981	93.9%	22.3%	8.2%
1982	99.3%	32.3%	N.A.
1983	100.5%	32.9%	7.9%
1984	101.7%	33.3%	9.4%
1985	103.4%	31.0%	N.A.
1986	104.8%	33.8%	N.A.
1987	105.2%	N.A.	N.A.

NOTE: \*--Defined as enrollment/age-group population.

SOURCES: Ministry of Education, Statistical Yearbook;  
Ministry of Economics

TABLE F-4  
HONDURAS: SURVIVAL RATES FOR NINE STUDENT  
COHORTS, 1973-78 THROUGH 1980-85  
(percentage of students enrolled in Grade 1)

Year	Reaching Grade 2	Reaching Grade 3	Reaching Grade 4	Reaching Grade 5	Reaching Grade 6
1973-78	64.5%	49.6%	38.8%	30.7%	26.3%
1974-79	59.8%	47.8%	36.4%	30.0%	26.0%
1975-80	60.6%	47.1%	37.3%	31.8%	26.7%
1976-81	58.9%	47.6%	39.0%	32.2%	26.3%
1977-82	61.3%	51.5%	40.7%	32.9%	29.4%
1978-83	63.6%	51.0%	40.0%	35.0%	30.0%
1979-84	61.0%	47.8%	41.0%	32.0%	28.8%
1980-85	60.1%	50.8%	41.0%	34.5%	30.0%

SOURCE: Ministry of Education



**ANNEX F**  
**EDUCATION**

TABLE F-1  
HONDURAS: GOVERNMENT EDUCATION EXPENDITURES, 1972-1987  
(millions of current lempiras)

Year	Primary		Secondary		Technical		Adult		University/ Administration		TOTAL	
	Amount	Share of Total	Amount	Share of Total	Amount	Share of Total	Amount	Share of Total	Amount	Share of Total	Amount	% Change
1973	N.A.		N.A.		N.A.		N.A.		N.A.			
1974	N.A.		N.A.		N.A.		N.A.		N.A.		55.9	
1975	N.A.		N.A.		N.A.		N.A.		N.A.		56.2	0.5%
1976	N.A.		N.A.		N.A.		N.A.		N.A.		65.6	16.7%
1977	N.A.		N.A.		N.A.		N.A.		N.A.		79.4	21.0%
1978	N.A.		N.A.		N.A.		N.A.		N.A.		93.5	17.8%
1979	N.A.		N.A.		N.A.		N.A.		N.A.		102.5	9.6%
1980	101.1	57.4%	27.9	15.8%	3.7	2.1%	N.A.		N.A.		117.8	14.9%
1981	123.6	57.5%	29.2	13.6%	4.8	2.2%	1.7	1.0%	41.7	23.7%	176.1	49.5%
1982	112.6	45.9%	32.6	13.3%	5.4	2.2%	2.0	0.9%	55.3	25.7%	214.9	22.0%
1983	120.0	47.4%	29.2	11.5%	10.0	4.0%	2.0	0.8%	92.8	37.8%	245.4	14.2%
1984	122.3	50.0%	30.0	12.3%	13.4	5.5%	1.9	0.8%	91.9	36.3%	253.0	3.1%
1985	142.2	43.7%	34.4	10.6%	33.4	10.3%	1.9	0.8%	76.8	31.4%	244.4	-3.4%
1986	159.4	44.8%	48.0	13.5%	33.2	9.3%	2.1	0.6%	113.3	34.8%	325.4	33.1%
1987	172.8	45.9%	50.2	13.3%	30.1	8.0%	2.1	0.6%	113.2	31.8%	355.9	9.4%
							2.4	0.6%	120.6	32.1%	376.1	5.7%

SOURCE: Budget Dept., Ministry of Education

TABLE F-2  
HONDURAS: EDUCATIONAL ENROLLMENT LEVELS, 1970-1987

Year	Primary				Rural Share of Total	Secondary		University		TOTAL	
	Total	% Change	Urban	Rural		Total	% Change	Total	% Change	Amount	% Change
1970	381,685		214,815	166,870	43.7%	35,532		N.A.		N.A.	
1971	392,668	2.9%	216,815	175,853	44.8%	39,336	10.7%	N.A.		N.A.	
1972	412,050	4.9%	229,766	182,284	44.2%	43,521	10.6%	N.A.		N.A.	
1973	420,714	2.1%	233,084	187,630	44.6%	47,413	8.9%	8,271		476,398	
1974	442,666	5.2%	250,563	192,103	43.4%	51,695	9.0%	9,226	11.5%	503,587	5.7%
1975	460,744	4.1%	258,937	201,807	43.8%	56,195	8.7%	10,635	15.3%	527,574	4.8%
1976	483,210	4.9%	275,098	208,112	43.1%	64,412	14.6%	12,951	21.8%	560,573	6.3%
1977	491,872	1.8%	214,859	277,013	56.3%	73,180	13.6%	15,464	19.4%	580,516	3.6%
1978	524,520	6.6%	224,040	300,480	57.3%	103,311	41.2%	19,562	26.5%	647,393	11.5%
1979	575,152	9.7%	241,072	334,080	58.1%	114,564	10.9%	21,386	9.3%	711,102	9.8%
1980	576,821	0.3%	230,458	346,363	60.0%	127,989	11.7%	24,606	15.1%	729,416	2.6%
1981	613,633	6.4%	240,413	373,220	60.8%	100,743	-21.3%	28,844	17.2%	743,220	1.9%
1982	671,780	9.5%	274,055	397,725	59.2%	148,508	47.4%	28,090	-2.6%	848,378	14.1%
1983	703,608	4.7%	N.A.	N.A.	N.A.	156,665	5.5%	N.A.		N.A.	
1984	736,902	4.7%	277,427	459,475	62.4%	164,453	5.0%	29,535		930,890	
1985	774,078	5.0%	291,656	482,422	62.3%	158,789	-3.4%	36,620	24.0%	969,487	4.1%
1986	810,412	4.7%	305,824	504,588	62.3%	179,444	13.0%	N.A.			
1987	840,390	3.7%	317,382	523,008	62.2%	N.A.		N.A.			

SOURCES: Ministry of Education, Statistical Yearbook;  
Ministry of Economics

TABLE F-3  
HONDURAS: GROSS ENROLLMENT RATIOS\*, 1970-1987

Year	Primary	Secondary	University
1970	87.3%	12.1%	N.A.
1971	86.6%	13.1%	N.A.
1972	87.6%	14.0%	3.5%
1973	86.1%	14.7%	3.7%
1974	87.3%	15.4%	4.1%
1975	87.5%	16.2%	4.8%
1976	86.9%	17.8%	5.5%
1977	86.8%	19.4%	6.7%
1978	89.3%	26.3%	7.1%
1979	94.4%	28.0%	7.9%
1980	95.3%	30.0%	8.8%
1981	93.9%	22.3%	8.2%
1982	99.3%	32.3%	N.A.
1983	100.5%	32.9%	7.9%
1984	101.7%	33.3%	9.4%
1985	103.4%	31.0%	N.A.
1986	104.8%	33.8%	N.A.
1987	105.2%	N.A.	N.A.

NOTE: \*--Defined as enrollment/age-group population.

SOURCES: Ministry of Education, Statistical Yearbook;  
Ministry of Economics

TABLE F-4  
HONDURAS: SURVIVAL RATES FOR NINE STUDENT  
COHORTS, 1973-78 THROUGH 1980-85  
(percentage of students enrolled in Grade 1)

Year	Reaching Grade 2	Reaching Grade 3	Reaching Grade 4	Reaching Grade 5	Reaching Grade 6
1973-78	64.5%	49.6%	38.8%	30.7%	26.3%
1974-79	59.8%	47.8%	36.4%	30.0%	26.0%
1975-80	60.6%	47.1%	37.3%	31.8%	26.7%
1976-81	58.9%	47.6%	39.0%	32.2%	26.3%
1977-82	61.3%	51.5%	40.7%	32.9%	29.4%
1978-83	63.6%	51.0%	40.0%	35.0%	30.0%
1979-84	61.0%	47.8%	41.0%	32.0%	28.8%
1980-85	60.1%	50.8%	41.0%	34.5%	30.0%

SOURCE: Ministry of Education

TABLE F-5  
 BONDURAS: PRIMARY SCHOOL ENROLLMENT, TEACHERS AND FACILITIES,  
 BY AREA AND TYPE OF ADMINISTRATION, 1974-1983

	1974		1975		1976		1977		1978		1979		1980		1981*		1982		1983		
	Total	% Share																			
<b>Registration</b>																					
Total	443,668	100.0%	459,647	100.0%	483,210	100.0%	493,223	100.0%	524,520	100.0%	555,778	100.0%	601,337	100.0%	613,633	100.0%	671,780	100.0%	705,171	100.0%	
Rural	251,063	56.6%	258,437	56.2%	275,098	56.9%	278,015	56.0%	300,480	57.3%	353,748	63.6%	351,917	58.5%	373,220	60.8%	397,725	59.2%	429,163	60.9%	
Official	416,007	93.8%	438,064	94.9%	457,112	94.6%	465,889	94.5%	497,487	94.8%	529,514	95.3%	569,330	94.7%	582,101	94.9%	631,395	94.3%	666,010	94.4%	
Female	221,313	49.9%	228,346	49.7%	239,617	49.6%	245,103	49.7%	259,735	49.5%	270,457	48.7%	298,162	49.6%	302,818	49.3%	331,560	49.4%	349,812	49.6%	
<b>Teachers</b>																					
Total	12,302	100.0%	13,045	100.0%	13,649	100.0%	13,920	100.0%	14,479	100.0%	14,502	100.0%	16,385	100.0%	15,724	100.0%	17,930	100.0%	18,997	106.0%	
Rural	8,665	54.2%	7,005	53.7%	7,282	53.4%	7,359	52.9%	8,284	57.2%	8,444	58.2%	8,992	54.9%	8,708	55.4%	9,617	53.6%	10,473	58.4%	
Official	11,401	92.7%	12,190	93.4%	12,179	89.2%	12,987	93.3%	13,589	93.9%	13,820	95.3%	15,211	92.8%	14,526	92.4%	16,478	91.9%	17,479	97.5%	
<b>Facilities</b>																					
Total	4,422	100.0%	4,502	100.0%	4,699	100.0%	4,769	100.0%	5,098	100.0%	5,179	100.0%	5,524	100.0%	6,182	100.0%	5,829	100.0%	6,211	100.0%	
Rural	3,891	88.0%	4,057	88.2%	4,144	88.2%	4,203	88.1%	4,527	89.0%	4,612	89.1%	4,910	88.9%	5,546	89.7%	5,109	87.6%	5,489	88.4%	
Official	4,273	96.6%	4,464	97.0%	4,558	97.0%	4,640	97.3%	4,950	97.3%	5,047	97.5%	5,358	97.0%	5,977	96.7%	5,856	97.0%	6,049	97.4%	
Complete	1,700	38.4%	1,874	40.7%	2,012	42.8%	2,154	45.2%	2,250	44.2%	2,464	47.2%	2,660	48.2%	2,819	45.6%	3,081	52.9%	3,411	54.9%	

NOTE: \*--Data are not considered very reliable.

SOURCE: Ministry of Public Education

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