

Government at a Glance: Latin America and the Caribbean 2024



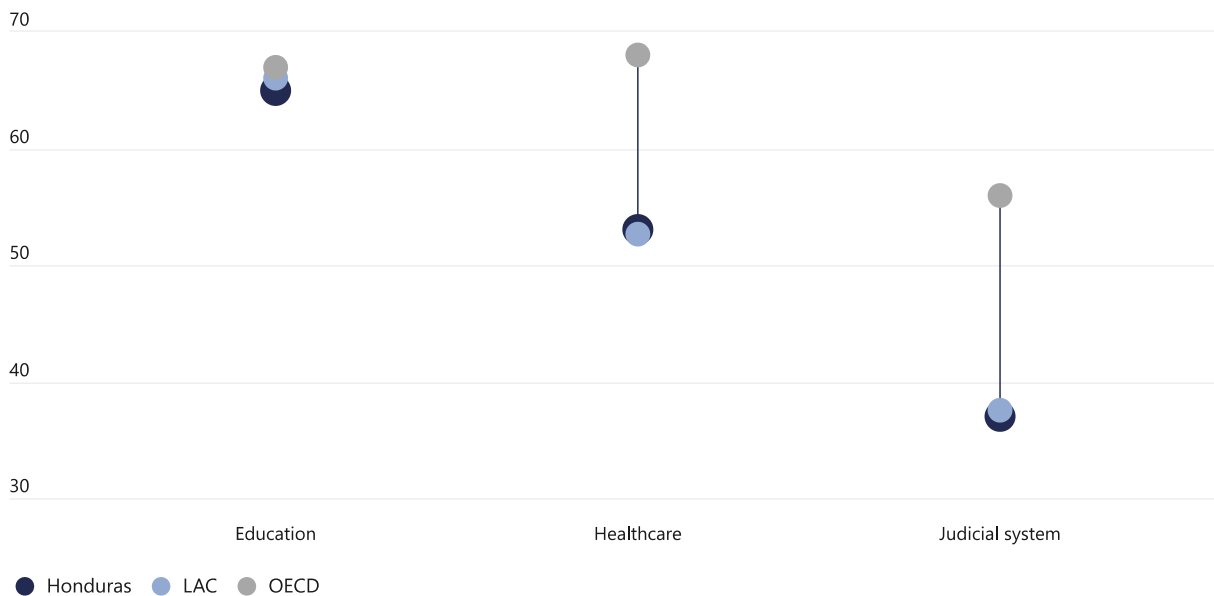
Honduras

Trust and satisfaction with public services

Trust in public institutions and satisfaction with public services are important outcomes of the quality of public governance. They reflect people's perceptions of government competence in designing and delivering policies and services, as well as expectations about the behaviour of public institutions and public officials. Satisfaction with public services and trust in public institutions – while not necessary outcomes of democratic governance – can enhance effective governance by fostering participation in public life, compliance with policies, and social cohesion.

In Honduras, satisfaction with education, health and the judiciary systems is in line with the respective LAC averages. Hondurans are most satisfied with the education system, with 65% of the population being satisfied in 2022, slightly below the LAC (66%) and OECD (67%) averages. The healthcare sector has a satisfaction rate of 53%, which aligns with the LAC average but is 15 percentage points (p.p.) below the OECD average of 68%. Satisfaction with the judiciary system is at 37%, in line with the LAC average (38%).

Figure 1. Satisfaction with public services, 2022



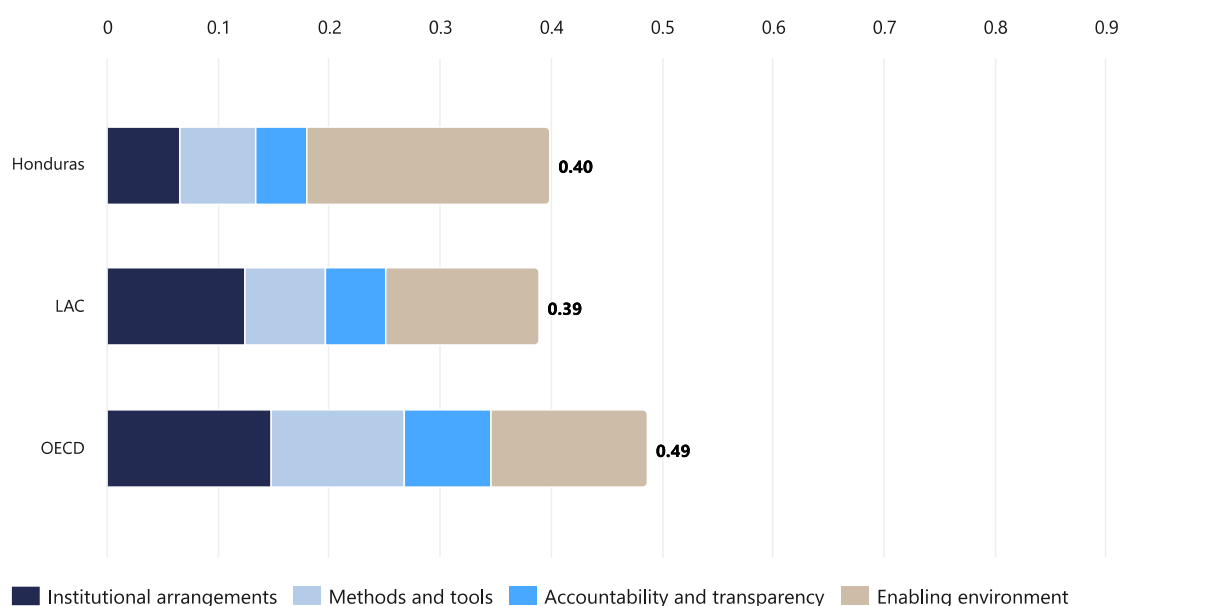
Good governance for inclusiveness and sustainability

In an age of multiple crises, countries in Latin America and the Caribbean need to pursue good governance practices that foster inclusiveness and sustainability, crucial for promoting prosperity and democratic resilience. Key actions include building on democratic strengths, such as enhancing stakeholder engagement in decision making and promoting representation and inclusion in public workforce. Additionally, efforts should focus on reinforcing key competences to deliver inclusive and sustainable growth, including budgeting and public procurement approaches that support the green transition. Safeguarding against threats to democratic values demands that effective public integrity rules and robust regulation against undue influence be maintained.

Budget management practices, such as green budgeting, can help face the climate crisis and achieve environmental goals. Green budgeting mechanisms include institutional arrangements to assess the environmental impacts of budgetary and fiscal policies, methods for evaluating their consistency, mechanisms to enhance transparency and accountability, and an enabling environment for green budgeting. Only a few countries in LAC have adopted green budgeting mechanisms and their implementation could be made more effective.

Honduras, one of the few countries with green budgeting mechanisms, performs close to the LAC average, with a score of 0.40, on a 0-1 scale, in line with the LAC average (0.39) but below the OECD one (0.49). Honduras's strongest dimension is enabling environment, scoring 0.22 out of a maximum of 0.25, but there is room for improvement in institutional arrangements (0.07), methods and tools (0.07), and accountability and transparency (0.05).

Figure 2. OECD Green Budgeting Index, 2022












Public procurement – the purchase of goods, services and works by governments and state-owned enterprises – averaged 17.4% of total government expenditure in Latin America and the Caribbean countries in 2021. Public administrations are increasingly adopting public procurement as a strategic policy instrument to promote social objectives, for example to strengthen sustainability and environmental

responsibility, by favouring green procurement and responsible business conduct, and inclusiveness, by incentivising the participation of different individuals and business groups as suppliers.

Honduras has a strategy at the central level of government to promote responsible business conduct and to pursue the participation of SMEs in public procurement processes. Some procurement agencies have developed internal strategies to promote green public procurement. In comparison, 14 LAC countries have a central government strategy to promote the participation of SMEs in public procurement, 9 countries for green public procurement, and 7 for responsible business conduct.

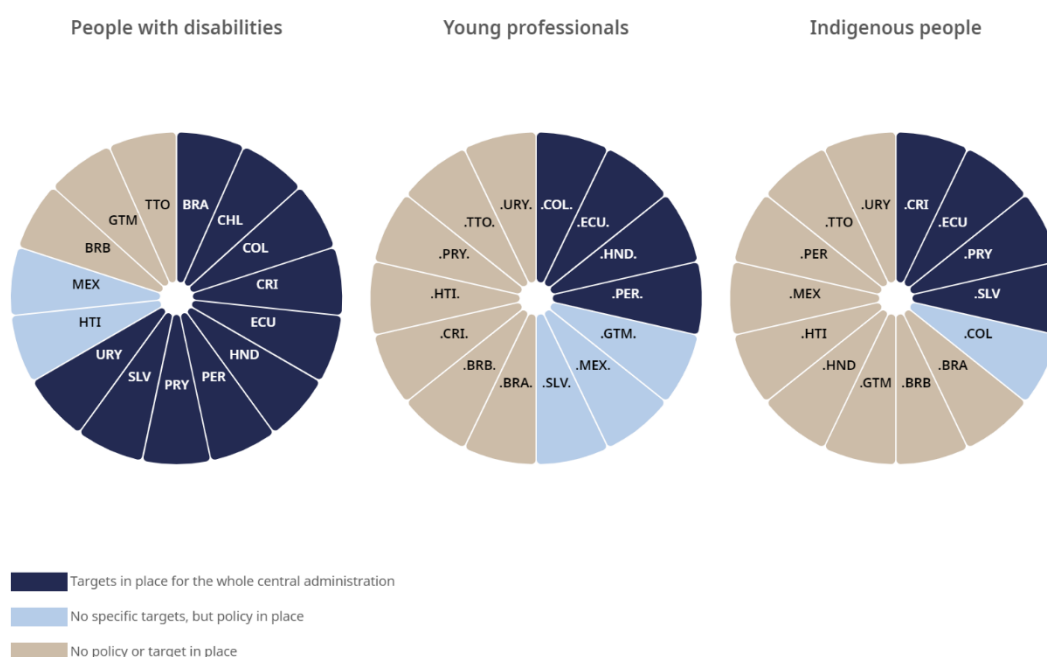
Figure 3. Strategic public procurement at the central level to pursue sustainability and inclusiveness, 2022

	Green public procurement	SME	Responsible business conduct
A strategy/policy has been developed at a central level	 LAC countries: 9 Yes / 10 No	 LAC countries: 14 Yes / 5 No	 LAC countries: 7 Yes / 12 No
Some procuring entities have developed an internal strategy/ policy	 LAC countries: 6 Yes / 13 No	 LAC countries: 1 Yes / 18 No	 LAC countries: 3 Yes / 16 No
No strategy/ policy in place	 LAC countries: 6 Yes / 13 No	 LAC countries: 7 Yes / 12 No	 LAC countries: 3 Yes / 16 No

A diverse public sector workforce is essential for promoting representation and inclusion of underrepresented and vulnerable groups. It strengthens government performance by driving innovation and contributing to tailored public services to meet the community's needs. Governments can use policies and targets to recruit and retain under-represented groups in the workforce.

Honduras has specific targets in place for the inclusion of people with disabilities and young professionals in the public workforce at the central level. Honduras lacks policies and targets for indigenous representation. In comparison, among the surveyed LAC countries, 10 out of 15 have targets for people with disabilities and 4 countries have targets for young professionals and for indigenous people.

Figure 4. Policies and targets to improve the representation of specific groups in the central/federal administration, 2022



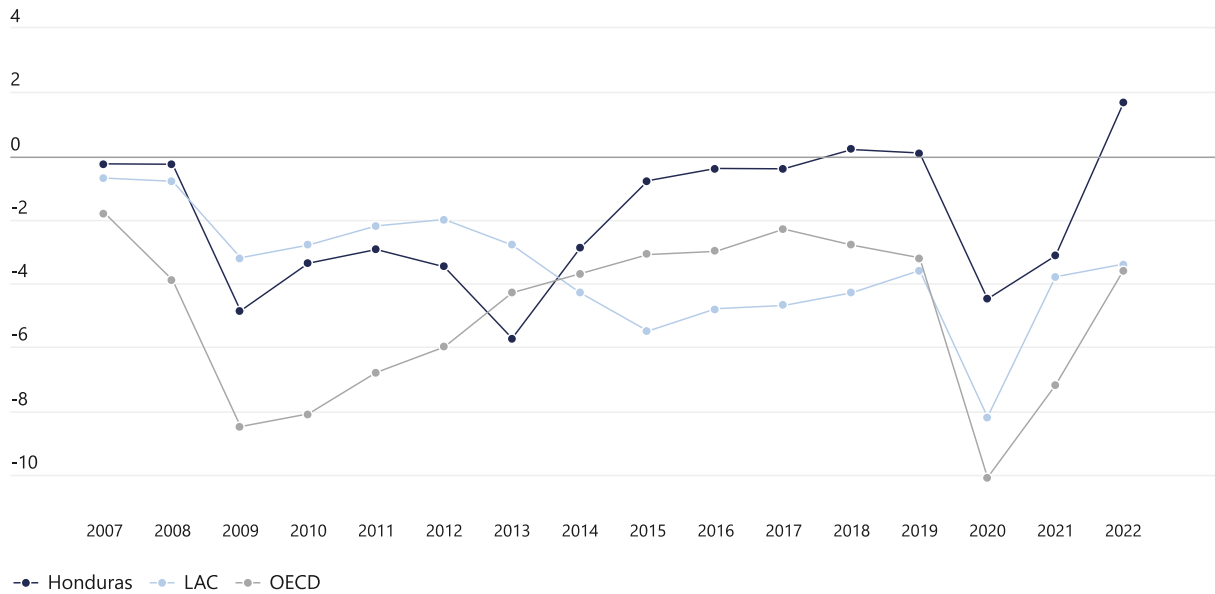
Use and management of public resources

To make meaningful progress toward inclusive and sustainable growth, governments need to manage their existing resources strategically. From a fiscal perspective, this entails balancing how much the government spends and collects. From a human resource perspective, it means strengthening the capacity and skills of public employees and creating a public workforce and elected public officials who represent all the people they serve.

Public finances in the LAC region show modest positive signs, after a stark deterioration in 2020. This downturn was due to emergency measures taken to fight the COVID-19 pandemic, along with measures to support businesses and people to manage its impacts. Fiscal balances - the difference between a government's revenues and its expenditures in a year - had broadly recovered to pre-COVID levels by 2022 across Latin America and the Caribbean. However, economic recovery remains fragile.

In 2022, Honduras was one of the few LAC countries with a fiscal surplus (1.7% of GDP), compared to the negative fiscal balance on average across LAC countries (-3.4%). Honduras' surplus was 1.6 p.p. higher than in 2019. Government revenue represented 25.5% of Honduras's GDP in 2022, compared to 31.5% on average in LAC countries and 39.7% in OECD countries. This ratio of revenue relative to GDP has fallen slightly from 25.8% in 2019.

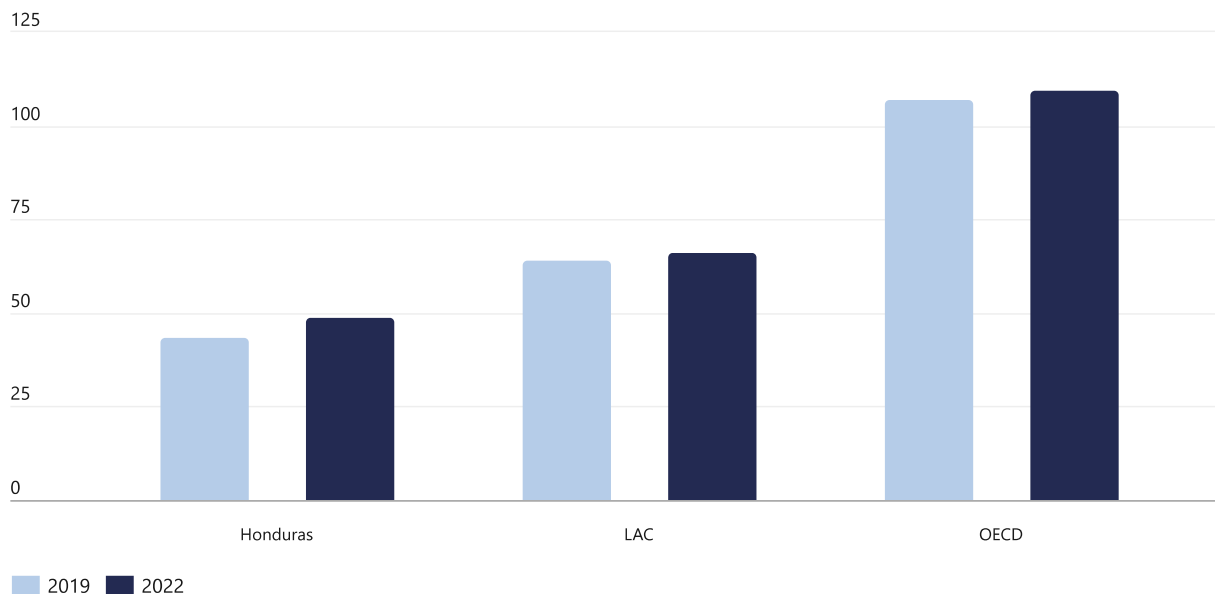
Figure 5. General government fiscal balance as a percentage of GDP, 2007 - 2022



Government debt can be used to finance both current expenditure and investments but comes at a cost in the form of interest payments. Debt as a share of GDP increased during the COVID-19 pandemic in the LAC region due to increased expenditure and loss of tax revenues, and in 2022 still remained 2 p.p. above its 2019 level.

In 2022, Honduras's government debt amounted to 49.1% of its GDP, below the LAC average of 66.3%. Its debt level has increased from 43.8% of GDP in 2019.

Figure 6. General government gross debt as a percentage of GDP, 2019 and 2022



Equal representation of women and men in the public sector is a benchmark for measuring progress towards gender equality, diversity and better representation. In 2021, more than half of the employees in the public sector in LAC countries were women (51.5%), with wide differences among countries. However, women are often under-represented in managerial positions in the region, in 2022, on average women held 43% of senior management positions, with large differences among countries.

The share of women in public sector management in Honduras is above the LAC average for senior and middle management roles. Women hold 62.5% of senior management positions in Honduras, considerably higher than the LAC average of 43.4%. At middle management level, women hold 46.6% of posts, above the LAC average of 42.2%.

Figure 7. Share of women by position in central/federal public administration, 2021

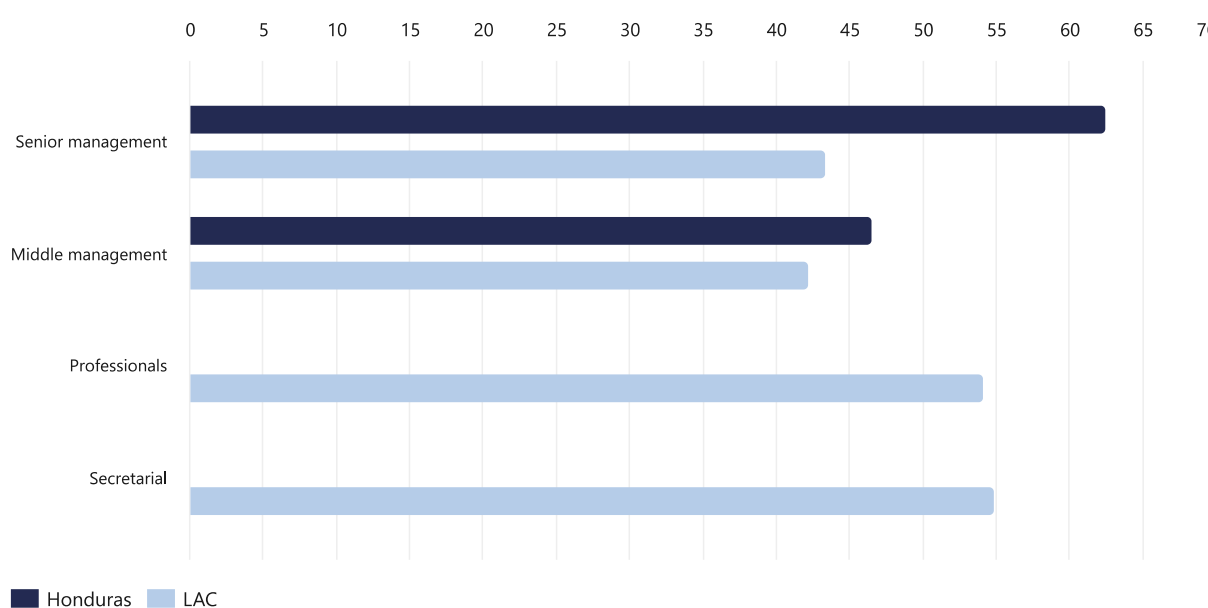


Figure notes

Data on public finance and economics are from the IMF World Economic Outlook (WEO) database (October 2023), which is based on the Government Finance Statistics Manual (GFSM) and were extracted on 3 November 2023. For the OECD averages data were based on the System of National Accounts (SNA) and were extracted from the Government at a Glance online database representing the last available update: 5 January 2024.

Fiscal balance, also referred to as net lending (+) or net borrowing (-) of general government, is calculated as total government revenues minus total government expenditures.

Data on public employment are derived from the International Labour Organization (ILO) ILOSTAT database and were extracted on 17 February 2023. Data are based on the Labour Force Survey. Public sector employment covers employment in the government sector plus employment in publicly owned resident enterprises and companies.

LAC and OECD averages refer to the unweighted average with the exception of public finance indicators.

For more information see www.oecd.org/publication/government-at-a-glance-lac/2024/