



## Worksheet 27.1

### Day Zero in Haiti

The people of Haiti refer to the day of the 2010 earthquake Day Zero. Day Zero was the day when an earthquake rumbled and shook the shallow bay near *Port-au-Prince* and crumpled the many fragile houses, hospitals, churches and hotels.

Some consider the day of the quake, as the day a new nation began. As economists we can offer insights about the path to improved living standards, through our understanding of what has worked, and not worked, in other countries.

Haiti has a history which is more turbulent than most. In 1697 when Spain ceded control of Haiti to the French, much of the land was deforested and the ecology wrecked as sugar fields were planted. In 1804 the republic was founded, and later the dominant political figure was Dr. François Duvalier, and his son who reined as Presidents of the country from 1957 – 1972 (François) and his son till 1987.

In 1990 the ruling military junta gave up power and President Clinton sent in 20,000 troops to a country ravaged by HIV and entrenched poverty. Hurricanes in 2004 and 2008 displace hundreds of thousands of Haitians and ruined existing infrastructure. But the recent earthquake might be the biggest challenge yet for most fragile and poorest nation in the Caribbean. On the Human Development Index, Haiti is classified as one of the least developed nations in the world at 149th of 182 countries (HDI Report, UN 2009).

Former President Bill Clinton who acted as the UN's Special Envoy to Haiti following the quake, offered a good insight on the nations challenge in an excellent essay in an issue of Time Magazine a week after the quake. Read from 'We've got to all' to 'away in two years' in [the article](#).

What the economic strategy will be for Haiti will likely be influenced by the trade agreement with USA called the Caribbean Initiative. This has recently provided an impetus for the clothing industry in Haiti. Hanes, who sell T-shirts throughout North America, produces part of their stock in Haiti in the factories, which are now being protected from looting. These labour intensive industries are important in a nation with approximately two-thirds of labour force unable to find work. The earthquake and eventual rebuild also offer opportunities to build on existing plans as Clinton explains (see the article).

It is evident that Haiti can use this opportunity to develop the country as Clinton explains. In addition, there are many other ways that the country could improve the living standards of the Haitian people. These development and growth strategies could include:

1. The development of Fair Trade schemes to improve Haiti producer's access to world markets.
2. Facilitating the provision of small loans through Micro Finance schemes.
3. Developing the export sector by investing in the transportation infrastructure to transport products.
4. Exploring new trade agreements with nations.
5. Promoting foreign direct investment in Haiti by multinational companies.



Nevertheless the task is daunting for Haiti. As a UN staff member recently explained to a New York Times reporter, the immediate recovery is complex. The future reconstruction and redevelopment will be difficult, and the road long. Read the fourth paragraph in [this article](#).

### Here are some interesting facts about Haiti

1. 40% of the population is under 14 years of age.
2. The nation's main exports are coffee, mango and other agricultural products.
3. 66% of all Haitian's work in the agricultural sector on small subsistence farms.
4. Before the earthquake foreign aid made up a large proportion of national income. In 2004 over \$1 billion was pledged by USA, World Bank and Canada and France. Partly in loans but also in direct assistance.
5. In 2006 Haiti was ranked as the most corrupt nation in the world by Transparency International, followed by Burma and Iraq.

### Questions:

- In your opinion, what is Haiti's most valuable resource endowment? Explain.
- Choose two development or growth strategies and explain how these could be implemented in Haiti.
- Evaluate the strengths and weaknesses of each strategy.
- How could corruption be a barrier to the future development of Haiti?
- What do you think Haiti will be like in 20 years?