

Haiti: Poverty Profile

Overview

According to the Haiti Living Conditions Survey¹ conducted in 2001 by L'Institut Haïtien de Statistique et d'Informatique (IHSI), three quarters of the Haitian population are poor and over half, or approximately four and a half million people, are extremely poor. Poor is defined as living on less than \$2 USD per day per person; extremely poor is defined as living on less than \$1 USD per day per person. Haiti is infamously known as the poorest country in Latin America, and its socio-economic indicators are comparable to some of the poorest African countries. Haiti is far from alone in its struggle. Approximately 1.2 billion people around the world live on less than \$1 USD per day (New Global Agenda, 2001).

Comparative Social Indicators in Latin America, the Caribbean, and Africa – 2003

Indicators	Haiti	Nicaragua	Bolivia	Dominican Republic	Jamaica	Congo	Tanzania
Population, total (millions)	8.4	5.5	8.8	8.7	2.6	53.2	35.9
Life expectancy (yrs)	51.9	68.8	64.1	67.1	75.8	45.2	42.7
Fertility rate (births per woman)	4.2	3.4	3.7	2.6	2.5	6.7	5.0
Infant mortality rate (per 1,000 live births)	76.0	30.0	53.0	29.0	17.0	129.0	104.0
Prevalence of HIV, total (% of pop. 15-49)	5.6	0.2	0.1	1.7	1.2	4.2	8.8
Internal freshwater resources per capita (m ³)	1,540.3	34,671.5	34,490.0	2,403.1	3,405.7	16,932.1	2,284.8
GNI per capita (USD)	400.0	750.0	920.0	2,130.0	2,780.0	100.0	310.0
GDP growth (annual %)	0.4	2.3	2.8	-0.4	2.1	5.6	7.1
Fixed lines and mobile phones (per 1,000 people)	55.2	122.5	224.4	386.8	n/a	n/a	n/a

Source: World Bank Country Data Profiles, 2003

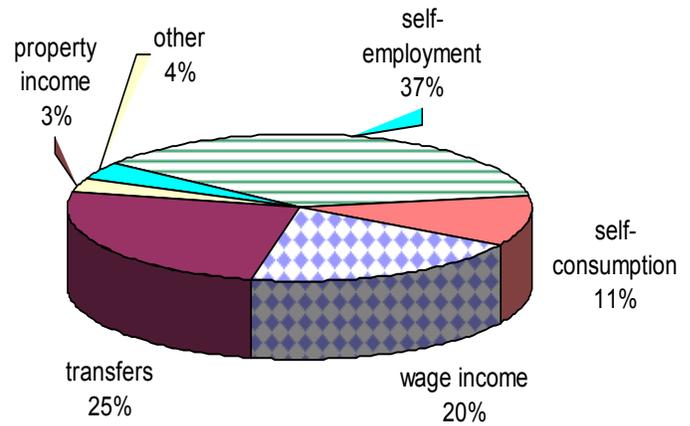
Conflict, social exclusion and marginalization, and a pattern of policies that deny poor people proper education, health care and basic services all conspire to perpetuate the pernicious poverty cycle. In a Haiti snapshot, for example, consider that only 34% of the population has access to adequate sanitation; adult literacy rate hovers at 51.9%; women hold 9.1% of the seats in parliament; and health expenditure per capita in this Caribbean country is \$83 USD. (UNDP, 2005) The UNDP's 2005 Human Development Report ranks Haiti 153 out of 177 countries based on achievements in life expectancy, educational attainment and adjusted real income. Yemen and Mauritania are ranked just above Haiti while Kenya and Gambia are just below.

¹ The Haiti Living Condition Survey is a multi-topic national household survey commissioned by the UNDP. The survey was implemented by IHSI in collaboration with Fafo.

Income Sources

The IHIS survey revealed that the most important sources of income for Haitian households are self-employment (37%), transfers (25%), wage income (20%), and self-consumption (11%).

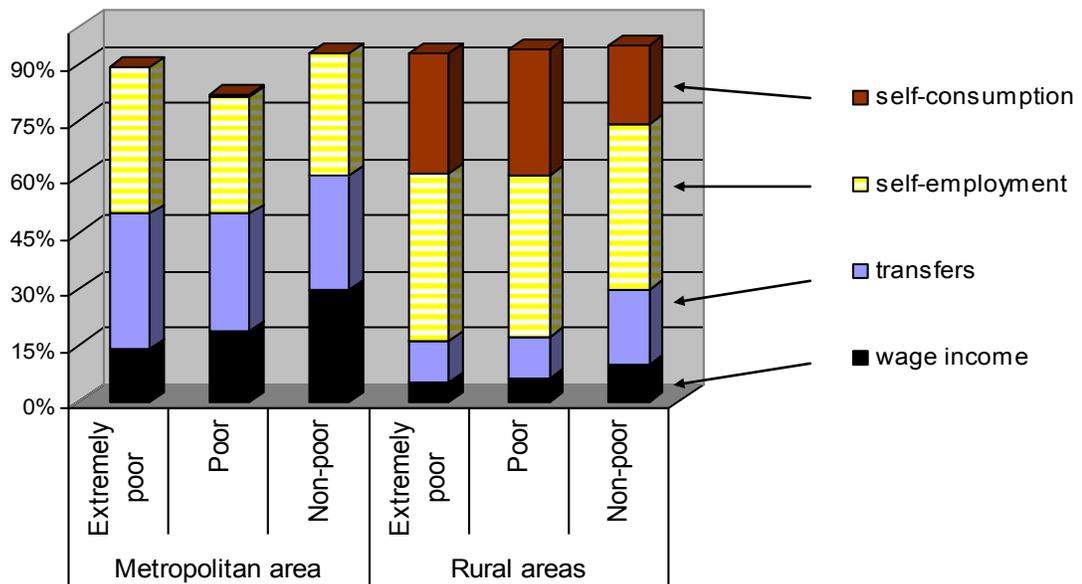
In both urban and rural areas, the primary difference between non-poor and poor/extremely poor is that the non-poor obtain a higher proportion of their income as wages; that is, the non-poor evade poverty through access to wage income and transfers. Only one million Haitians live in such households, however, while 4.6 million live in households where the main provider is self-employed.



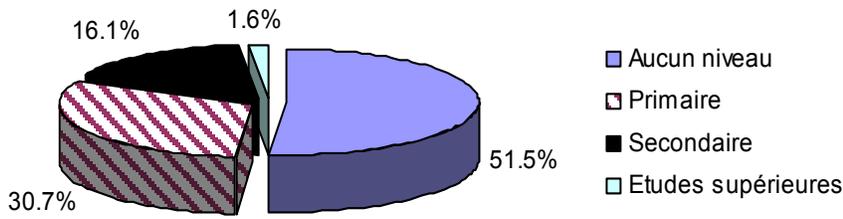
Source of Income in Haiti

Below is a graph created from the IHSI survey data that illustrates income sources by poverty status. In rural areas, the poor/extremely poor rely on self-employment and self-consumption while in metropolitan areas those same groups depend on transfers and self-employment. For a discussion of poverty status by geographical location, see "Poverty in Haiti", Fafo paper 2004:31.

Income Sources by Poverty Status in Haiti



Distribution en % Actifs Occupés Selon le Niveau d'Etude Atteint



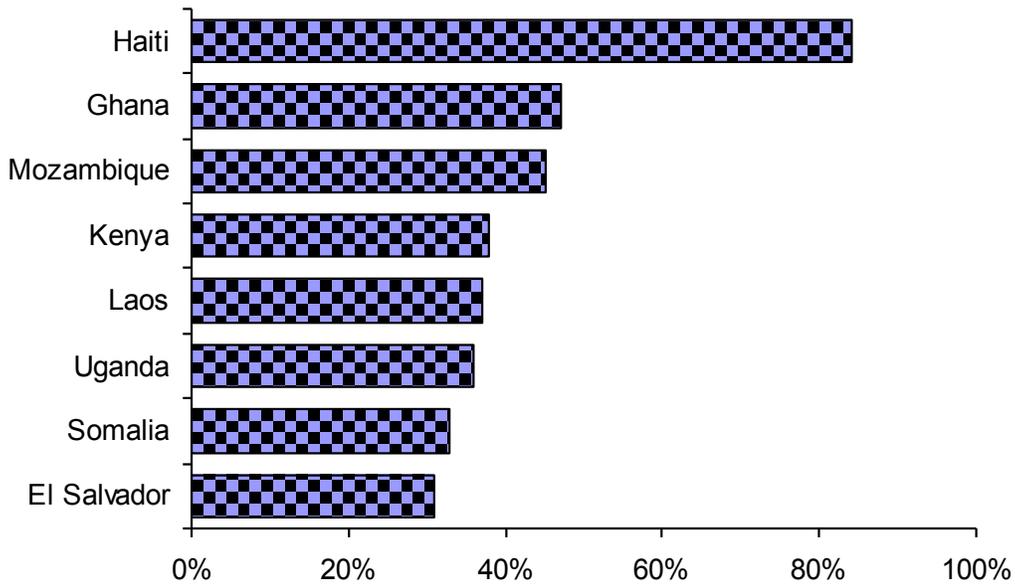
Education

The level of education of the main provider has been shown to have a clear impact on the risk of being poor. Of those living in households where the main provider does not have an education, 70% are extremely poor compared to only 7% of those living in households where the main provider has a higher education. Despite

the relationship between education attainment and economic well-being, the government has failed to invest proper resources in education. Recently, *Le Nouvelliste* published disturbing figures from IHSI showing that almost 53% of the current work force never completed a basic education. Moreover, only about 1.6% completed les études supérieures.

One explanation for the dearth of educated workers is the fact that Haiti has more college-educated citizens living abroad than any other country in the world (World Bank, 2003). Such an exodus of skilled workers drains the labor pool and erodes the middle class.

Countries with the Highest Percentage of College-Educated Citizens Living Abroad



Source: *New York Times*, October 24, 2005.

Job Creation

Instead of creating income-generating work, the world has been losing jobs since 2001. According to the International Labor Organization, the number of unemployed worldwide has grown by 20 million since 2000 and at the end of 2002 stood at 180 million. (Brown, 2003) Haiti's labor force consists of about 3.6 million people, and more than 2/3, or 2.4 million, are not formally employed. (CIA World Factbook, 2006)

Productive employment is an effective mechanism for poverty reduction. Consequently, many projects for rapid job creation have been implemented in Haiti. The World Bank Report "Haiti: The Challenges of Poverty Reduction" summarizes the general issues that these projects have faced, including:

- focusing primarily on generating employment for short term jobs for unskilled or low skilled workers
- pressure to implement quickly thereby isolating projects from an integrated rehabilitation plan
- failing to ensure proper participation and involvement of beneficiary communities
- having jobs as the primary goal of a business (vs. profitability, for example)

Past experience reveals that any strategy to create jobs requires an enabling environment and nurturing conditions, such as:

- solid government policies that provide opportunities for people who have no way out of poverty
- effective governance
- development of small and medium-sized enterprises, which are the main engines of wealth creation in the developing world²
- free primary education
- systematic vocational training
- access to credit for the poor
- provision of public goods and social services

In addition, the design and implementation of projects should be related to their longer term impact on development. Haiti must move from an emergency assistance phase toward a longer term approach, focusing on increasing productivity, generating more lasting employment opportunities, and rehabilitating the country's infrastructure. Genuinely emerging from the poverty trap will require advocacy and policy coherence at all levels.

² Small enterprises are responsible for the vast majority of new jobs being created in developing countries. (International Labor Organization, 2001)

Sources

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(For a brief summary of the report on International Migration, see Cecilia Dugger's article "Developing Lands Hit Hardest by 'Brain Drain'" in the October 25, 2005 issue of *The New York Times*.)

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"The basic purpose of development is to enlarge people's choices. People often value achievements that do not show up at all, or not immediately, in income or growth figures: greater access to knowledge, better nutrition and health services, more secure livelihoods, security against crime and physical violence, satisfying leisure hours, political and cultural freedoms and sense of participation in community activities. The objective of development is to create an enabling environment for people to enjoy long, healthy and creative lives."

Mahbub ul Haq