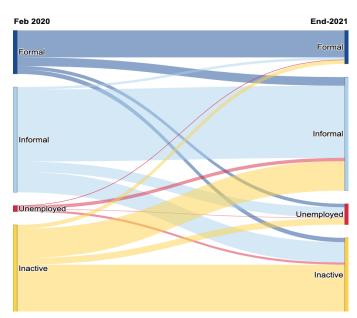


The labour market in Honduras has undergone considerable changes in the more than two years since the Covid-19 pandemic began. More than a quarter of those who were employed before the pandemic lost their jobs (25.9 per cent). Those who lost their jobs most frequently were women (39.9 per cent) and older adults (35.0 per cent). Of those who lost their jobs before the pandemic, 9.3 per cent became unemployed, and the remaining 16.6 per cent dropped out of the labour force altogether. Outflows from the labour force were offset by the entry of those who were previously economically inactive. By the end of 2021, 45.7 per cent of the latter group had entered the labour market, a figure as high as 73.0 per cent of these jobs were informal. Indeed, 36.5 per cent of those who held formal jobs, were unemployed or who were economically inactive before the pandemic moved into informal employment by the end of 2021. Those that became informal workers most frequently were the more educated (47.6 per cent), women (45.0 per cent) and young people (44.2 per cent). The pandemic prompted an increase in time spent on unpaid work such as care activities. By the end of 2021, 32.7 per cent of respondents reported that they were spending more time helping their children with schoolwork than in the middle of the year. Although this figure grew by less than 1 percentage point for the population in general in comparison with mid-2021, for older adults it increased by 15.2 percentage points (going from 8.4 to 23.6 per cent). This may be because this group has a lower labour force participation rate.

Key indicators: Individuals (18+ years old)

		Childcare			
Distribution among groups		% of inactive population (pre- pandemic) who entered the labour market	% of formal, unemployed or inactive (pre- pandemic) who were working and transited into informality	Change in % of population reporting an increase in time spent supporting children's education activities (compared to pre- pandemic) between mid- 2021 and end of 2021(pp)	
Overall	25.9%	45.7%	36.5%	1.0	
Urban	22.8%	44.2%	32.8%	3.6	
Rual	29.1%	46.8%	39.6%	-0.1	
Females	39.9%	35.8%	45.0%	1.9	
Males	16.4%	73.0%	30.5%	0.7	
18 to 25 years old	28.3%	62.1%	44.2%	-3.5	
26 to 45 years old	27.3%	53.6%	39.0%	3.0	
46 to 64 years old	18.8%	31.9%	25.3%	-3.6	
65 and older	35.0%	13.6%	33.3%	15.2	
Primary or less	27.5%	40.5%	32.5%	-1.0	
Secondary	24.4%	56.9%	42.7%	4.4	
Tertiary and more	20.3%	49.8%	47.6%	2.0	

Figure 1: Transitions in the labour market



Source: LAC High Frequency Phone Surveys, Phase II, Wave 2

By the end of 2021, the adverse effects of the pandemic on household welfare were still evident. One in four households reported that their income had decreased since the start of the year, and one in three reported having experienced some food insecurity. Running out of food supplies due to a lack of means was more common for households with less educated heads (42.7 per cent), those with limited assets (42.1 per cent) and those located in rural areas (41.2 per cent). This suggests that government support and entry into the workforce have not been enough to offset the negative effects of the pandemic. For this reason, households had to resort to coping strategies such as non-payment of financial obligations, spending their savings and child labour to continue meeting their basic needs. According to the survey, some 73.9 per cent of households made recourse to at least one of these mechanisms.

Specifically, in 21.6 per cent of households with school-age children, a child had to seek employment as a way to cope with the financial stress caused by the pandemic. This figure rose to 27.4 per cent among households with less educated heads and 26.7 per cent among those with older adults. Conversely, it stood at 7.2 per cent for households with tertiary education or higher. Turning to education, the in-person attendance rate fell 2.2 percentage points between mid- and late 2021 (from 19.1 per cent to 16.9 per cent). This is one of the lowest attendance rates in the region and is well below the regional average (48.3 per cent). The low rate of in-person education has had adverse consequences on the quality of education: 63.9 per cent of respondents believe that children are learning less than before the pandemic. This view is even more pronounced among respondents belonging to households with more assets (75.5 per cent) or those with more educated heads (75.1 per cent).

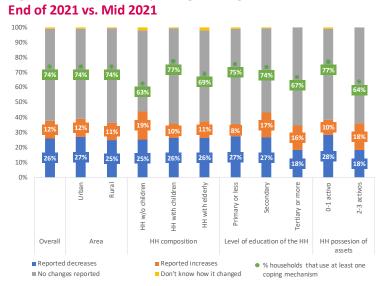
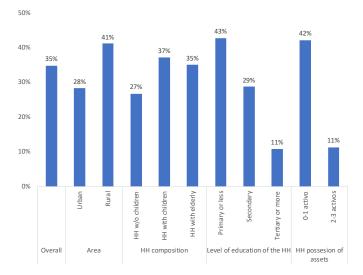


Figure 2: Households reporting a change in income (%)

Figure 3: Household that ran out of food (%) End of 2021



Source: World Bank and UNDP LAC High Frequency Phone Surveys, Phase II, Wave 2

Key indicators: Households and children

	Income	Coping		Food Insecurity Education (6-17 yo)		n (6-17 yo)
Distribution among groups	% households that report a reduction in total income (End of 2021 vs. Mid 2021)	% of households that resorted to at least one mechanism to manage financial stress in 2021*	% of households reporting school-age children entering in the labour force	% households that ran out of food (last 30 days)	Change in the % of school-age children who attended face-to- face classes (End 2021 vs. Mid 2021) (pp)	% of enrolled children who are learning less than before the pandemic
Overall	26.0%	73.9%	21.6%	34.8%	-2.2	63.9%
Urban	27.0%	73.8%	18.5%	28.3%	-2.1	65.8%
Rural	25.0%	74.0%	24.6%	41.2%	-3.5	62.0%
HH w/o children (0-17)	25.3%	62.5%	-	26.7%	-	-
HH with children (0-17)	26.2%	77.3%	21.6%	37.2%	-2.2	63.9%
HH with elderly (65+)	26.4%	69.1%	26.7%	35.0%	-1.7	66.0%
HH with 0-1 asset	28.3%	77.1%	25.3%	42.1%	-2.9	60.5%
HH with 2-3 assets	18.5%	63.6%	7.8%	11.3%	1.0	75.5%
HH education - Primary or less	27.2%	75.5%	27.4%	42.7%	-1.4	62.4%
HH education - Secondary	26.6%	73.6%	14.2%	28.7%	-8.2	63.3%
HH education - Tertiary or more	18.4%	66.9%	7.2%	10.9%	7.3	75.1%

* Coping mechanisms are the strategies used to cope with the financial stress generated by the reduction in income during the pandemic. Particularly, non-payment of financial obligations, use of savings and entry into the labour force.

Source: World Bank and UNDP LAC High Frequency Phone Surveys, Phase II, Wave 2

HIGH FREQUENCY PHONE SURVEY

The World Bank and UNDP conducted a multi-wave High-Frequency Phone Survey (HFPS) in 2021 to assess the impact of the coronavirus pandemic on the welfare of Latin American and Caribbean households. The second wave was collected between November and December 2021, and the data is nationally representative for 22 countries: Argentina, Belice, Bolivia, Chile, Colombia, Costa Rica, Dominica, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Saint Lucia, and Uruguay. The HFPS provides information on the welfare impacts that households experienced with respect to food insecurity, changes in employment, income changes, access to health and education services, and coping mechanisms. For further information see <u>Chapeau Phase II, wave 2.</u>

