

# Honduras



## Overview

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29%

Population below international poverty line

variable

National minimum wage

€231

per month

Rural living wage

29%

Agricultural workforce

11%

Agriculture share of GDP

5

very high

Risk to workers' rights

## Context

Honduras has approximately 10 million inhabitants.<sup>[1]</sup> The population is relatively evenly distributed between urban (58%)<sup>[2]</sup> and rural (42%)<sup>[3]</sup> areas. The agricultural sector absorbs 30% of total employment in Honduras,<sup>[4]</sup> and contributes 11% to the national GDP.<sup>[5]</sup>

The country faces severe poverty, food insecurity and inequality, with its indigenous population being the poorest social group. Approximately 28% of the country's land is dedicated to agriculture, which is characterized by the production of low-profitability products such as bananas, plantains, rice, maize and beans.<sup>[6]</sup> Smallholder farmers account for about 70% of the farmers in Honduras, who generally cultivate in plots of less than 1 hectare of land. These farmers are particularly vulnerable to external shocks, such as natural disasters and price fluctuations, which are recurrent in Honduras.<sup>[7]</sup>

The top produced commodities in Honduras are sugar cane, palm oil, cow milk, bananas, maize and green coffee.<sup>[8]</sup> Similarly, the top exported commodities are bananas, coffee, melons, palm oil, molasses and raw sugar.<sup>[9]</sup>

## Wages

## Minimum wage

The minimum wage in Honduras varies by sector and within sectors it depends on the size of the company's workforce.<sup>[10]</sup>

Although labor rights are established by the state, the law fails to effectively assure the rights of domestic workers. Working excessive hours, failing to respect maternity rights, and not paying minimum wage are examples of violations by employers in many industries, including agriculture. Particularly in the agricultural sector it is the norm not to pay the minimum wage. It is estimated that less than 1% of agricultural workers actually earn a minimum wage. In addition, employers even penalize agricultural workers for choosing to use the days off provided by law.<sup>[11]</sup>

## Living wage

The **Global Living Wage Coalition** has developed a Living Wage Reference Value study for rural Honduras based on the Anker methodology.

The Anker Living Wage Reference Value for rural Honduras is estimated at 6,852 Honduran lempira (231 EUR) per month. This estimate accounts for the wage required by rural workers to afford a basic but decent standard of living in a typical rural area of Honduras. The Reference Value estimate consists of a net living wage of 6,304 Honduran lempira (213 EUR) per month, plus an estimated amount of 548 Honduran lempira (29 EUR) to be paid to State Welfare Fund and in private pension. The Anker Living Wage Reference Value is estimated to be approximately 60% higher than the average agricultural wage.<sup>[12]</sup>

## What's happening

### RESOURCE

#### [Living Wage Reference Value, Rural Honduras](#) ↗

Living wage estimate for workers to be able to afford a basic but decent living standard in a typical rural area of Honduras. Global Living Wage Coalition, 2020.

### RESOURCE

#### [Sustainability in the Honduran Informal Market](#) ↗

This report explores the possibility of creating sustainable supply chains that benefit its members on the informal market in Honduras.

### RESOURCE

#### [Impacts of Fair Trade-Certified Coffee](#). ↗

This report explores the implications of Fairtrade certified coffee in farm workers and smallholders in Nicaragua, Brazil, Honduras and Peru.

### RESOURCE

#### [Creating Economic Opportunities](#) ↗

This report by the Rainforest Alliance is a case study of the ULAKUAS agroforestry cooperative aiming at securing sustainable forestry and livelihood development.

## Footnotes

1. World Bank (2019). <https://data.worldbank.org/indicator/SP.POP.TOTL?locations=HN>
2. World Bank (2019). <https://data.worldbank.org/indicator/SP.URB.TOTL.IN.ZS?locations=HN>
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4. World Bank (2020). <https://data.worldbank.org/indicator/SL.AGR.EMPL.ZS?locations=HN>
5. World Bank (2019). <https://data.worldbank.org/indicator/NV.AGR.TOTL.ZS?locations=HN>

6. IFAD. Honduras. <https://www.ifad.org/en/web/operations/country/id/honduras#anchor-1>
7. GAFSP. Smallholders in Honduras Weather the Effects of Climate Change. <https://www.gafspfund.org/projects/smallholders-honduras-weather-effects-climate-change>
8. FAOSTAT (2019). [http://www.fao.org/faostat/en/#rankings/commodities\\_by\\_country](http://www.fao.org/faostat/en/#rankings/commodities_by_country)
9. FAOSTAT (2019). [http://www.fao.org/faostat/en/#rankings/commodities\\_by\\_country\\_exports](http://www.fao.org/faostat/en/#rankings/commodities_by_country_exports)
10. Wage Indicator Foundation (2020). Minimum Wage-Honduras. <https://wageindicator.org/salary/minimum-wage/honduras>
11. U.S. Department of State (2019). Country Reports on Human Rights Practices: Honduras. <https://www.state.gov/reports/2019-country-reports-on-human-rights-practices/honduras/>
12. Global Living Wage Coalition (2020). Anker Living Wage Reference Value: Rural Honduras 2020. <https://www.globallivingwage.org/wp-content/uploads/2020/11/Rural-Honduras-LW-Reference-Value-FINAL.pdf>