

HAWG is a working group of international development, faithbased, human rights and social justice organizations advocating on issues related to U.S.-Haiti policy.

## Haiti for Whom? Aid Accountability and Inequality 5 Years After March 6, 2015

**Economic Growth: Jobs or Sustainable Livelihoods?** 

Moderator: Elaine Zuckerman, Gender Action

Speakers: Nixon Boumba, Consultant to American Jewish World Service (AJWS) in

Haiti

Kysseline Cherestal, Action Aid Lauren Stewart, Solidarity Center

**Link** to the video presentation

## **Description**

The government of Haiti is aggressively pursuing a foreign investment strategy using the slogan "Open for Business" to attract would-be investors to specific sectors. The government has honed in on extractive industries, tourism, and export industries—such as garment manufacturing—as the most lucrative. Lucrative for investors and the government, of course. Their pitch to investors is predicated on cheap labor, supplied by thousands of Haitians who desperately need employment. "Friendly" business laws and generous export agreements also help attract big businesses to Haiti.

While one acknowledges that foreign investment is perhaps a necessary component of Haiti's development, the concern is that this strategy is being pursued at the exclusion of all other options-including the exclusion of the Haitian population. Contracts for mega-projects like resorts, mining exploration and factory development have been granted. Haitian farmers were forcibly removed from their scarce fertile land to make way for the projects. Farmers were poorly compensated, causing an increase in food insecurity and a decline in family income. The tragic irony is that as "job creation" is lauded by international donors and multilaterals, many Haitians have lost their livelihoods.

Many organizations that support local Haitian organizations, farmers, labor unions and workers have called for critical analysis of this megaproject model for Haiti. How can investors in each sector be held responsible to ensure that workers earn a living wage? What are the implications of these projects on marginalized groups? And ultimately, with money flowing into Haiti and exports flowing out, why aren't more benefits reaching the Haitians who need it most?

## **Analysis**

In a country where 7 in 10 workers are unemployed, many find income to support their families in the informal sector. There are no regulations and no safety nets for people when they are exploited, injured, or abused. Those who promote job creation argue that in an environment like this, "any job is better than no job." But as Lauren Stewart points out, "the minimum standard for a 'decent' job must be that it is safe, dignified, and offer sufficient wages to support one's family." USAID & IDB, financers of the Caracol industrial park, promised that it would create some 65,000 jobs. To date only 5,000 jobs have resulted from the investment. Workers earn \$5-\$7 per day, spending one third of that on transportation costs and lunch alone. In addition to low wages, the garment industry is rife with labor rights abuses, including forced overtime work, health and safety abuses, sexual harassment, and retaliation from employers for union organizing. This boils down to an economic development strategy that exploits workers' desperation and excludes them from the growth that they help to generate.

Nixon Boumba stated that President Martelly's slogan of "Haiti is open for business" is an "absurdity and a contradiction." It runs counter to the needs and wishes of the Haitian population. Chronic unemployment plagues the population, but megaprojects like mining will not create sustainable jobs for Haitians. The technical positions will be filled by foreigners while the mine is active. Haitians will be left to restore the land post-mining. While there is recognition that mining will not likely be stopped in Haiti, the people do have a right to information and consultation before the exploration and extraction phases. This must be upheld, especially during a time of political uncertainty without a functioning parliament.

Kysseline Cherestal emphasized that there cannot be a double standard in the quality of jobs that officials push to create in Haiti. She underscored that <u>land is the cornerstone</u> of any project. For a country that is food insecure and environmentally degraded, the primary concern must be how land is used. Agriculture employs more people in Haiti than any other sector, but farming families and communities are left out of these projects. When land is prioritized for export industries it leaves people poorer. Business investors disregard the trickle effect of agricultural production across Haitian society because they are too focused on the trickle effect of \$5 jobs. "There is a severe disenfranchisement of land rights in Haiti," Cherestal added. "Haitians want jobs, but jobs cannot come at the expense of our livelihoods, or at the expense of our land rights."

## Recommendations and/or asks of the US Congress

- In order for job creation to spur equitable economic development, Haitian men and women
  must have access to safe and dignified employment that enables workers to meet their basic
  needs, support their families, and freely exercise their fundamental labor rights.
- Farmers must not be forcibly displaced from their land.
- Farmers already displaced displaced from land by development projects must be justly compensated. Government must support communities and local leaders in promoting land tenure security and invest in sustainable agriculture.

•	The government of Haiti must consult with communities and uphold their right to information in all stages of mining and across extractive industries.