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FINAL DRAFT

USAID STRATEGY
TO IMPROVE
FOOD SECURITY IN HAITI

A Proposal

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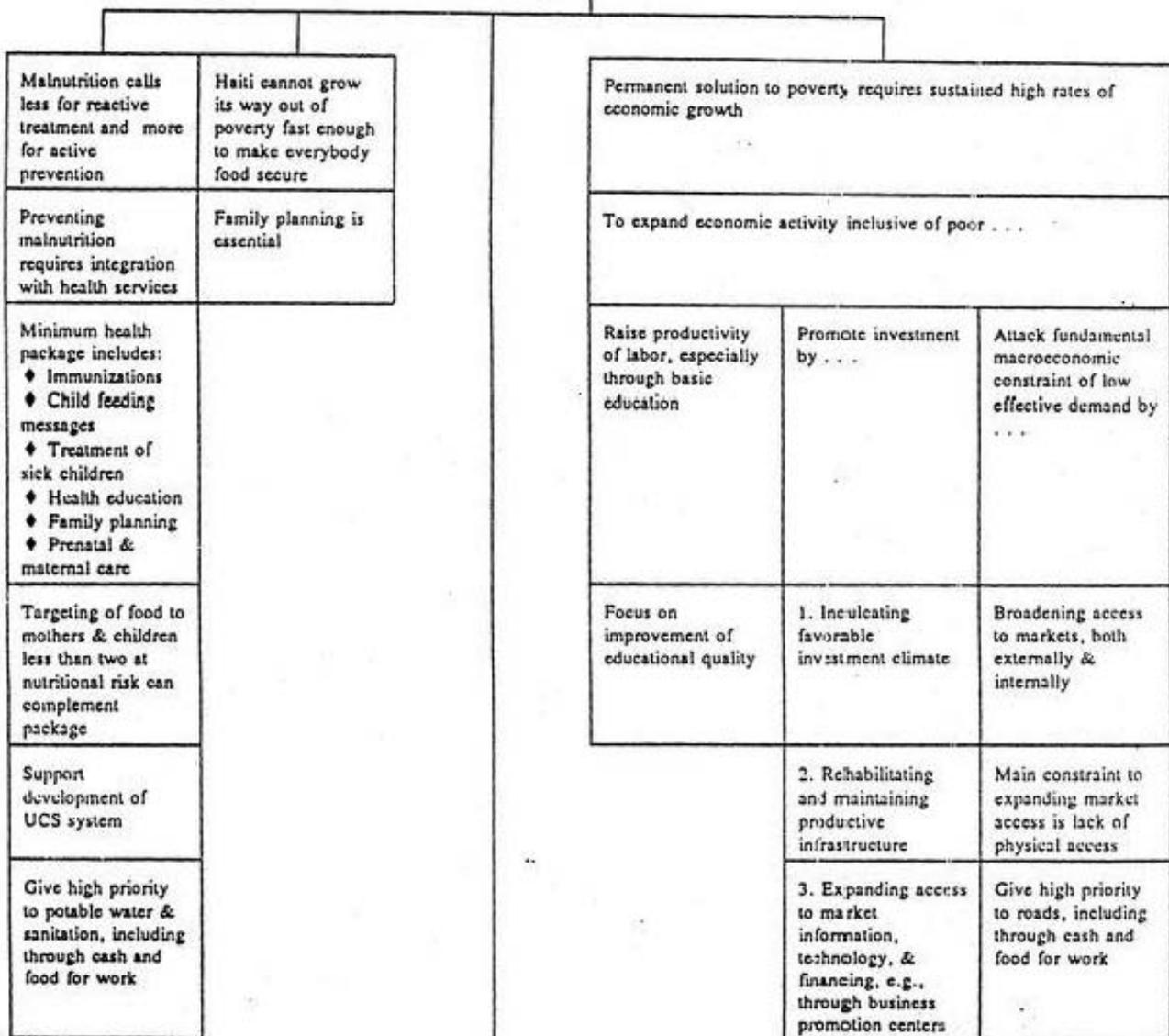
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LOGIC AND PRINCIPAL MESSAGES OF PROPOSED FOOD SECURITY STRATEGY

Haiti's food insecurity has its roots in poverty
 Reducing poverty permanently requires adoption of developmental perspective



Rural areas are overpopulated economically.	Exodus from rural areas is underway. Haiti is urbanizing rapidly.	Proportionally, Port-au-Prince is most dominant capital city in hemisphere.	Many public investment decisions have geographic dimension.	Social service budgets are stretched. It is impossible to service everybody everywhere. Choices must be made.
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The logical place to shift the current bias away from Port-au-Prince, to accommodate the exodus of population from rural areas, to focus limited social services, and to support emerging economic activity – both agricultural and non-agricultural – is Haiti's secondary cities.

EXECUTIVE SUMMARY

The food security strategy presented in this document defines the nature and scope of food insecurity in Haiti, identifies major constraints to improving food security, and suggests policy and program responses. The proposed responses are recommendations primarily for USAID/Haiti. In the final analysis, though, enhancing food security in Haiti is Haiti's job, not USAID's. As a result, the proposed priorities also have implications -- ideally, at least -- first, for the Government of Haiti and, second, for other donors and non-governmental organizations.

Food security is defined as "access by all people at all times to enough food for an active and healthy life." Food security encompasses three major dimensions: availability, access and utilization. The three dimensions are used to assess Haiti's food security problem.

Of the three dimensions of food security, lack of access is the root cause of food insecurity in Haiti. In other words, *Haiti's food insecurity is more than anything else a question of poverty.* If poverty can be reduced, lack of availability and poor utilization can be addressed as well. Accordingly, the strategy attaches highest priority to bringing about sustainable increases in the income of Haiti's poor.

Poverty reduction is a medium- to long-run proposition. In the short to medium run, large numbers of Haitians will continue to be malnourished or at nutritional risk. In particular, substantial numbers of young children will continue to be vulnerable to irreversible physiological damage unless measures are taken to enable them to benefit from whatever food to which the incomes of their households give them access. As a consequence, the proposed strategy's primary focus on income generation for the poor is complemented by a focus on utilization, especially on Haiti's most nutritionally vulnerable population, children less than two years of age currently malnourished or at high nutritional risk.

Strategically, food availability is an important, but secondary concern. If Haiti's poor were not poor, that is, if they could translate their nutritional needs into effective demand for food, food availability would increase markedly, either through increases in national production or through increases in commercial imports. Producing food often is a cost-effective way for poor households to increase their access to food. But increasing food production is only one -- and not always the most cost-effective -- way to bring about that result. Furthermore, it is not an end in itself.

The root cause of poverty in Haiti is low labor productivity, which, in turn, reflects inadequate investment in human and physical capital and poorly developed public policies and institutions. From a food security perspective, policies and program actions that raise the productivity of currently poor people call for the highest of attention. Two sets of policy and program actions are key: first, those that attract investment and generate jobs; and, second, measures to improve the quality of education, especially primary education.

To attract investment and generate jobs, three conditions are essential:

- ◆ First and foremost, the inculcation of a favorable investment climate, which goes beyond tax incentives to include, even more fundamentally, guarantees of basic security and property and contract protection;
- ◆ Second, the presence of reliable public goods infrastructure -- especially roads, electricity, and telecommunications -- that lowers the currently exorbitant costs of doing business; and
- ◆ Third, the availability at reasonable cost of know-how to identify investment opportunities and address obstacles to bringing them to fruition. In this last connection, private business promotion centers can play a pivotal role.

Realistically, Haiti cannot grow its way out of its food security problem fast enough to address the problem in its entirety. Population programs therefore will continue to be essential for the foreseeable future.

In general, the proposed strategy recommends a conscious shift from a "welfare" to a developmental perspective. Specifically, it argues for a change in policy and program priorities to nudge Haiti, over time, to growth rates high enough to lift substantial numbers of food insecure people out of poverty. As part of that shift, it argues that the time has come to view malnutrition as a problem calling less for reactive treatment and more for active prevention. It also argues for a focus on secondary cities and their surrounding countryside.

Urbanization is on the march in Haiti, and shows no signs of waning. As urbanization continues, the percentage of Haitians with limited access to social services can be expected to decline. Depending on the pace of economic growth, the number of poor people in rural areas will decline as well. In urban areas, the number of poor people is likely to increase for the foreseeable future. For Haiti's next generation, poverty will become increasingly an urban phenomenon. Problems of urban growth and poverty will not be confined to Port-au-Prince, but will extend to Haiti's secondary cities too.

Strictly speaking, the proposed focus on secondary cities is not a necessary condition for growth. In principle, Haiti's future growth could take place without it. Nevertheless, the current pattern of growth, in which the Gulliver of Port-au-Prince lords it over the Lilliputians of the rest of the country, is neither sustainable economically nor desirable socially. Some will argue that development resources are simply too scarce at this time to "divert" them away from pressing needs in Port-au-Prince. Migration to secondary cities is not a fad, however. It has been going on for some time, and, if anything, it will accelerate. The public policy question, therefore, is whether it makes sense to go with the flow, so to speak, and accommodate what, by all accounts, is a socially desirable evolution of demographic trends. The proposed strategy argues that the time has come not only to accommodate it, but to encourage it.

Empirically, when the strategy talks about "secondary cities," it is referring to four "intermediate cities" and five "market and district towns." The four intermediate cities are Cap

Haitien, Gonaives, Saint Marc, and Les Cayes. The five market and district towns are Vérettes, Jérémie, Port-de-Paix, Limbé, and Jacmel.

The strategy's overall policy and program priorities are summarized in Tables A and B. Table A presents recommended policy measures, while Table B presents recommended program actions. In each case, a phasing of the implementation of the recommendations is suggested over two periods, from 1996 to 2000 and from 2001 to 2010. As one might expect, the recommendations for the latter period are more generic than those for the former.

Priorities specifically for USAID are a natural outgrowth of the overall priorities outlined in Tables A and B. In addition to promoting the policy reforms outlined in Table A, the strategy recommends that the Mission finance program actions consonant both with the priorities indicated in Tables A and B and with its own comparative advantages. Table C summarizes the kinds of program actions to which the strategy recommends the Mission give priority.

In overview, the strategy recommends two initiatives that will call for budgetary allocations significantly higher than what they command at the present time. Otherwise, the strategy sees implementation of the strategy entailing sharpening and refocusing of activities currently underway and planned for the future.

The two initiatives that will demand significantly more resources are:

- ◆ Policy analysis, dialogue, and reform. Putting the proposed strategy in action will require the collaboration and contributions of other parties, especially the Government of Haiti and other donors. As a result, the Mission will need to dedicate considerable personnel time and at least a modicum of technical assistance resources to convince counterparts of the merits of the actions proposed, to formulate options for implementation, and to assist the government in translating them into action.
- ◆ Support for private business promotion centers in secondary cities. As indicated above, the strategy sees the creation of business promotion centers as the critical third leg of the productive investment expansion triangle. The centers would service not only secondary cities, but their surrounding countryside. Under the assumption that four offices are phased in over the next five years and that each office will require financial support in the neighborhood of \$750,000 a year, the five-year price tag of this initiative would come to approximately \$12 million.

To a very large extent, the activities currently conducted under the Mission's *economic growth strategic objective* also contribute in a significant way to the improvement of food security in Haiti. Nevertheless, the strategy suggests a number of shifts in emphasis to enhance their impact both on food security and on growth *per se*:

- ◆ First, the balance in the attention given to policy measures and program actions needs to shift more toward the former.

- ◆ Second, at the moment much of the Mission's day-to-day management attention is given to agricultural concerns. Obviously, agricultural development is essential to Haiti's future growth, but, by itself, it will not be sufficient to generate the increases in incomes and jobs needed to make a major dent in Haiti's food security problem. The Mission's sphere of action must be broadened consciously to include non-agricultural income- and job-generation possibilities -- for example, light manufacturing and service industries, especially in secondary cities.
- ◆ Third, the Mission's concern for microenterprises -- be they urban microbusinesses or small farms -- must not blur the necessity of thinking bigger. As laudable as the focus on microenterprises may be in many ways, realistically it will go only so far in generating jobs for the numbers of poor Haitians who need them. To create substantial numbers of jobs, Haiti needs to promote business activity across the board.

The strategy recommends that the Mission use food for work under PL 480, Title II, and cash for work under PL 480, Title III, to construct and rehabilitate productive infrastructure, especially rural access roads. By choosing to concentrate Title II and Title III resources on roads that tie into selected secondary cities, the PL 480 program not only would provide jobs for those who need them; it also would contribute directly to broader strategic goals. The same goes for the use of food and cash for work in the construction and rehabilitation of social infrastructure, especially potable water and sanitation facilities -- again, in secondary cities.

In addition to adding to Haiti's food supply and generating local currency revenues for use in development activities, Title III typically includes policy conditionalities. The strategy recommends that Title III contribute directly to the policy dialogue and reform process stressed above. Table D suggests objectives and gives examples of conditionalities the strategy considers particularly germane.

To achieve its public health, food security, and education strategic objective, the Mission has singled out three areas for priority attention: first, reduction in malnutrition, largely through the delivery of integrated packages of health services; second, increase in access to reproductive health services; and, third, improvement in the quality and efficiency of primary education. The strategy has no quibble with these priorities. It does, however, highlight key priorities.

Improvements in health are essential to improve the biological utilization of food, to reduce malnutrition, and to increase labor productivity -- all components of improved food security. These considerations argue for continued commitment by USAID to improve the quality and availability of primary health care in Haiti.

The strategy endorses the UCS model for the delivery of a minimum package of health services. Components of the minimum package especially important from a food security/nutrition perspective include: immunizations and vitamin A supplements; health and nutrition education, including growth monitoring and education in appropriate breast feeding and weaning practices; treatment of sick children (including treatment of diarrhea, respiratory infections, tuberculosis, and parasites); family planning; and prenatal and maternal care.

The strategy endorses Mission plans to increase the use of Title II food resources to support the primary health care program. Food cannot be expected to have much of an impact on child nutrition on its own. The strategy therefore recommends that Title II food be integrated as much as possible with other Mission-supported primary health care activities and only used in situations where the other components of the minimum package are available.

It is recommended that Title II resources be targeted to that portion of the population most vulnerable to the effects of malnutrition. This population includes pregnant and lactating women and children under two who are malnourished or at risk of malnutrition. Encouraging pregnant and lactating women to avail themselves of better prenatal and maternal care and broadening eligibility to include children at risk will help change the focus of the program from nutritional rehabilitation to malnutrition prevention.

The strategy also recommends that priority attention be given to:

- ◆ Increasing immunization rates in the short run
- ◆ Improving child feeding practices
- ◆ Development of weaning foods
- ◆ Implementation of a vigorous family planning program as part of the minimum package of services

Improving basic education in Haiti is key to improving food security, although it naturally takes time to see its effects. The strategy believes it is important for USAID to continue its support to the education sector at least until planned World Bank and IDB programs come on board. The Mission's support is especially important because of its focus on the private sector, which currently accounts for 66 percent of enrollment in primary schools, 86 percent of the schools themselves, and 70 percent of teachers.

The strategy endorses the Mission's plans to phase down the use of Title II food in school feeding programs. As the Mission does so, the strategy suggests that improvement of the quality of education become the primary concern. Program options include: (1) changing the way schools are selected to participate in the program -- one possibility might be to require schools to compete for inclusion in the program, making eligibility for food a function not only of need but also of demonstrable evidence that schools are taking steps to improve the quality of the education they offer; (2) changing the criteria for expelling schools from the program -- giving higher priority to factors such as the absence of teachers and books than to small discrepancies in food stocks; and (3) changing the time that feeding takes place -- providing food to children early in the school day so that it can have an impact on improving attention in class and, thereby, improve learning.

On targeting, food insecurity can be found virtually anywhere in Haiti. For that reason, the strategy does not look to geography, *per se*, as a guide to program targeting. There are, however, other ways to target. The principal criteria proposed in the strategy are:

- ◆ Nutritional vulnerability -- children less than two years of age and pregnant and lactating mothers
- ◆ Relationship to priority secondary cities
- ◆ Self-targeting nature of interventions -- food for work, for example
- ◆ Seasonality -- focusing on lean periods

Table A

**SUGGESTED PHASING OF POLICY MEASURES
TO ADVANCE FOOD SECURITY IN HAITI**

1996-2000	2001-2010
Rationalize and make investment incentives uniform	Refine and maintain investment incentives
Institutionalize procedures for resolution of business disputes	Refine and maintain procedures
Reduce tax exemptions and improve enforcement	Expand tax base and improve enforcement
Privatize electricity, telecommunications, and ports	
Implement current tariff policy	Adopt uniform tariff policy
Make support to agriculture evenhanded and transparent	Continue evenhanded and transparent policy
Make family planning a clear national priority	Continue to make family planning a clear national priority
Government assumption of responsibility for orphanages, old-age homes, etc.	Continuation of government responsibility for orphanages, old-age homes, etc.; funding of greater portion of FAES and minimum package of health services
Explore options for regularizing property rights, water, and finance policies	Regularize and refine property rights, water, and finance policies
Institutionalize joint government-donor programming of all local currency generated under food aid programs	Continue joint programming of local currency generations; as the economy improves, gradually phase out food aid programs

Table B SUGGESTED PHASING OF PROGRAM ACTIONS TO ADVANCE FOOD SECURITY IN HAITI	
1996-2000	2001-2010
Rehabilitate and maintain major trunk roads	Complete rehabilitation of trunk roads; rehabilitate major access roads; maintain all roads rehabilitated
Develop private business promotion centers in four major secondary cities	Expand private business promotion centers to additional secondary cities; gradually phase out external support
Increase focus of social sector activities in secondary cities	Continue to focus social sector activities in secondary cities
Expand current focus on microenterprises to promote business activity across the board	Maintain expanded focus
Improve quality of primary education	Raise primary school efficiency; improve quality of secondary and technical education
Increase UCS coverage to 60%	Gradually increase UCS coverage to 95%
Target PLUS-like interventions in strategic watersheds; expand commercial orientation of program	Continue to target PLUS-like interventions in strategic watersheds; continue commercial orientation of program

Table C

**PRIORITY PROGRAM ACTIONS FOR USAID
TO ADVANCE FOOD SECURITY IN HAITI**

Productive Sector Program Actions	Social Sector Program Actions
Support of business promotion centers in secondary cities	Support for development of UCS system
Support for other programs that make investment attractive and lower costs of doing business	Complementary support for immunization campaigns
Support of income-generating activities, including micro- and other enterprises	Complementary support for education in child feeding practices
Cash and food for work in rehabilitation and maintenance of productive infrastructure, especially roads	Development of weaning foods specifically for Haiti
Support of PLUS-like interventions in strategic watersheds	Promotion of family planning
Support for formalization of property rights and business activity in secondary cities	Support for improvement of primary education, including through school feeding
	Cash and food for work in social infrastructure, especially potable water and sanitation



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FOREWORD

The strategy presented in this document is the outgrowth of an exercise conducted part time over four months by personnel from USAID/Washington's LAC TECH Project and three other organizations, the *Centre d'Analyse des Politiques de Santé*, the Futures Group, and the South-East Consortium for International Development. The strategy is first and foremost a strategy for USAID. Nevertheless, its policy and program recommendations are not actions that USAID can adopt in isolation. Ultimately, the success of the strategy will hinge heavily on the degree to which the Government of Haiti, other donors, non-governmental organizations, and other interested parties -- all of whom the team consulted during the preparation of the strategy -- agree with its recommendations and endorse them. To put it succinctly, therefore, the proof of the strategy's pudding will be in its eating.

The scope of work established for the team was daunting. In brief, the team was charged with examining the status of food security in Haiti, with identifying the major obstacles to improving food security, and with defining appropriate policy and programmatic responses. As discussed in the text, food security was defined in sweeping terms, encompassing the three rubrics of availability, access, and utilization. As a practical matter, therefore, the team's tasks ranged from an assessment of macroeconomic policies, to an examination of the workings of productive and social sectors, to attempts to understand the dynamics of intra-household behavior.

The conceptual and programmatic sweep of the strategy has made the past four months very exciting. At the same time, the experience has been very humbling. In the final analysis, the development of a strategy comes down to making choices, to sticking one's neck out and saying that some policy and program actions are more important than others. The strategy team has tried very consciously not to shy away from that task. Given the brevity of time at the team's disposal, the authors are painfully aware of how lightly they have touched on a number of important topics, of the fragility of the empirical foundation for some of the strategy's conclusions, and, in general, of how much they still do not know. On the other hand, the team is encouraged by the consistency of the strategic directions that have emerged, and it believes that they constitute a compelling policy and programmatic package for the future.

The authors are indebted to a broad range of institutions and individuals, both in and outside Haiti, for their openness, collaboration, and guidance during the preparation of the strategy. Although it is impossible to name them here, the team owes them all a profound intellectual debt and wants them to know how much their contributions are appreciated. The team is particularly indebted to USAID. It is rare that a team receives such strong urging to "break out of the box," that is, to reexamine common assumptions about development and, if it reaches conclusions that depart from conventional wisdom, to say so. For better or for worse, this document does just that.

CHAPTER 1: INTRODUCTION

1.1. OBJECTIVES OF THE FOOD SECURITY STRATEGY

The food security strategy presented in this document has three objectives:

- ◆ To define the nature and scope of food insecurity in Haiti;
- ◆ To identify the major constraints to improving food security; and
- ◆ To assist USAID/Haiti in defining appropriate responses to Haiti's food insecurity.

1.2. DEFINITION OF FOOD SECURITY

The definition of food security used in this strategy is:

**Food security is access by all people at all times
to enough food for an active and healthy life**

This is the definition of food security popularized by the World Bank. It also is the definition used in the Food, Agriculture, Conservation, and Trade Act of 1990, which made important changes in the U.S. international food assistance program. USAID's 1992 Policy Determination Number 19 defines food security as "when all people at all times have both physical and economic access to sufficient food to meet their dietary needs for a productive and healthy life." Both definitions emphasize the accessibility of food or effective demand. This contrasts with earlier definitions that focused more narrowly on food availability or supply.

1.2.1. DETERMINANTS OF FOOD SECURITY

Current definitions of food security encompass three basic elements: availability, access, and utilization. The three elements are recognized widely within the international community as capturing the major dimensions of food security, and, therefore, will be used to assess the food security problem in Haiti.

◆ Food Availability

Food availability can be a problem at the national, household, or individual level. A country cannot achieve food security unless available food supplies are sufficient to supply every person in the country with an adequate diet. The food supplies necessary can be produced domestically; they can be imported commercially or through

concessional aid programs; and, in the short-run, they can be drawn from stocks. Food availability also can be a problem at the household or individual level. If food supplies are inadequate at the national level, there is not going to be enough food available to feed all households and all individuals, even if distributed equally among them.

highly urban focus
In a world increasingly integrated through trade and political-economic ties, global availability of food is of increasing importance to household food security. Availability of food at the household level also requires that food be available in local markets, which also requires relatively smooth market operations, functioning infrastructure, and a free flow of information.

◆ Food Access

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Achieving food security in a country also requires that households have the ability -- that is, the purchasing power -- to acquire sufficient food. Some households will be able to produce sufficient food to feed themselves. Others will have to rely on earnings from farm and non-farm activities or on income transfers, food subsidies, etc., to be able to purchase a nutritionally adequate diet. Food, in other words, is a commodity, access to which is governed by the same factors that govern access to any other commodity. That is why poverty and food insecurity are so closely linked. Access also is a concept that has relevance at the national level: if countries earn sufficient foreign exchange from exports of goods and services, it does not matter if they produce enough food to feed their populations adequately. They can buy it on the international market.

◆ Food Utilization

People also can be said to experience food insecurity when they fail to consume proper diets, even when food is available. Similarly, food insecurity can occur when people consume proper diets, but poor health stands in the way of their bodies absorbing sufficient nutrients. Given food accessibility, improper food utilization is the result of personal tastes, culture, peer pressures, lack of knowledge, inadequate household processing and storage, inadequate food labeling, misleading advertising, and lack of access to or utilization of health, water, and sanitation services.

1.2.2. TIME DIMENSION OF FOOD INSECURITY

In theory, two types of food insecurity -- chronic and transitory -- can be distinguished, but, in reality, they are closely intertwined. Chronic food insecurity is consistently inadequate diet caused by inability to acquire food. It affects countries and households that persistently lack the ability to acquire food, whether by producing it themselves or by buying it, bartering it, borrowing it, sharing it, etc. Chronic food insecurity is rooted in poverty. Transitory food

insecurity, on the other hand, is a temporary decline in a country's or in a household's access to food. At the country level, it results from instability in food production or in export earnings. At the household level, it results from instability in production, household incomes, employment, or food prices. In its worst form, transitory food insecurity can result in famine. Typically it is the chronically food insecure who are hit hardest by transitory food insecurity problems.

1.2.3. WHAT FOOD SECURITY IS NOT

Food security differs from:

◆ Food Self-Sufficiency

oral material

Food security does not mean food self-sufficiency. Since most foods can be traded internationally, national self-sufficiency only makes sense when a country has a comparative advantage in producing them. In addition, food security is achieved only when all households have the ability to buy food. Thus, there is no necessary link between food self-sufficiency and food security. In fact, empirical studies tend to confirm that food self-sufficiency has no intrinsic value in eliminating chronic food insecurity. In some countries, excessive concern with food self-sufficiency has led to costly and uneconomic investments. The investments have tended to undermine, not only per capita income growth, but also food self-sufficiency itself, by diverting resources from otherwise productive uses.

◆ Agricultural Development

the

Food security focuses on who the food insecure are and how to promote their access to food. In many cases, one of the better ways to promote access of the food insecure to food is to stimulate agricultural productivity and growth. Additionally, since demand for rural non-farm goods and services often stems from the agricultural sector, food security may depend in part on increased agricultural growth. Even in rural areas, however, the need to find ways to assist households at risk to generate additional income quickly moves the scope of analysis and action beyond the agricultural sector into more generalized rural growth.

◆ Broadly Based Economic Growth and Poverty Alleviation

Combating food insecurity requires more than a commitment to broadly based economic growth and poverty alleviation, although the three are closely related. A strategy directed to the achievement of broadly based, economic growth differs from a food security strategy in its geographic scope and in its time frame. In the first case, the scope is countrywide and the time frame is long-term; in the second case, the strategy

is more location-specific and medium-term. A strategy directed toward poverty alleviation, like a food security strategy, also will be targeted to the poorest geographical regions, occupations, ethnic groups, etc., but, like a strategy to achieve broadly based economic growth, will be oriented toward the longer term.

◆ **Feeding Programs**

Feeding programs do not food security make. Rather, they are one particular response to a food security problem. Their geographic focus is location-specific and their time frame is immediate.

CHAPTER 2: DEFINITION OF HAITI'S FOOD SECURITY PROBLEMS

Food insecurity is not a new problem for Haiti. Inadequate food availability, lack of food access, and improper food utilization -- all are chronic problems.

2.1. FOOD AVAILABILITY

2.1.1. TOTAL FOOD SUPPLIES

Total food supplies at the national level have been inadequate for many years. According to recent FAO data, per capita calorie supplies fluctuated between 1,900 and 2,100 calories per person per day during a 25-year period -- 1961 to 1986. This stands in sharp contrast to the 2,270 calories per person per day, which is the level recommended given the age and sex composition of the Haitian population.

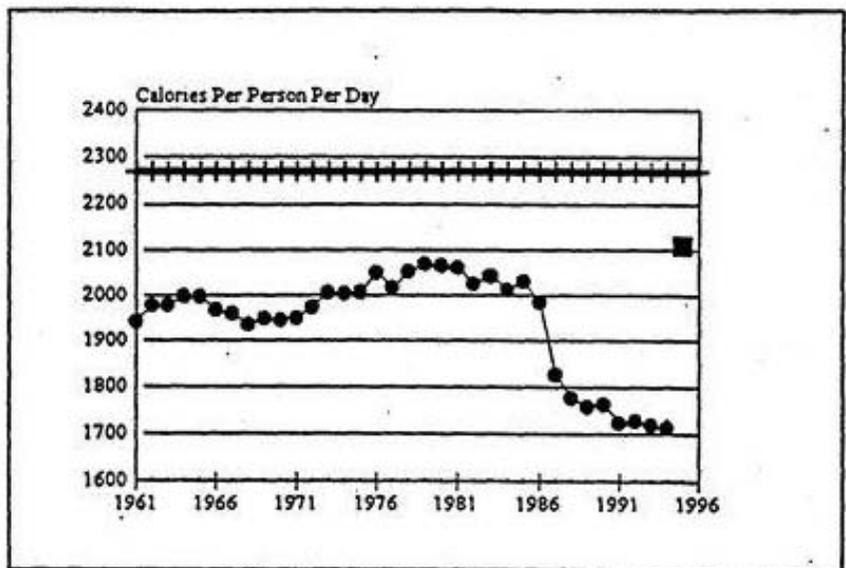


Figure 1: Trends in Calorie Supplies

Recent trends in food

supplies also have been negative. Per capita calorie availabilities began to decline dramatically in 1987 and stabilized at a new low of around 1,700 calories per person per day between 1991 and 1994. Protein supplies, which had been available in adequate amounts at the national level, also began to decline in 1987, according to FAO food balance sheet estimates. One recent estimate, which places per capita calorie availability at 2,108 calories in 1995, suggests that the food supply situation may be recovering to earlier levels. But this is only one estimate, the methodology used to construct it is not totally compatible with the FAO estimates, and it still is too early to determine whether recent improvement represents a trend.

Low levels of per capita food availability are the first indication that a country is having serious food security problems. When per capita food availability is low, the total amount of food available in the country is not sufficient to provide everyone with enough food for a healthy

life even in the unlikely event that the food were to be divided equally among all members of the population.

The amount of food available in a country is not, strictly speaking, the same thing as supply. In fact, it represents the intersection between supply and demand for food. Explanations for Haiti's poor performance with respect to calorie availabilities, therefore, include factors on the supply side, including low and declining levels of agricultural productivity. Factors on the demand side also are extremely important, however, particularly the chronic poverty of Haiti's people, which translates into low levels of effective demand for food by the poor. Political and economic turmoil exacerbates poverty as well as the low levels of productivity in the country.

2.1.2. QUALITY AND DIVERSITY OF THE NATIONAL DIET

The quality of the Haitian diet has deteriorated.

Haitians continue to get the largest percentage of their calories from basic grains (see Figure 2). Still, the absolute number of calories coming from grains has declined substantially — from an average of 900 calories per person per day in the early 1960s to an average of 700 calories per person per day during the period 1992-1994. The low was reached during 1987-1992, when grains supplied an

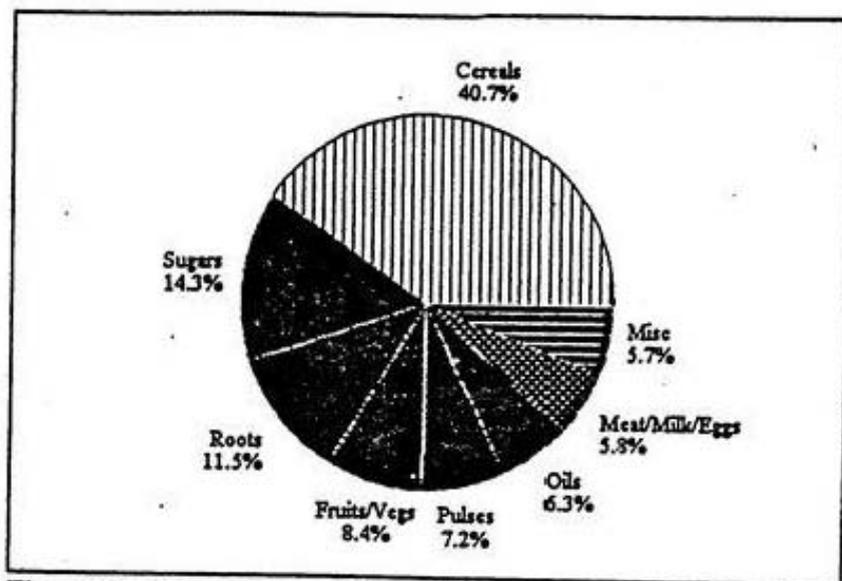


Figure 2: Composition of the Haitian Diet

average of 650 calories. Rice now is the most important grain, accounting for 40 percent of total calories coming from grains, followed by wheat (32 percent) and corn (20 percent). On the other hand, the percentage of calories derived from sugar, which is the second most important product in the Haitian diet, has increased. So too have the absolute numbers of calories from sugar, from an average of 235 calories per person per day in the early 1960s to an average of 250 calories per person per day in 1993/1994. The absolute number of calories coming from meat, milk, and eggs also has decreased, from a high of 110 calories per person per day in 1987 to around 80 calories per person per day in 1994. Another indication that the quality of the Haitian diet has decreased is the fact that the percentage of the protein derived from animal sources has declined from a high of 20 percent in 1987 to 16 percent in 1994.

The diversity of the diet also has deteriorated. At the national level, Haiti now gets its calories from a smaller number of commodity groupings than in the past. Information from the recent baseline surveys conducted by CARE in the Northwest and CRS in the South provides evidence, at the more micro level, of the reduction in the diversity of diets in rural areas. The reduction in diversity occurred both on individual farm plots and in the availability of wild plants that rural households also rely on to a greater or lesser degree for part of their everyday subsistence needs. Having to rely on a more limited number of commodities to make up the major sources of nutrients is not desirable from a nutritional point of view and makes the country as well as poor households more vulnerable to food insecurity.

2.1.3. TOTAL AND PER CAPITA FOOD PRODUCTION

Total and per capita food production have decreased in recent years (see Figure 3).

Total food production increased fairly steadily at an average annual rate of 1.9 percent between 1961 and 1986. Since the population was growing at approximately 1.7 percent per year during that period, however, per capita food production stagnated, growing at only 0.2 percent per year. In 1987, a year after the government initiated some far reaching economic

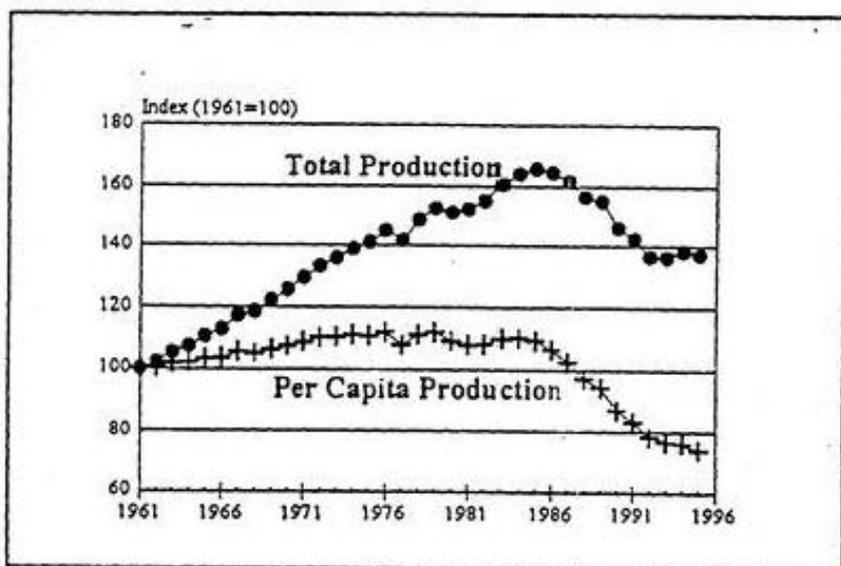


Figure 3: Trends in Total and Per Capita Food Production

reforms, total food production began to decline, and continued to decline at approximately two percent per year until 1995. Since the population also was growing at a rate of over two percent per year during that period, per capita production declined at an even faster rate -- four percent per year.

2.1.4. POPULATION GROWTH

The rate of population growth has accelerated from 1.7 percent in the 1960s and 1970s to over two percent per year in the 1990s. In absolute terms, population is increasing by about 150,000 people each year. This trend will continue over the next 15 years as a consequence of the present youthfulness of the Haitian population, persistent high fertility, and declining mortality rates. In fact, even if a strong reproductive health and family planning program were

implemented quickly and emigration continued at approximately 20,000 people per year, Haiti's population would increase by nearly two million people by the year 2010, from an estimated 6.8 million people in 1996 to 8.6 million fourteen years later.

Population growth has outstripped growth in the economy as a whole as well as in the agricultural sector. It also has made it harder to finance social services. Population density has increased significantly in many areas, which has had an adverse effect on the environment. Large increases in urban population – in Port-au-Prince, in particular – has put tremendous pressure on limited infrastructure and services. At the household level, food security also is affected by household size, and close birth spacing is highly associated with increased risks of malnutrition and death.

2.1.5. PRODUCTION OF SELECTED FOOD CROPS

Cassava and yams and bananas and plantains are the most important food crops from the perspective of volumes of production (see Figure 4). Production of these crops increased fairly steadily until the beginning of the 1980s, but has stagnated since then. Total production of grains, on the other hand, has declined, as has per capita production. Total grain production declined from a high of over 560,000 metric tons in 1972 to around 370,000

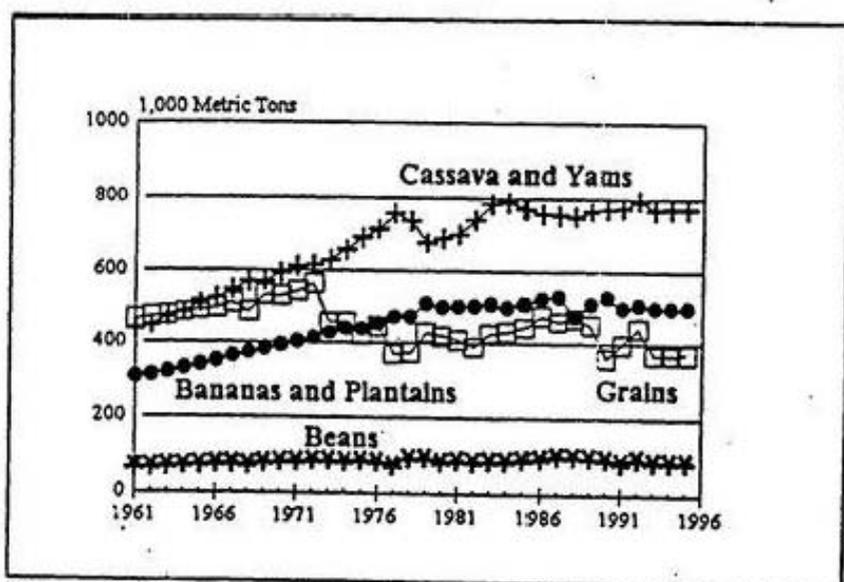


Figure 4: Trends in the Production of Selected Food Crops

metric tons in 1993-1995. In per capita terms, domestic production supplied over 120 kilograms of grain per person per year in the early 1960s. By the early 1990s, the figure had declined to 50 kilograms. In percentage terms, total production declined by one third between 1972 and 1993-1995, and per capita production declined by almost 60 percent.

The relative importance of different grains also changed over time (see Figure 5). Domestic rice production has increased in importance, supplying over 20 percent of domestic grain production in the 1990s, compared to around 12 percent in the early 1960s. Sorghum production, on the other hand, has decreased in importance, supplying only 20 percent of grain supply in the 1990s, compared to almost 40 percent in the early 1960s. Production of corn,

- ◆ The second season, which runs from September through December
- ◆ The third season (dry season), which runs from January through May

The second season is the most productive in quantities of food produced. The third season -- the dry season -- is the least productive.

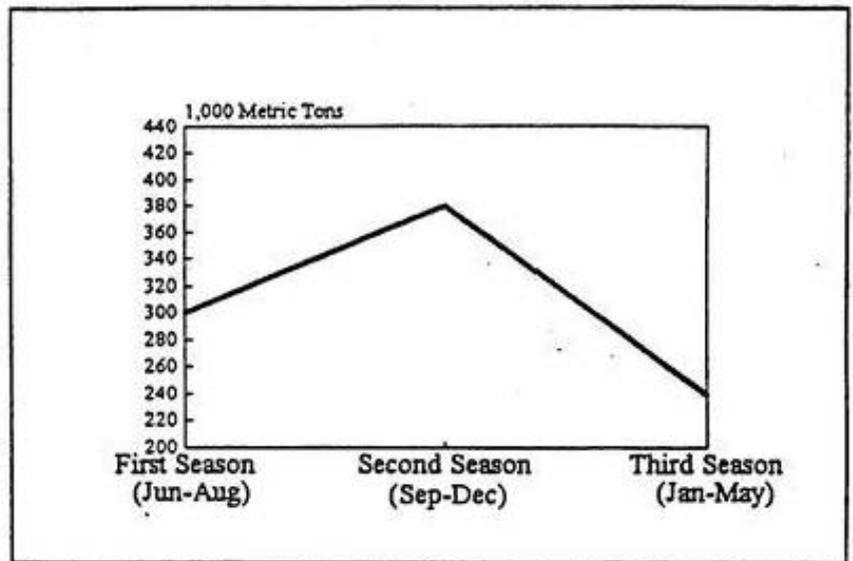


Figure 6: "Normal" Food Production By Season

2.1.7. FOOD IMPORTS

But you have said this is good.

One result of the declining production trends has been an increased reliance by the country on imports to meet domestic food needs. The cost of imported food averaged \$200 million a year at the beginning of the 1990s, double the average cost of the food import bill at the beginning of the 1980s and twenty times the value of the food import bill at the beginning of the 1970s.

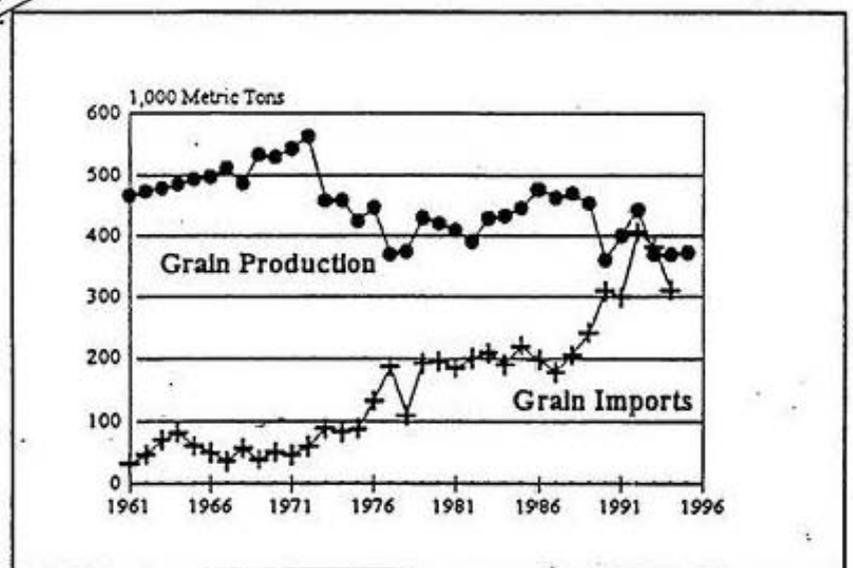


Figure 7: Trends in Grain Production and Imports

Grain imports, in particular, increased substantially, from approximately ten percent of the total grain supply in the early 1960s to almost 50 percent in the 1990s (see Figure 7). Until the end of the 1980s, wheat accounted for the major share of grain imports -- almost 100 percent between 1961 and 1974 and between 80 and 90 percent between 1975 and 1989. Rice imports, however, more than quadrupled in volume terms between 1989 and 1990, and by 1994 had surpassed wheat imports in value (\$46.5 million versus \$36 million), though not in volume (140,000 metric tons versus 167,000 metric

which was declining in the 1970s, began to increase again in 1990-1991 during the period of the embargo.

Total grain production declined as a result of declines in both yields and area planted.

Rice production, on the other hand, continued increasing until 1991. The area planted to rice increased fairly steadily until the beginning of the 1990s. Yields of rice, which uses more modern technology on irrigated land, are approximately double the yields of corn and sorghum. At their high, in the mid-1980s, average rice yields reached 2.4 metric tons per hectare. After the 1986 policy changes that reduced protection for basic grains, however, rice yields also began to decline. By 1995 they had fallen to an average of 1.6 metric tons per hectare.

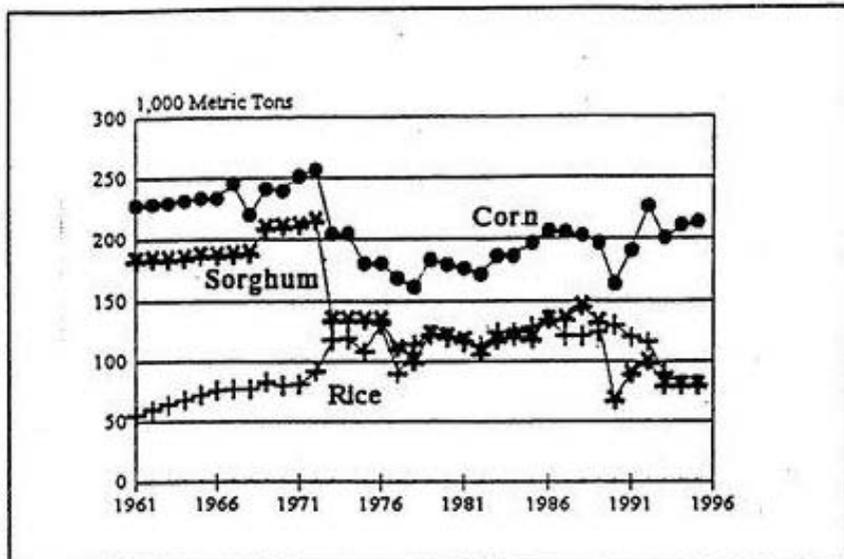


Figure 5: Trends in Grain Production

After the 1986 policy changes that reduced protection for basic grains, however, rice yields also began to decline. By 1995 they had fallen to an average of 1.6 metric tons per hectare.

2.1.6. REGIONAL AND SEASONAL DIFFERENCES IN FOOD PRODUCTION

Grain production is much lower in the arid regions of the country -- the departments of the Northwest, the Northeast, and the Southeast. Differences in productivity also exist within regions, often as a result of irrigation. For example, the irrigated Artibonite Valley is much more productive than the dry area of Savane Desolée. In the Northwest, the dry Plaine de l'Arbre is much less productive than the irrigated banana producing area of Jean Rabel.

Since most agriculture in Haiti is rainfed, food production also varies by season, according to the different rainfall patterns in different parts of the country. In the South, there are two rainy seasons -- April through June and August through October -- separated by a short dry season in July and a long, cool dry season from November through April. In the North, there is a long, cool rainy season from September through June. In the Center (Artibonite and Central Plateau), there is a four- to six-month rainy season from April through September and a long dry season from October through March.

These differences translate into three production seasons for the country as a whole (see Figure 6):

- ◆ The first season, which runs from June through August

tons of wheat and wheat flour). For years, most wheat was imported in grain form and milled locally. When the government-owned flour mill closed down in 1993, however, imports of wheat flour replaced wheat.

The corollary of these trends on the consumption side has been an *increase in the number of calories per person derived from wheat, which is imported, and a decrease in the number of calories derived from corn and sorghum, which is grown domestically*. In the national diet, the number of calories from imported wheat tripled over the last 30 years, while the number of calories from corn declined to only a third of what it was 30 years earlier.

2.1.8. FOOD ASSISTANCE

The fact that Haiti has increased its dependence on food imports would not have been a problem if the country had been able to afford to import those supplies commercially. Nevertheless, poor economic performance, coupled with the additional food needs created by periodic natural disasters, has resulted in Haiti becoming more reliant on donated food to meet its food import needs.

Since the early 1980s, Haiti has received on average of 100,000 metric tons of food aid a year. The main food aid products have been wheat/wheat flour, bulgur, pulses, corn, and rice. In most years, these products accounted for over 90 percent of all food aid provided to Haiti. About two thirds of food aid has been distributed directly to beneficiaries rather than through market sales.

The United States, which has provided donated food to Haiti since the initiation of the PL 480 program in 1954, has been the major supplier of food assistance to Haiti in most years. The value of food resources provided to Haiti was fairly small until 1977 when the addition of a \$10 million Title I program brought the total resources provided to the country to approximately \$20 million. In 1991, a \$20 million Title III program increased the value of food resources made available to Haiti to almost \$30 million. In 1993 and 1994, during the height of the embargo, the total value of food resources made available to the country through the Title II and III

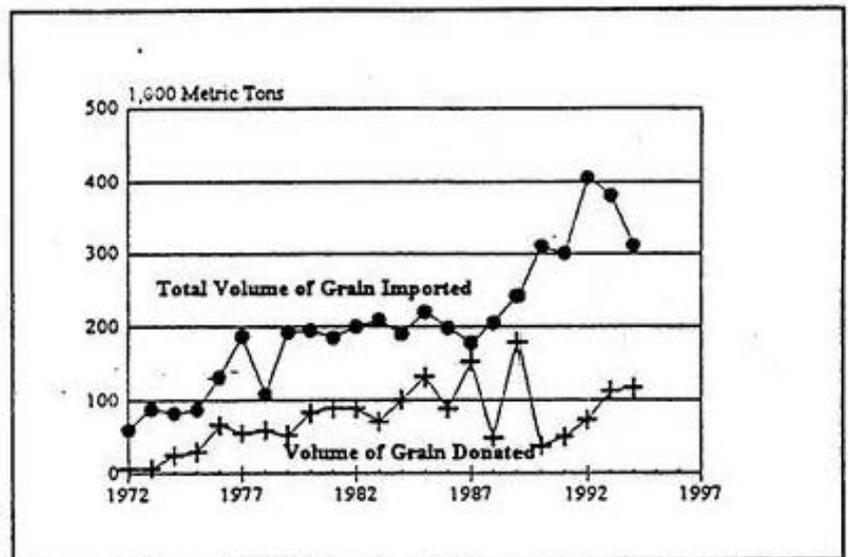


Figure 8: Trends in the Volumes of Grain Imported Commercially and Donated

programs exceeded \$40 million. At the height of the emergency program, one estimate was that U.S. food assistance was helping feed over a million Haitians a day.

2.1.9. FOREIGN EXCHANGE EARNINGS AND IMPORT CAPACITY

Haiti does not have to produce all its own food in order to insure food security for its population. Food self-sufficiency, in other words, is not necessary to the achievement of food security. Nor is it a reasonable objective for the country to aspire to. Agricultural self-sufficiency also is not necessary for food security. There is no reason that Haiti has to pay for the food imports it needs with the foreign exchange earned from agricultural exports.

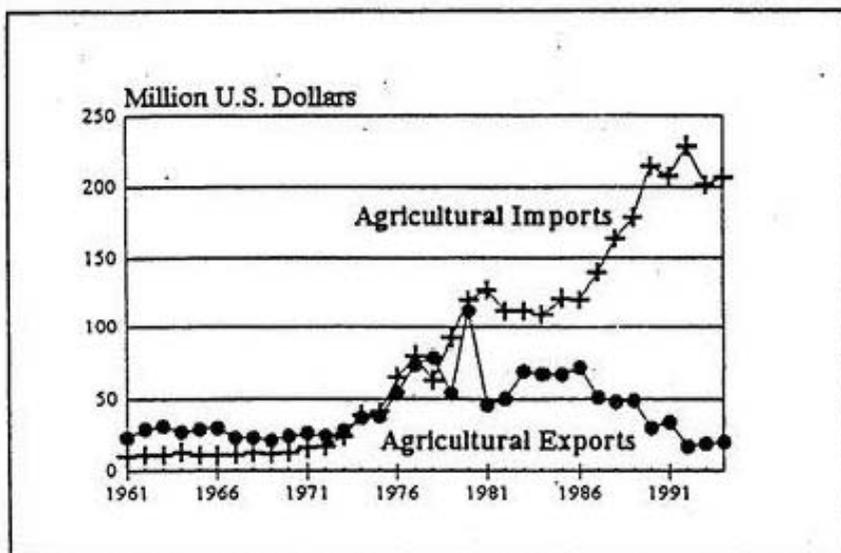


Figure 9: Trends in Agricultural Trade

In fact, Haiti has not earned enough from its agricultural exports to pay for its agricultural imports since the mid-1970s. The cost of the country's agricultural imports (most of which are food imports) has significantly outweighed the value of the country's exports since 1979 (see Figure 9), and its overall trade balance has been negative since 1967 (see Figure 10).

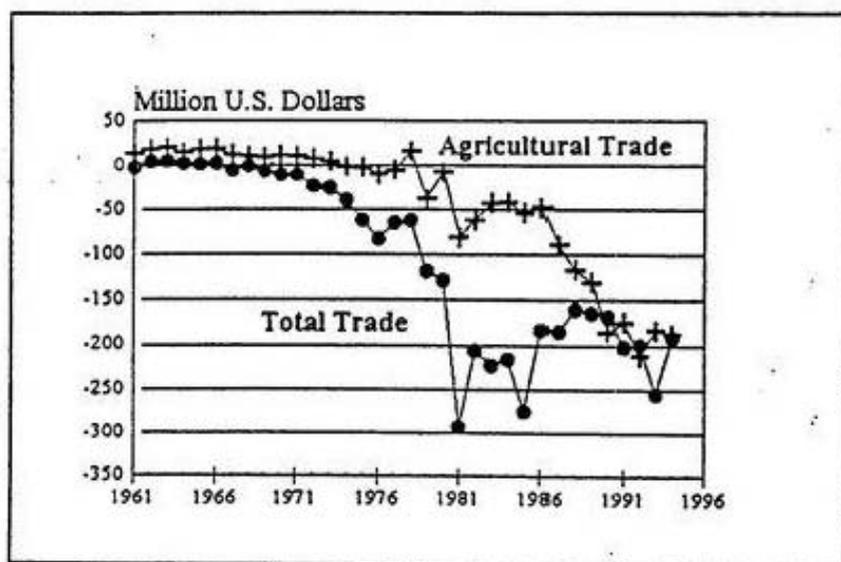


Figure 10: Changes in Haiti's Trade Balances Over Time

On the other hand, self-reliance is a reasonable

objective for Haiti to aspire to. There is no reason Haiti should not be able to pay for the food imports that it will need, particularly grain imports, if the government provides the kind of stable and supportive economic and political framework needed for broad-based economic growth. The important question concerning food aid is not when food donations can begin to be replaced with domestic production, but when the economy will develop sufficiently so that concessional imports can be replaced with commercial imports paid for by foreign exchange earned by exports of both agricultural and non-agricultural products.

2.2 FOOD ACCESS AT THE HOUSEHOLD LEVEL

The majority of the Haitian population does not have access to sufficient food for a healthy and productive life. Household access, not national averages, is the real test of food security in a country. The clearest evidence of this dimension of the food security problem in Haiti comes from the data from the 1987 Household Expenditure and Consumption Survey (HECS). According to these data, in 1987 approximately 70 percent

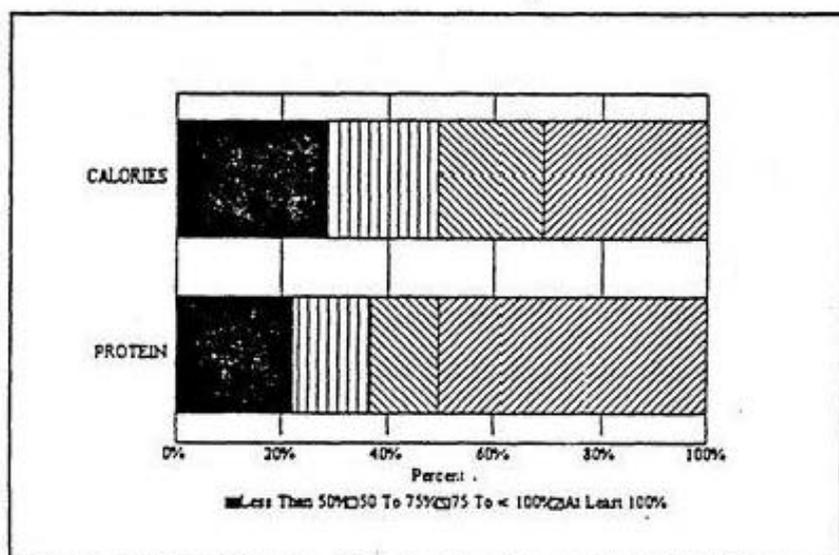


Figure 11: Distribution of Per Capita Calories and Protein as a Percent of Recommended Levels

of Haitians did not have access to sufficient calories (defined as 100 percent of recommended levels), and approximately 50 percent did not have access to sufficient protein. Even worse, nearly 50 percent of Haiti's household members had access to less than 75 percent of the recommended levels for calories and 36 percent had access to less than 75 percent of the recommended levels for protein (see Figure 11).

2.2.1. LOW PURCHASING POWER OR LACK OF ACCESS TO INCOME

The most significant factor limiting access to food in Haiti is the very low purchasing power - or lack of economic access - of the Haitian population. According to the 1987 household survey data, over 85 percent of households with total annual expenditures of less than 2,000 Gourdes (about U.S \$320 in 1987 dollars) consumed less than 75 percent of the recommended daily allowance of calories. For households with total expenditures between 2,001 and 4,000

Gourdes, the figure was 68 percent, and for households with total expenditures between 4,001 and 6,000 Gourdes, 58 percent. Only at expenditure levels of 12,000 Gourdes or more did a majority of households consume at least 100 percent of the RDA (see Figure 12). Although the survey has not been repeated in recent years, it is doubtful that economic access has become any easier for most households, given the declines that have taken place in per capita incomes and food availability.

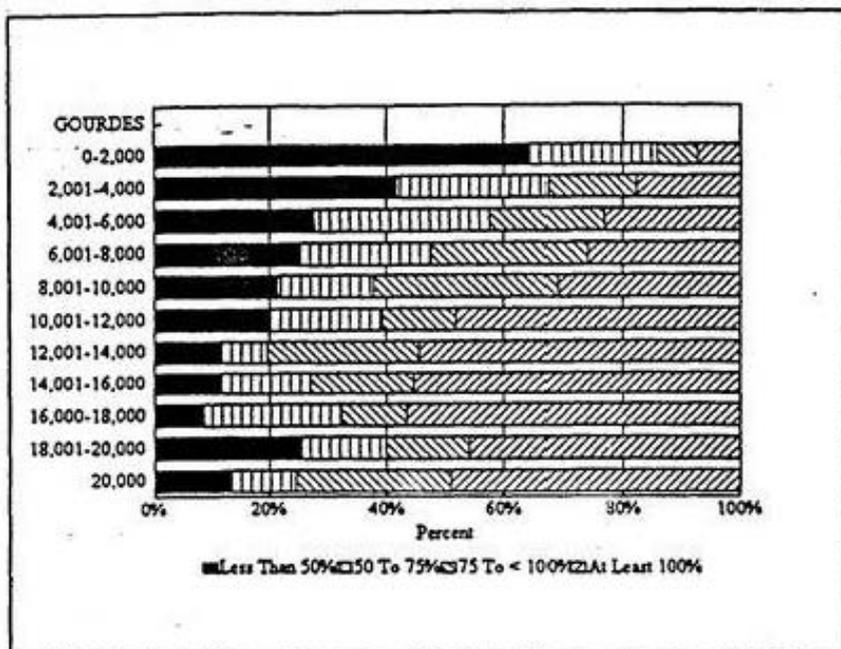


Figure 12: Ability of Households at Different Income Levels to Access 100 Percent (or Less) of the Recommended Daily Allowance of Calories

2.2.2. POVERTY AND CHRONIC FOOD INSECURITY

Poverty and food insecurity in Haiti are inextricably linked, definitionally as well as functionally. Households that do not have sufficient income to access a nutritionally adequate diet are, by definition, extremely poor. *Poverty contributes to food insecurity in Haiti by restricting people's access to the amount and quality of food they need to live healthy and productive lives. Poverty also constrains households' access to services such as health, water and sanitation, and education.* By increasing people's productivity, these services contribute to food security in Haiti in the short, medium and long term.

Poverty and lack of purchasing power in Haiti also are the ultimate cause of low levels of food availability in Haiti. If Haiti's poor households had enough purchasing power to translate their nutritional needs into effective demand for food, domestic food production would increase and/or foreign exchange would be used to pay for the food imports needed to make up any gap between domestic production and total food needs.

As elsewhere, the *root cause of poverty in Haiti is low productivity.* Low productivity, in turn, reflects inadequate investment in human and material capital and poorly developed, and even abusive, public policies and institutions. Poverty, combined with increased population pressure on land, also has contributed to further deterioration in the environment, especially soil erosion, which has lowered agricultural productivity even more.

In other words, *chronic food insecurity is a major problem in Haiti, and chronic poverty is the root cause of that problem.* Both manmade and natural causes also make Haiti vulnerable to *transitory food insecurity.* Haiti's food security situation worsened in the early 1990s as a result of political instability and subsequent deterioration in the economy. The economic decline, coupled with natural disasters such as the drought in the Northwest and a tropical storm in the South, has led many to focus on the emergency -- or transitory -- aspects of Haiti's food security problems rather than on their underlying causes. In reality, however, the households hardest hit by transitory food insecurity problems are and will continue to be the households that are chronically poor and food insecure.

2.2.3. LACK OF ACCESS TO SOCIAL SERVICES

If poverty is viewed primarily in terms of lack of income, then broadly based, employment-intensive growth is the best way to reduce poverty and hunger. But poverty also can be looked at in terms of lack of access to social services. When looked at in that light, the alleviation of poverty necessarily involves well planned and sustained social sector spending.

Lack of access to social services, in fact, is both a consequence of poverty and a contributor to poverty and food insecurity. Therefore, it is not surprising that in Haiti, *most people who are poor in economic terms also lack access to important social services such as health, water and sanitation, and education.* Only about 60 percent of the Haitian population has access to primary health services, compared with an average of 74 percent for Latin America as a whole. Only 15 percent of households have access to water in their own homes, either through a municipal water system or from a household well. Thirty one percent have access to a public fountain or well. Only four percent of households have access to a public sewerage system. The rest either use latrines (53 percent) or lack facilities entirely. School enrollment is only about 48 percent. Literacy rates are low, 48 percent for men and 42 percent for women, the lowest rates in the Western Hemisphere.

Poverty still is primarily a rural phenomenon (see discussion in Chapter 3), and access to social services also is most limited in rural areas. For example, an estimated 45 percent of rural households are at least 15 kilometers from the nearest hospital, and 26 percent are at least 15 kilometers from the nearest health center. Some 71 percent of rural households report that it takes them more than one hour to travel to the nearest health center. In rural areas, over 60 percent of households have to rely on streams or rivers for water, and only 40 percent of the population has access to latrines. The rest lack sanitation facilities entirely. School enrollment rates drop to 22 percent in rural areas.

2.2.4. THE SOCIO-ECONOMIC DIMENSIONS OF POVERTY

Although the data base is weak, poverty in Haiti does not appear to be concentrated in easy-to-identify geographical areas. Instead, what appears to be typical of Haiti is the *great variation*

in poverty levels – both economic poverty and lack of access to social services – within departments, communes, towns, and even neighborhoods. The variation in averages among regions and departments is insignificant when compared to variations internally within much smaller geographic units. Aid interventions aimed at some regions to the exclusion of others, therefore, are bound to miss a portion of their targets.

Haitian families have done an excellent job in adapting to economic difficulties by diversifying their human and economic resources. As a result, it is difficult to find strong links between poverty and specific geographical areas of the country or between poverty and the socio-economic characteristics of households. One of the most important steps that most Haitian households have taken to reduce risk and to increase their incomes is to diversify their income sources. Most households earn their incomes from a variety of sources. Even in rural areas, where most households derive some income from agricultural production, other sources of income are likely to be very important. For example, agricultural production accounts for only 48 percent – the largest share – of all household income in the southern part of the country (CRS baseline survey), and less than a quarter of all household income in the Northwest (CARE baseline survey). Commerce also is an important source of income in rural areas. In the Northwest, petty commerce, which traditionally is carried out by women, is the most important source of income (28 percent), and over two thirds of the households surveyed engage in it. In the South, commerce is the second most important source of income (32 percent), followed by agricultural wage labor (23 percent) and migration (16 percent). Households in the Northwest also receive a significant share of household income from sales of livestock (13 percent), followed by wages from agricultural labor (nine percent) and migration (eight percent).

Classical economic theory sees migration as a mechanism that balances labor demand, incomes, and the resource endowments of different areas. This theory is difficult to accept in Haiti. Outmigration from rural areas and provincial towns does not make labor demand and incomes rise there, and the fact that Port-au-Prince needs produce from rural areas does not necessarily lead to prosperity in the hinterland. Migration simply is an expression, and a cause as well, of the increasing concentration of resources in the capital city. Attempts to slow or redirect migration always have failed; rural development leads to more, not less, migration. You've

Selective migration between rural and urban areas, Port-au-Prince, and abroad has reconstituted family networks in such a way that they now span different ecological, political, and economic spheres. This far-flung risk aversion and income diversification strategy has three important consequences: first, it reduces rural population pressure in relative terms; second, it slows the fragmentation of landholdings; and, third, it reduces dependence on agricultural production for survival, even for rural people. The coping strategies of the rural poor themselves are not necessarily, and certainly not exclusively, targeted at agricultural production on eroded hillsides.

Haiti does not have a subsistence peasantry in the sense of a rural population that lives off the land in relative self-sufficiency and independence. All Haitian farmers are linked to and produce for and buy from the market. Eighty percent of farmers have some non-agricultural

income. The vast majority also are net food buyers. For example, according to the 1987 household survey data, only 12 percent of all food consumed by households in Haiti was by the households who produced it. The poorest households were more dependent on what they were able to produce for themselves than higher income households. Food produced and consumed within households accounted for over 40 percent of the total food budget of Haiti's poorest households, for example, while it accounted for only five percent of the total food budget of its highest income households. On the other hand, even the country's poorest households, including many in rural areas, depended on markets for almost 60 percent of their basic food staples.

This dependence on markets has two consequences. On the one hand, Haitian farmers are subject to fluctuations in price and demand. Given poor storage technology, these fluctuations frequently put farmers at a disadvantage. On the other hand, peasants profit from the rapid flow of information and products in the internal market system. Whoever has buying power can be food secure, wherever he or she may be living. This latter point may appear trivial, but it is far from that. Within the confines of risk aversion, *Haitian farmers strive for higher incomes, not necessarily higher production*, as a subsistence economy would require.

2.3. FOOD UTILIZATION

As indicated in Chapter 1, food insecurity can exist even when people have access to adequate quantities of food. That can happen when poor health prevents people's bodies from absorbing sufficient nutrients. This is the utilization dimension of food insecurity.

Nutritional status provides the most direct measure of food utilization (see the Note at the end of the chapter for a description of alternative methods for measuring nutritional status). Low nutritional status is an indicator of whether people are consuming appropriate quantities and qualities of food. It also is an indicator of whether people's bodies are able, biologically, to absorb the nutrients available. Changes in the nutritional status of pre-school children -- in their height and weight -- are a particularly sensitive indicator of food insecurity. This is because young children, particularly those less than 36 months of age, usually are the first in a household to be affected by changes in food availability as well as in availability of time, sanitation, and health services.

2.3.1. PREVALENCE OF CHRONIC AND ACUTE MALNUTRITION

In 1994, almost a third of children under five in Haiti were chronically malnourished, according to data from the USAID-sponsored Demographic and Health Survey (EMMUS II). That is, their height for age was less than minus two standard deviations from the median of a health reference population (see Figure 13). This proportion falls considerably above the levels of chronic malnutrition found in other countries in the Caribbean. In the Dominican Republic, for example, only 19 percent of children under five are stunted. In Jamaica and Trinidad and Tobago, the rate drops to five percent. In fact, only three countries in the Americas have

significantly higher levels of chronic malnutrition than Haiti, namely, Peru and Honduras with 39 percent, and Guatemala with 58 percent.

Height for age is the best indicator of whether malnutrition is a chronic problem. That is because it reflects the past as well as the current nutritional status of a child. When children do not get adequate amounts of nutrition during their first few years of life (regardless of whether the

cause is a lack of food in the household, poor child feeding practices, or poor biological utilization due to illness), their growth is retarded and they appear too short for their age. These nutritional insults are particularly important in young children, because they never are able to recuperate fully the growth lost during those years. Moreover, even moderate nutritional insults, when they occur frequently enough, can show up as serious growth retardation.

In 1994, eight percent of the children surveyed also suffered from acute malnutrition. That is, their weight for height was less than minus two standard deviations from the median of a health reference population. Acute malnutrition is a very serious problem since children with it have a high risk of dying from it. Acute malnutrition is a more serious problem in Haiti than in other countries in the Western Hemisphere, where even countries with high rates of chronically malnourished children tend to have much lower (one to two) percentages of children with low weight for age. Worldwide, Haiti's rate is lower than those found in a number of South Asian and African countries such as Bangladesh (17 percent), Niger, Mauritius, Mauritania, and Sri Lanka (16 percent), and Nepal and Sudan (14 percent).

3.3.2. CHANGES IN MALNUTRITION OVER TIME

Progress was made in reducing the prevalence of child malnutrition during the 1980s. Almost 40 percent of children under five were malnourished when the 1978 nationwide nutrition survey was conducted. This rate dropped to 34 percent in 1991. The percentage of acutely malnourished children also had been declining; it was almost nine percent in 1978, but dropped to 4.7 percent in 1990.

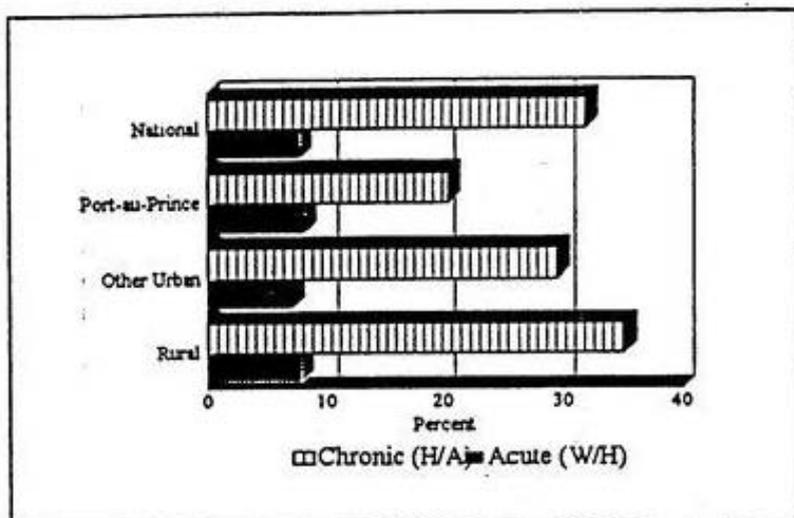


Figure 13: Incidence of Chronic and Acute Malnutrition Among Children under Five in 1994

Malnutrition trends during the 1990s are less clear.

By the end of 1994, chronic malnutrition rates had dropped another two percent to 32 percent. Acute malnutrition, which is a measure of current malnutrition, however, increased to almost nine percent at the end of 1994. The open question is whether the situation has improved since the time of the 1994 stress (actually, the survey was conducted at the end of 1994 and the beginning of 1995), which undoubtedly was a difficult time for Haitian families.

Preliminary analysis of data from a UNICEF-sponsored, nationwide nutrition survey conducted in 1995 suggests that rates of acute malnutrition have declined -- to 6.3 percent -- while the rate of chronic malnutrition has increased -- to 36.3 percent -- no doubt as a consequence of the higher rates of acute malnutrition the year earlier.

Another source of more recent information on the nutritional status of Haiti's children comes from the monthly reports that USAID has prepared on the state of the Haitian economy. Information from these reports indicates that the *percentage of children under five with weight for age below standards peaked in the latter half of 1994 (about the time of the 1994 nationwide survey), and has been decreasing since then (see Figure 15).* Weight for age is a composite indicator

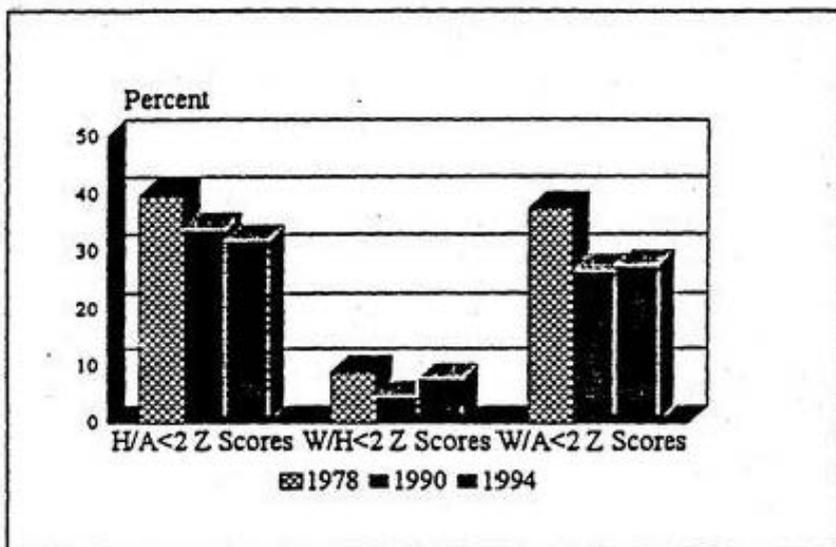


Figure 14: Changes Over Time in the Prevalence of Malnutrition in Children Under Five

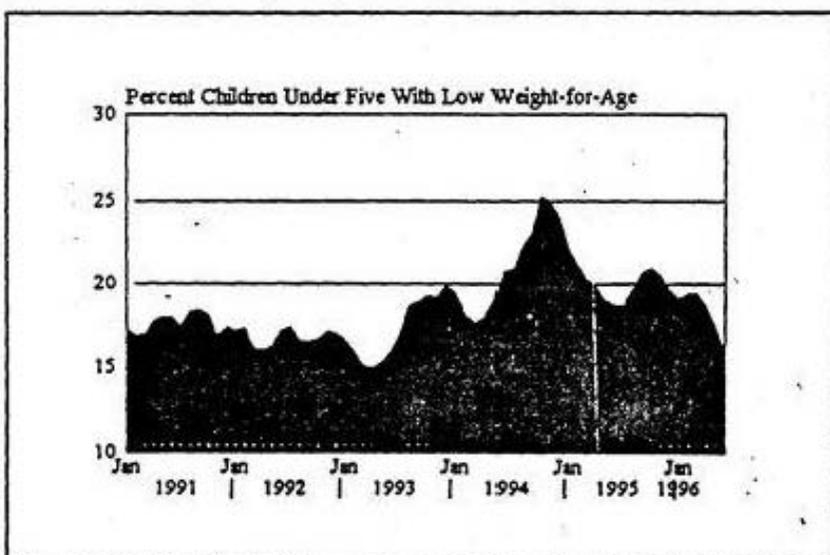


Figure 15: Monthly Changes in the Prevalence of Malnutrition Among Children Under Five

that picks up the impacts of both chronic and acute malnutrition,

although it is less sensitive to the effects of deprivation of small amounts of food over longer periods of time, which is the hallmark of chronic malnutrition. Health posts scattered around the country report these numbers monthly. Changes in them could represent an improvement in coverage rather than an actual increase or decrease in the numbers of malnourished children.

2.3.3. MALNUTRITION AND THE AGE OF THE CHILD

The greatest nutritional threat to children takes place between the ages of six months and two years. That is when the biggest increase in the percentage of stunted and acutely malnourished children takes place (see Figure 16).

Two adverse events occur around the age of six months. The first is that breastmilk ceases to be sufficient to meet the needs of the growing child. The second is that the child, who now is able to crawl, begins to explore its environment and to put things into its mouth -- which leads to infections and diarrhea. The first two years of a child's life also are characterized by a rapid rate of brain and physical growth that tapers off thereafter. Consequently, children who are malnourished during those years never recover fully from the effects of malnutrition. They do not recover the growth lost. Nor do they recover motor and cognitive skills.

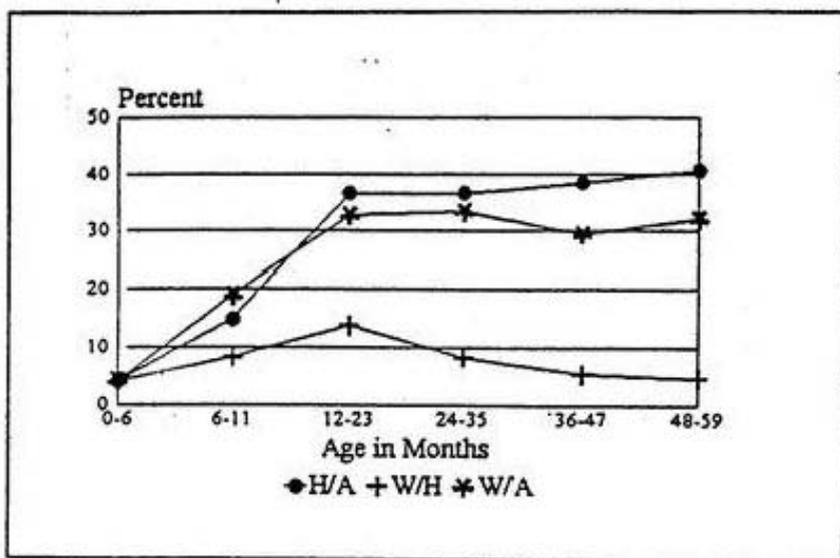


Figure 16: Prevalence of Malnutrition by Age of Child

2.3.4. SEASONAL CHANGES IN MALNUTRITION

The monthly data on children's weight for age from USAID's monitoring system also indicate that there is a *significant relationship between the nutritional status of children and the season of the year.* The percentage of malnourished children increases most rapidly during the months of June through October, and is highest in the months of August through December. These seasonal changes in the prevalence of malnutrition only account for three percent of children with low weight for age, however. Looked at the other way, at least 17 percent of children under five are malnourished throughout the year.

2.3.5. MICRONUTRIENT DEFICIENCIES

Serious micronutrient deficiencies also exist in Haiti, including iodine and Vitamin A deficiencies and iron deficiency anemia. Iodine deficiency appears to be more of a localized problem (the highest prevalence is found in the West Department), whereas Vitamin A deficiency and iron deficiency anemia are more generalized

throughout the country. Anemia is a particular problem. In 1978, it affected over 40 percent of children between 24 and 59 months of age, 36 percent of non-pregnant women, 35 percent of lactating women, and 39 percent of pregnant women. Vitamin A deficiency, which is associated with increases in the duration and severity of childhood illnesses, blindness, and mortality, also is a serious problem.

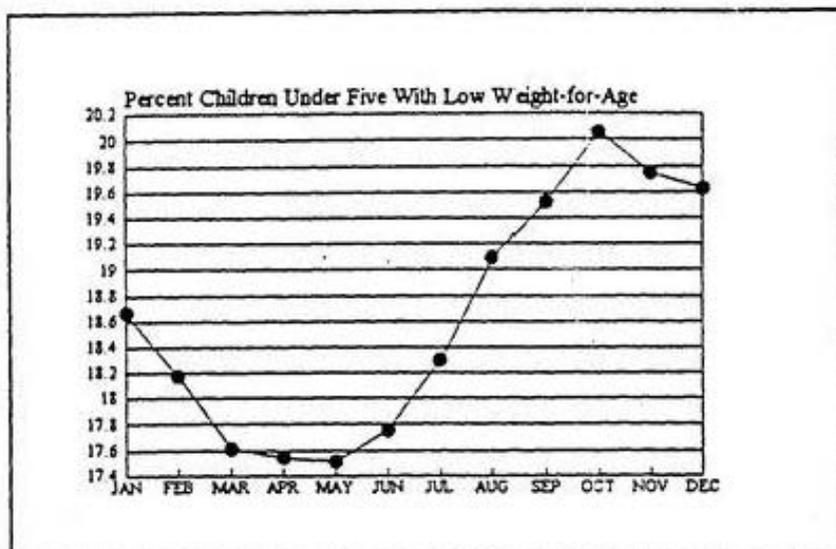


Figure 17: Seasonal Changes in Malnutrition

2.3.6. DETERMINANTS OF MALNUTRITION

Malnutrition is not a disease, and food is not its cure. Lack of access to food may not be the only reason that people are malnourished. Improper and inadequate food utilization also may be a problem. For example, pre-school children may not be eating adequately, not because food is in short supply, but because their mothers do not follow adequate breast-feeding and weaning practices. For some mothers, this may be due to a lack of knowledge. For others, it may be a lack of time: they may have economic responsibilities to their families as a whole, for example, that make it impossible for them to feed their children exclusively from the breast for the first six months of their lives. Inadequate health and water and sanitation services also mean that large numbers of people -- adults as well as children -- may not be healthy enough to absorb all the nutrients available to them.

One model, around which a considerable amount of consensus has developed, posits that improvements in nutrition are a function of three variables -- health, caring (which is particularly important in improving the nutrition of small children), and food consumption (see Figure 18). Improvements in household income also play an important role in the model, because with higher incomes families are able to access more and better food and health services. Education of mothers presumably affects the nutrition of the child through all four variables -- food

consumption (particularly breast-feeding and weaning behavior), income, health, and caring. Health status is influenced by infections (diarrhea, respiratory infections, and, in the case of Haiti, measles), which, in turn, are influenced by the availability and utilization of water and sanitation and health services (the availability and use of vaccinations for childhood diseases, Vitamin A supplements, and oral rehydration salts (ORT) are important indicators for pre-school children).

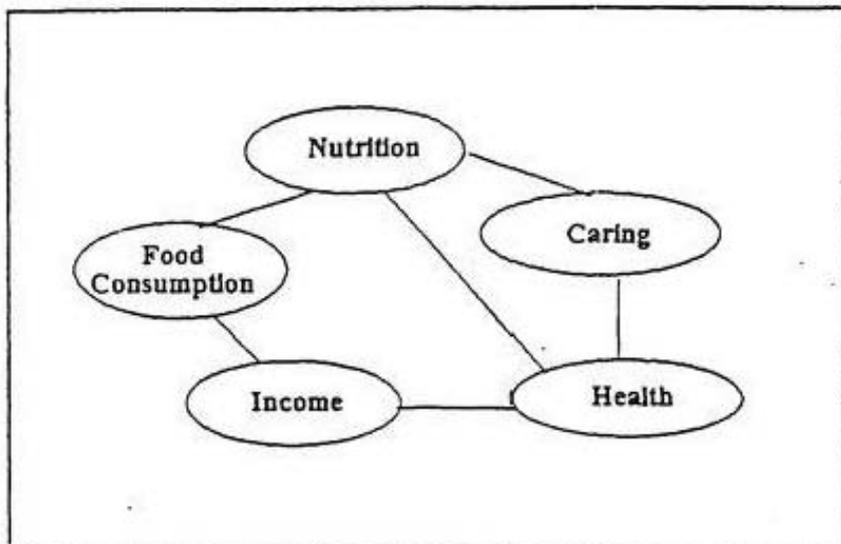


Figure 18: Improvement in Household Nutrition – A Function of Food AND Other Variables

Three fertility factors are most relevant to the nutritional status of children -- maternal age (under 20 years), parity (multiple births), and birth interval (less than 24 months). By and large, these factors result in low birth weight (both premature and small-for-date births). As noted in the Annex to this chapter, low birth weight is a marker of fetal malnutrition, and low birth weight babies -- 12-18 percent of live births in Haiti, depending on the study -- may account for as much as 65 percent of malnutrition in infancy and between 50-65 percent of infant deaths (Boulos, *et al.*, 1984). As a point of reference, Office of Technological Assessment data indicate that the seven percent of low birth weight babies in the United States account for 60 percent of infant deaths.

2.3.6.1. WHAT IS KNOWN ABOUT THE SPATIAL AND SOCIO-ECONOMIC DETERMINANTS OF MALNUTRITION

◆ Geographical Location (urban/rural)

Chronic malnutrition is a more serious problem in rural areas. In 1994, over 35 percent of children living in rural areas were chronically malnourished (EMMUS II), compared to less than 21 percent in Port-au-Prince and 30 percent in all other urban areas (see Figure 11). In addition, approximately three quarters of chronically malnourished children live in rural areas. Thus, chronic malnutrition still is primarily a rural problem. An analysis of the anthropometric data on a sub-sample of children in the 1987 Expenditure and Consumption survey also found that living in rural areas has a statistically significant negative effect on children's height and weight.

◆ Geographical Location (agro-ecological zones)

Knowledge of the relationship between malnutrition and agro-ecological zones is partial. Initial analysis of the data from the CRS baseline survey in the southern part of the country in March 1995 found the worst nutritional status in the humid mountain zone. Initial analysis of the data from the CARE baseline survey in the Northwest in December 1993 - January 1994 found the lowest mean height-for-age scores in the plateau dry zone, and the highest in the interior dry zone. Interestingly, the CRS study notes that the CARE analysis found no significant differences in nutritional status by agro-ecological zone. These relationships need further study.

◆ Health Status

Infectious diseases are a major health problem in Haiti. To begin with, diarrhea -- which leads to under-nutrition even when the total amount of food available is adequate -- is very common among young children. According to the EMMUS II survey data, over 27 percent of the children included in the survey had diarrhea in the previous two weeks. Within the group of children aged six to 23 months, which is the period during which most chronic and acute malnutrition takes place, almost 45 percent of children suffered from diarrhea during the two weeks prior to the survey. This is a particularly serious problem from a food utilization perspective, because diarrhea causes loss of appetite, physical weakness, loss of nutritional substances, and growth faltering (see discussion in the Annex to this chapter). Epidemics of measles, meningitis, rabies, and anthrax also are common, and tuberculosis is endemic. Immunization rates, on the other hand, are very low. At the time of the EMMUS II survey, for example, over half of children between the ages of 12 and 59 months had received some protection against tuberculosis, DPT, and polio -- but only 26 percent had received the full three doses of the DPT and polio vaccinations, and only 25 percent had been vaccinated against measles. All told, only 15 percent of children had completed all recommended vaccinations. Less than 40 percent of children had received at least one dose of Vitamin A supplements.

These health factors are important, because *children are more likely to be malnourished if they have had diarrhea or diseases such as measles and upper respiratory infections.* Initial analysis of the CRS baseline survey data found that children with diarrhea within the last 12 months were more likely to suffer from all three measures of malnutrition -- stunting (chronic), wasting (acute), and under-nutrition. The CARE survey found that children who had diarrhea within the last 24 hours were 2.5 times more likely to be wasted, and 61 and 73 percent more likely to be stunted and underweight, respectively. Numerous research studies also demonstrate the relationship between malnutrition and diseases such as measles and upper respiratory infections (see the discussion in the Annex to this chapter). Nevertheless, the nature and importance of these relationships need to be documented with analysis of national data (the EMMUS II data, for example).

◆ Environmental Conditions

An analysis of the anthropometric data collected on a sub-sample of households in the HECS survey found that *households using either bottled water or in-home or in-yard running water had better nutritional outcomes* than households using potentially more contaminated river water, well water, or public fountains. Additional analysis of the EMMUS II data is needed to document these relationships further and to explore whether similar relationships exist between types of sanitary facilities and malnutrition.

◆ Mothers' Education

Chronic malnutrition and under-nutrition are more prevalent among children whose mothers have no education (38.6 percent). Among mothers who have primary education, the percentage of chronically malnourished children drops to 27.7 percent, and if they have secondary school education, the rate drops to 17.1 percent (EMMUS II data). Similarly, the higher the mother's education, the less likely she is to have an under-nourished (that is, low weight for age) child.

◆ Child Feeding Practices

Poor food utilization and malnutrition also is linked to inadequate and inappropriate child feeding practices. The recommendation that children be breast-fed exclusively for at least four and ideally six months, when it is followed, reduces the risk of infectious diseases such as diarrhea. After four to six months, however, breastmilk becomes insufficient and children have to be given other foods. Families may not understand that children have unique nutritional needs at this age, including multiple feedings during the day and a diet that includes food with high caloric density. Breast-feeding, although a common practice in Haiti, is not always initiated on the day of birth and usually is not exclusive. Infants often receive some liquid food before they are put on the breast. Supplemental feeding also starts at a very young age -- one month after birth or earlier. Again, this practice increases the risk of diarrheal diseases. In addition, the supplemental foods provided do not always match the nutritional needs of the growing child. Observed child feeding practices are thought to be influenced by a combination of factors. The factors in question include the need for women to earn a living, lack of health and nutrition information, and the fact that mothers do not take their infants to the field or market. Still, the relative importance of these factors as determinants of child feeding practices needs to be better understood, as well as how important child feeding practices are as a determinant of child malnutrition.

◆ Household Income/Economic Status

Children from higher-income households are less likely to suffer from chronic malnutrition and under-nutrition. Analysis of the anthropometric data collected in the HECS survey found that per capita incomes, measured as total expenditures (a good proxy for total household income in developing countries), had a statistically significant and positive effect on children's weight and height. Initial analysis of the CRS data also found that the presence of stunted and under-nourished children decreases significantly with increases in total household expenditures. The CARE baseline survey analysis also reports that the prevalence of stunted and under-weight children is related significantly to the level of per capita income of the household.

2.3.6.2. WHAT IS NOT KNOWN ABOUT THE DETERMINANTS OF MALNUTRITION

◆ The Relative Importance of Individual Determinants

As indicated above, it is known that certain health and income variables are associated with higher rates of child malnutrition. What is not known is whether these variables still are important when one holds others constant. For example, the apparently strong relationship between mothers' education and child malnutrition merely may be picking up the fact that women from higher income households tend to be better educated and, thus, it is the higher income, not the higher education, that is the more important determinant.

Some of the data needed to sort out the relative importance of different factors are available from the EMMUS II and the CARE, CRS, and ADRA baseline surveys, but they have not been analyzed thoroughly. To date, the data have not been subject to multi-variate analysis.

The results of a multi-variate analysis would have important policy and programmatic implications. If household incomes are the major determinant of child malnutrition, then broadly based, employment-intensive growth is the best way to reduce malnutrition over the medium to long term. In the short run, the most appropriate type of safety-net program would be one that transfers income, through cash or food for work, for example, to low-income households. On the other hand, if health factors, such as illnesses or lack of access to health services are relatively important, then a corresponding degree of attention would need to be paid to strengthening the health system and improving the delivery and accessibility of primary health care services. In that case, it might make sense to subsidize primary health care or to provide food supplements to encourage households to make fuller use of the health system.

◆ **The Etiology of Urban and Rural Malnutrition**

The data indicate that the prevalence of malnutrition is higher in rural than in urban areas. *It is not clear, however, whether the same determinants of malnutrition are as important in rural areas of the country as they are in urban.* For example, is total household income as important in rural areas, or is source of income more important? Again, the results of this type of analysis would have important programmatic implications. If the determinants of malnutrition are different, the responses may have to be different.

◆ **The Etiology of Chronic and Acute Malnutrition**

Further analysis also is needed to determine whether, in combination, the factors that are responsible for acute malnutrition are the same as those that are responsible for chronic malnutrition.

◆ **Food Availability in the Household and Child Malnutrition**

Although food is only one of the determinants, many in Haiti assume that increasing food available to households is essential to reduce malnutrition among pre-school children. That may or may not be the case. The answer to the question has important programmatic implications, especially for the use of Title II food. Throughout Honduras, the nutrition levels of pre-school children are related strongly and positively to the incomes earned by their households. The nutrition levels are not related to the amount of food available in the households, however, except in the western region of the country. Unfortunately, the data needed to shed light on this issue in Haiti are not available.

NOTE ON NUTRITIONAL STATUS

Measures of growth are the most reliable indicators of children's nutritional status and also furnish an indication of the nutritional status of a country's population as a whole. Protein-calorie malnutrition, which is the most common form of malnutrition among children in developing countries, generally is measured in three different ways. The easiest way is to measure children's weight for age, which usually is referred to as global malnutrition or under-nutrition. This measure is a synthesis of the two other types of malnutrition and, unfortunately, is not very sensitive to cases in which children are deprived of small amounts of food over long periods of time, which is a characteristic of chronic malnutrition. A second measure, weight for height, indicates whether a child is malnourished currently. It is referred to as wasting, or more technically, as acute malnutrition. The third measure, height for age, reflects past as well as current nutritional status and is the best indicator whether malnutrition is a chronic problem. Measuring acute and chronic malnutrition is more difficult than measuring under-nutrition: it is not easy to measure the height -- length -- of young children who do not stand still -- or stand at all -- and small differences in measurement can affect results dramatically.

ANNEX

BIOLOGICAL DETERMINANTS OF MALNUTRITION

A.1. The Disease Model of Malnutrition

This traditional model posits that malnutrition is a disease and food is its cure. Standard texts of medicine list at least 20 types of nutritional disorders -- marasmus, kwashiorkor, pellagra, beriberi, scurvy, rickets, osteomalacia, hypervitaminosis D, xerophthalmia, hypervitaminosis A, sodium depletion, magnesium depletion, riboflavin deficiency, pantothenic acid deficiency, vitamin E deficiency, pyridoxine deficiency, biotin deficiency, folic acid deficiency, vitamin K deficiency, iodine deficiency, not to mention various malabsorption disorders. For each disease, the cure is calories, protein, or various dietetic supplements. The World Health Organization recognizes four principal nutritional problems in developing countries: protein-calorie malnutrition, nutritional anemia, endemic goiter, and xerophthalmia.

A.2. A Revised Conceptual Framework for Malnutrition

In the revised model, malnutrition is a marker for intermediate variables through which two fundamental factors act: mother's education and household income. The intermediate variables are:

- ◆ Fertility
- ◆ Contamination of the environment by infectious agents
- ◆ Access to food by the fetus and child
- ◆ Individual behavior (feeding practices and locus of illness control)

In this model, malnutrition can occur when people consume proper diets, but poor health stands in the way of their bodies absorbing sufficient nutrients (Riordan, *et al.*). This section focuses on the four major dimensions of utilization most relevant in the Haitian setting: fertility factors, infections, maternal knowledge, and utilization of health services.

A.2.1. Fertility Factors Are Linked to Malnutrition

The three fertility factors most relevant to the nutritional status of children are maternal age (below 20), parity (multiple births), and birth interval (less than 24 months). By and large, these factors result in low birth weight, both prematurity and small-for-date births. *Low birth weight is a marker of fetal malnutrition*, and low birth weight babies -- 12-18 percent of live births in Haiti depending on the study -- may account for as much as 65 percent of malnutrition in infancy and between 50-65 percent of infant deaths (Boulos, *et al.*, 1984). As a point of reference, Office of Technological Assessment data indicate that the seven percent of low birth weight babies in the United States account for 60 percent of infant deaths.

Data from Jérémie presented recently at the Haitian Studies Association clearly show a link between birth interval and occurrence of childhood malnutrition. As a rule, malnourished children can be distinguished from well nourished children by a birth interval of about 12 months. A short birth interval displaces the previous child from the mother's breast and attention at a particularly critical period in his or her development, the weaning phase. In addition, short interval births increase the number of children under five living under the same roof. That variable also is associated with an increased risk of malnutrition.

A.2.2. Infection and Malnutrition Act in Synergy

In a paper entitled, "Diarrhea Is a Nutritional Disease," Rohde, *et al.*, use data from Haiti and other parts of the world to highlight the importance of diarrhea in relation to malnutrition. Diarrhea causes loss of appetite, physical weakness, loss of nutritional substances, and growth faltering (Mata, 1985). Diarrhea also may cause severe malnutrition.

Contamination with infectious agents that may cause diarrhea frequently begins at birth -- through unsanitary delivery conditions, through contact with maternal intestinal pathogens in the rectum, etc. Breast-feeding protects the child somewhat during the early neonatal period, but the child is particularly at risk during weaning. In Haiti, introduction of food other than breastmilk begins very early, which results in relatively high incidence of diarrhea even during the neonatal period.

Each episode of diarrhea increases the risk that the child, particularly the marginally nourished child, suffer from acute malnutrition. Repetitive episodes of diarrhea, especially poorly managed episodes, can result in severe malnutrition and death.

A similar story can be told about measles. By extension, therefore, *measles is a nutritional disease*. The 1991-92 measles epidemic in Haiti was associated with an increased prevalence of malnutrition (Berggren, personal communication). The increase was reported in the international press but ascribed more generally to the impact of economic sanctions. Data from Cité Soleil document a strong link between measles and malnutrition. At 42 months, the mean

weight of children whose mothers reported they had measles was a full 1.7 kilograms less than the weight of children who had not had measles.

In recent years, the value of Vitamin A, a nutritional supplement in the management of measles cases, has been recognized universally. Administration of 400,000 IU of Vitamin A to children with measles complications, but with no overt signs of measles deficiency, decreased mortality by 50 percent and lowered morbidity significantly.

A.2.3. Access to Food By the Fetus and Child

A.2.3.1. Malnutrition Begins During Fetal Life

The birth weight of an infant is the single most important determinant of its chances of survival, health, growth, and development. In Haiti, the prevalence of low birth weight is between 12 and 18 percent, that is, 12 to 18 percent of newborns have a birth weight equal or inferior to 2500 grams (Augustin, *et al.*, 1993). An infant weighing less than 2500 grams may have been born premature, but frequently is small for its gestational age. In poor communities in developing countries, about seven percent of infants will be borne premature; the remainder of the low birth weight -- 5-11 percent in Haiti -- will be attributable to intrauterine growth retardation. Even in developed countries, it has been difficult to prevent prematurity. In the United States, the prevalence of low birth weight has been oscillating around seven percent for the past 20 years at the same time that neonatal mortality has declined. What has changed is the increased chances of survival of low birth weight infants due to progress in neonatal care.

Low birth weight has a significant impact on infant mortality and on the nutritional status of infants. Babies weighing more than 2750 grams at birth have an almost 100 percent chance of surviving their first year if their mothers breast-feed them exclusively during the first six months of life (Mata, 1985). Conversely, babies with low birth weight may account for as much as 60-70 percent of neonatal or infant deaths. Low birth weight babies appear much more likely to die in infancy "for, in many instances, low birth weight culminates in severe malnutrition during infancy and results in a greater susceptibility to infections, primarily due to low resistance" (Shah, 1983).

Birth weight and gestational age have independent effects on fetal and neonatal mortality (Koops, *et al.*, 1982). As noted above, the seven percent of infants with low birth weight in the United States account for 60 percent of the infant mortality rate (Office of Technological Assessment, 1980). In parts of Central America, low birth weight accounts for 70 percent of infant mortality independently of the proportion of infants born with low birth weight (Mata, 1985). In Cité Soleil, the following factors were related to low birth weight: age of mother, order of pregnancy, and parity (see Tables A.1, A.2, and A.3).

Table A.1. Percentage of Children with Low Birth Weight by Age of Mother, Sainte Catherine's Hospital, 1984

Maternal Age	Percent Low Birth Weight	Number
15-19	13.04	46
20-24	7.29	137
25-29	5.04	119
30-34	3.75	80
34+	5.80	52

Table A.2. Percentage of Children with Low Birth Weight by Order of Pregnancy, Sainte Catherine's Hospital, 1984

Order Of Pregnancy	Percent Low Birth Weight	Number
1	14.15	106
2-3	4.10	148
4+	5.80	137

Table A.3: Percentage of Children with Low Birth Weight by Parity, Sainte Catherine's Hospital, 1984

Parity	Percent Low Birth Weight	Number
0-1	12.59	168
2-3	4.20	130
4+	3.80	130

In the same setting, the mean weight for age of children at 12 months was significantly higher for children with higher birth weight. Children whose birth weight was less than 2900 grams had a mean weight of 7.1 kilograms; for children with birth weight above 2900 grams, the mean weight at 12 months was 9.1 kilograms.

Data from the U.S. Collaborative Perinatal Project indicate that the relationship between weight gain during pregnancy and perinatal mortality is influenced strongly by *maternal pre-pregnancy nutritional status*. Thus, *weight gain during pregnancy is more important for women who were underweight prior to pregnancy*. The combination of underweight prior to pregnancy and low pregnancy weight gain increases the risk of a poor outcome for the fetus. The effect appears to be mediated via the incidence of low birth weight. If a woman is underweight before pregnancy, there will be an increased rate of intrauterine growth retardation, which is related inversely to weight gain during pregnancy. Thus, underweight women appear to derive greater benefit from a given gestational weight gain than women with adequate or excessive weight. It also is desirable that they gain more than women with normal weight. Data from the literature suggest that it is better to gain the weight after week 20 of pregnancy, that is, during the second and third trimester.

A.2.3.2. A Thin Woman: More Than in the Eye of the Beholder

While the definition of what constitutes a "thin" woman may vary (especially in the eyes of beholders), the usual scientific standard is a measure of maternal weight for height known as the body mass index (BMI), which is defined as weight in kilograms divided by height in meters squared. In the United States, a low BMI would fall below 19.8, a moderate score would lie between 19.8 and 26.0, and a high BMI would be greater than 26. In the EMMUS II survey, the cut-off for "normalcy" was a BMI of 18.5. Below that score, a woman was considered under-nourished. Using the EMMUS definition, "only" 18 percent of Haitian women would be classified as acutely under-nourished. Using the U.S. definition of "underweight," over 45 percent of Haitian women would qualify.

A.2.3.3. Chronic Malnutrition Begins with Acute Malnutrition

Chronic malnutrition begins with acute malnutrition. The precipitating factor may not necessarily be an acute shortage of food, but rather the onset of an infectious process in a marginally nourished child.

Data from Maissade document the impact of the measles epidemic that accounted for 14 percent of child deaths in 1992, and that occurred because of low measles vaccination coverage. The children who died of kwashiorkor or severe (third-degree) malnutrition, or of an infection associated with such malnutrition, accounted for 22 percent (40 of 184) of the deaths. According to Berggren, a number of the deaths probably were sequelae to measles.

Berggren reports that the shortage of food in 1992 was reflected in the amount of third-degree malnutrition seen in growth monitoring sessions (see Tables A.4 and A.5).

Table A.4. Results of Weight/Age Measurements on Under-Fives Weighed during April-June 1992, Using the Gomez Classification

Degree of Malnutrition	Age in Months (Children Weighed April-June 1992)				
	0-11.99	12-23.9	24-60	Total	Percent
Total	2,222	1,413	1,601	5,236	100
Normal	1,436	323	0	1,759	33
M-I	616	754	272	1,642	31
M-II	141	307	773	1,221	23
M-III	29	29	469	527	10
KWASHIORKOR				87	2

Source: Berggren, 1993

Table A.5. Results of Weight/Age Measurements on Under-Fives Weighed During July-September 1992, Using the Gomez Classification

Degree of Malnutrition	Age in Months (Children Weighed July-September 1992)				
	0-11.99	12-23.9	24-60	Total	Percent
Total	1,196	647	72201	2,565	100
Normal				1,009	39
M-I	343	353	370	1,066	42
M-II	52	140	252	444	17
M-III	11	10	23	46	2
KWASHIORKOR					2

Source: Berggren, 1993

As Berggren explains, "the above tables might be thought to reveal an important seasonal variation, or a food shortage period equivalent to a famine, with 12 percent of children either suffering from kwashiorkor or third degree malnutrition [Table A.4]. In fact, a serious and unusual food shortage occurred to which the project responded with a special distribution of corn. At the same time there was a measles epidemic. The "kwashiorkor" season in Haiti, which usually occurs July through September occurred three months early (April-June 1992).

This different pattern probably reflects 1) an unusual food shortage year and 2) a measles epidemic, followed by a rise in cases of kwashiorkor (see Growth Monitoring Table [A.4]). It is therefore not surprising to see an increase in the death rates in under-fives in 1992 as compared to 1991 (139 deaths in under-fives in 1991 as compared with 184 in 1992)."

The USAID monitoring reports from 1992 to 1995 allow construction of velocity curves of changes in nutritional status. The curves suggest a significant worsening of nutritional status nationwide during the period of July to August, confirming Berggren's observations on the "kwashiorkor season."

A.2.4. Poor Food Utilization Is Linked to Inadequate Feeding Practices

The evidence is clearest during the first six months of life: by the first month of life, 79 percent of infants receive food other than breastmilk (porridge, fruit juices etc.). The reason may not necessarily be lack of knowledge by the mother. Data from the Jérémie area document the high opportunity cost of breast-feeding for rural and urban working women.

Nonetheless, there is evidence that nutrition education can play a role in improving permanently the nutritional status of at least some children. Maissade is an area in Central Haiti where, for the past several years, Save the Children has conducted community-based nutrition surveillance. Children identified as malnourished are enrolled with their mothers in a two-week rehabilitation *cum* education program. During the program, mothers learn to purchase appropriate food in the market and prepare it for their children in a temporary nutrition center set up in a host village. An evaluation of the *Foyer de Demonstration* program suggests that up to two thirds of the mothers who attend the two-week "course" in better feeding practices improve the nutritional status of their children both in the *foyer* and after they graduate from it. It appears that one third of the children receive no permanent benefit. The children in question may suffer from a chronic illness such as tuberculosis or their parents may be too poor to purchase food.

Health interventions, particularly those that minimize the risk of acquiring diseases -- especially diarrhea and measles -- and that minimize the infection-associated morbidity and severity of the illnesses in question -- ORT and Vitamin A administration, for example -- can have a positive impact on the nutritional status of children. Several factors conspire to limit use of health services. The factors include distance, cost, general availability, and maternal factors such as education and locus of illness control. Persons who believe that events are the result of their own actions are said to have an internal locus of control; those who believe they have no control over events are said to have an external locus of control. Individuals in the latter category believe that events lie in the hands of fate, chance, or luck.

Family planning services also have the potential of improving the nutritional status of mothers and infants by increasing birth intervals, reducing the average number of children per mother, and reducing average family size, a factor linked directly to nutritional status.

CHAPTER 3: POTENTIAL MAGNITUDE AND NATURE OF FOOD INSECURITY IN THE FUTURE

3.1. OVERALL DEMOGRAPHIC TRENDS

The rate of natural increase of Haiti's population is high, well over two percent per year. In absolute terms, this rate corresponds to an increase in population of about 150,000 people annually. The impact of emigration upon demographic growth is not negligible. Still, present levels of emigration, estimated at about 20,000 people per year, have not reduced significantly the observed rate of population growth, which is driven primarily by persistent high fertility and declining mortality rates.

Haiti's population is very young, a clear consequence of the lack of appropriate policy responses to population pressure over the past 30 years. As a result, the observed trend in the natural increase of Haiti's population will continue, as the following scenarios illustrate:

- ◆ Even if a strong reproductive health and family planning program were implemented quickly and emigration continued at 20,000 people per year, Haiti's population would increase by nearly two million people by the year 2010 -- from an estimated 6.8 million people in 1996 to 8.6 million people fourteen years later.
- ◆ In the absence of any decline in fertility but with continued emigration at current levels, the population of Haiti would increase by 2.5 million people -- reaching 9.2 million people by 2010.
- ◆ If there were neither a decline in fertility nor any emigration, total population would increase by nearly three million people to a total of 9.6 million people in 2010.

At first blush, the impact of a strong reproductive health and family planning program on Haiti's total population 13 years from now might not appear important. In fact, if it were possible to launch such a program rapidly, it would allow births to stabilize at their present level, that is, at 220,000 per year. In addition, the number of children less than two years old would stabilize at about 400,000 in any given year, and the number of children less than five would stabilize at about one million. On the other hand, *if fertility fails to decline, the number of births each year -- and the number of children in the other two categories -- will increase by about 50 percent between 1996 and 2010, adding an unnecessary burden to the country at large.*

Implementing a strong reproductive health and family planning program effectively would be a major undertaking. In 1994-95, contraceptive use still was very low in Haiti. It is estimated that only 18 percent of Haitian women in union used any method at all -- 14 percent a modern method, and four percent a traditional method. Developing countries most successful in reducing fertility -- often called "superachievers" -- have been able to increase contraceptive use

among their populations by about two percentage points per year. When 70 to 80 percent of their women in union use contraceptives, their "fertility transition" is complete. At that point each woman has an average of about two children. If Haiti were to become a "superachiever," it would complete its transition in 30 to 40 years.

In Haiti, "superachievement" would mean a decline in fertility from 4.8 children per woman in 1995 to about three children per woman by the year 2010 -- assuming that breast feeding continued to be practiced widely. In absolute numbers, contraceptive users would more than triple in the next 13 years, passing from less than 200,000 users at present to more than 600,000 users by 2010. Although this objective clearly is ambitious, accomplishment of anything less implies a continued increase both in births and in numbers of children for the foreseeable future.

Unfortunately, even if Haiti were to implement a strong reproductive health and family planning program immediately, it would have no impact on the size of the labor force for at least 15 years. Even if one assumes a continuation of emigration of about 20,000 Haitians per year, the number of persons entering the labor force annually is going to increase dramatically. Currently, more than 100,000 youngsters arrive on the labor market each year. By 2010, that number will be 180,000 -- nearly double the present figure. Although those youngsters certainly will be better educated and have higher expectations than their parents, many will have difficulty in finding jobs in the modern sector of the economy.

3.2. GEOGRAPHIC DIMENSIONS

At present, about 40 percent of new arrivals on the labor market do so in urban areas -- about half in the Port-au-Prince metropolitan area and half in the other "towns" of Haiti. By the year 2010, if current urbanization trends continue, more than 100,000 youngsters will enter the labor market in urban areas each year, and will make up about 60 percent of all new arrivals. Despite this significant shift of the labor force to urban areas, arrivals in rural areas fifteen years from now still will be about 50 percent higher than what they are today.

These calculations assume continuation of the rather slow pace of urbanization estimated by the United Nations, from 12 percent in 1950, to 33 percent in 1996, to 42 percent in 2010. These estimates well may prove wrong. The current official estimate of the percentage of the Haitian population that is urban is based on administrative boundaries of towns -- *villes* -- and rural areas -- *sections communales* -- that do not take into account the incorporation into towns of adjacent settlements. A quick look at the detail of available population estimates shows that several areas now classified as rural clearly are urban, noticeably in the metropolitan area of Port-au-Prince. Thus, the number of Haitians now living in urban areas well may be around 40 rather than 33 percent. Accordingly, the pace of urbanization probably is faster than assumed generally, and Haiti may be predominantly urban as early as 2005.

In counterbalance to the misclassification of some urban areas as rural, about two thirds of the 133 *villes* classified as urban are very small. In 1996, about one third of them had an estimated

population of less than 2,000 people. Another third had an estimated population of between 2,000 and 5,000 people. Together, towns of less than 5,000 people account only for about eight percent of the urban population. At the other extreme, in 1996 the official estimate of the population of the metropolitan area of Port-au-Prince was 1.5 million people, which represented 61 percent of all urban people. Most likely that is an underestimate.

After the metropolitan area of Port-au-Prince, only two cities have an estimated population of more than 50,000 inhabitants: Cap-Haïtien, with about 100,000 people; and Gonaïves, with about 60,000 people. Two other cities have an estimated population close to 50,000 people, Saint-Marc and Les Cayes. Four other *villes* have an estimated population of more than 20,000 and less than 50,000 people: Verrettes in the Artibonite next to Saint-Marc, Jérémie in the Department of Grande-Anse, Port-de-Paix in the Northwest, and Limbé in the north close to Cap-Haïtien. The total population of these eight "cities" is less than 400,000 people, and represents 15 percent of the urban population.

In short, only nine relatively large human concentrations represent about 75 percent of Haiti's urban population: the metropolitan area of Port-au-Prince; Cap-Haïtien and Limbé; Gonaïves, Saint-Marc, and Verrettes; Les Cayes; Jérémie; and Port-de-Paix. Of these, only the first seven are connected with roads in at all close to good shape.

3.3. IMPLICATIONS OF GROWING URBANIZATION FOR POVERTY

To date, poverty in Haiti largely has been a rural phenomenon. Ongoing urbanization will change Haiti into a predominantly urban society before 2010 and will result, in the longer run, in predominantly urban poverty. Addressing urban poverty will call for approaches different from those for addressing rural poverty.

At the beginning of the century, poverty probably already was widespread in rural Haiti, when tens of thousands of Haitians emigrated to Cuba to work in the sugar cane fields. In 1977, it was estimated that about three of every four Haitians (72 percent) lived in absolute poverty. In rural areas, extreme poverty affected four of every five Haitians (78 percent). In contrast, only (so to speak) about one of every two persons (55 percent) found themselves in the same situation in urban areas.

In the early 1990s, poverty in Haiti was estimated at 65 percent (Head Count Index). Given the rough nature of all these estimates, one prudently may assume that percentages of Haitians in poverty have remained high, and probably have not dropped much over the past 20 years. With rapid population growth in recent years, however, the total number of poor people undoubtedly has increased significantly. Using available estimates of population and poverty, the number of poor people may have increased from 3.4 to 4.3 million people, that is, by almost a million people over the past 20 years.

It is unclear whether the breakdown between rural poverty and urban poverty has remained unchanged. In the absence of recent data, the differential in poverty rates between rural and urban areas can serve as a proxy to estimate current numbers of rural and urban poor. Under that assumption, the present number of poor people in rural areas is approximately 3.3 million, which represents an increase of about half a million people since the late 1970s. Under the same assumption, the number of urban poor is approximately 1.1 million, which also represents an increase of about a half a million people, but amounts to a doubling since the late 1970s. 3

According to these rough calculations, Haiti's urban poor currently make up a quarter of the total number of poor people. As urbanization progresses, however, the magnitude and significance of urban poverty will become correspondingly greater.

It is not possible to project an accurate picture of global and urban-rural poverty in Haiti in the year 2010. With some rough assumptions, however, one can hypothesize about the future. From an economic perspective, it would be ideal if Haiti could achieve economic growth on the order of eight to ten percent per year. Since the rate of population growth is not going to decrease markedly in the next 15 years, that would mean that real Gross Domestic Product (GDP) per capita would increase by about six to eight percent per year. Such growth would not occur overnight. Assume for the sake of argument, however, that Haiti grows at such rates between 1996 and the year 2010. If that were to happen, GDP per capita would increase 2.5 to three times, and GDP per capita could reach a level as high as US\$1,000. Under this optimistic scenario of economic growth, the percentage of Haitians in poverty would drop from 65 percent -- today's estimate -- to 50 percent by the year 2010. Still, with the population growth projected for the next 15 years, such a decrease in the percentage of the population in poverty would compensate only for demographic growth, and the number of poor people would remain the same: 4.3 million over the period. In other words, *even under the most favorable demographic and economic growth scenarios, Haiti's total number of poor people would decrease only if the percentage of the population that is poor dropped very rapidly, that is, below 50 percent between 1995 and 2010.*

What does all this mean for urban and rural poverty? Assume that approximately 55 percent of the population will be urban and 45 percent will be rural by the year 2010. Assume also that the percentages of people in poverty in rural and urban areas remain at the levels estimated in the late 1970s -- about 60 percent in rural areas, and 40 percent in urban areas. Under these assumptions, in the year 2010 the number of poor in rural areas still would be greater than in urban areas, but the difference would be slight: 2.3 million against two million people. Between 1995 and 2010, however, the number of poor in rural areas would decrease by about one million people: from 3.3 to 2.3 million. In urban areas, however, it would increase dramatically. In fact, it would double, passing from one million to nearly two million people.

These various speculative results highlight several features, which can be summarized as follows. Urbanization is on the march, and shows no signs of waning. As urbanization continues, the percentage of Haitians with limited access to social services can be expected to decline. Depending on the pace of economic growth, the number of poor people in rural areas

will decline as well. In urban areas, the number of poor people is likely to increase for the foreseeable future. For Haiti's next generation, poverty will become increasingly an urban phenomenon. Problems of urban growth and poverty will not be confined to Port-au-Prince, but will extend to Haiti's secondary cities too.

3.4. EMIGRATION: A MIXED BLESSING

For political and economic reasons, Haitian emigration has expanded considerably in recent decades. It is likely to continue at significant levels. Long considered a safety valve for overpopulation and underdevelopment, emigration also can be looked to for development leverage. The resources and talents of Haiti's diaspora need not be lost forever, but can be targeted and tapped both for investment and for reducing poverty.

Conventional wisdom concerning Haitian emigration is that it will not continue, that it cannot continue. To a large extent, that is a fallacy. During the last 50 years, there have been repeated attempts to stave off emigration, not just in Haiti, but throughout the Caribbean. None has met with lasting success.

After the 1936 massacre of thousands of Haitians in the Dominican Republic and the repatriation of Haitians from Cuban plantations, the prevalent opinion in the 1950s was that Haitian emigration was over for ever. In the 1950s and 1960s, however, Haitians started to move again, first in small and then in large numbers, to the Dominican Republic, to the United States, and to Canada. In the 1970s, the tightening of controls in those countries led to the firm belief that emigration was over for good. What happened is that Haitians tapped new outlets: the Bahamas, French Guiana, Guadeloupe, France, etc. At the same time, emigration to the United States, Canada, and the Dominican Republic continued unabated. In the 1980s, authorities in all receiving countries made it clear that illegal immigration, particularly from Haiti, would be tolerated no longer. What happened? The 1980s probably witnessed the highest ever outmigration from Haiti. The truth is that at both ends -- at the source in Haiti as well as at receiving destinations -- movements of people cannot be stopped.

At the source, emigration is the result not only of dire poverty. It also is the result of strong expectations for higher education, economic opportunities, and social advancement for Haiti's upper and middle as well as lower classes. The duality of the causes of emigration is illustrated well by the segmentation of Haiti's emigrants: for years the well educated, coming primarily from Haiti's cities, went to the United States, Canada, and France; on the other hand, poor, unskilled emigrants, often of rural origin, went to the Dominican Republic, the Bahamas, French Guiana, and Guadeloupe. Today, this distinction is not as clearcut as it once was. In recent years many unskilled Haitians have found jobs in the United States and Canada.

At the destination, other factors have contributed to the perpetuation of migration. They include family re-unification, humanitarian concerns, and manpower needs in certain sectors.

For all these reasons, it would be naive to assert once again that the day of Haitian emigration is over. It will not end soon. Even if annual numbers of admissions abroad decrease, it still will continue to be significant.

Developmentwise, emigration is a two-edged sword with both positive and negative impacts. In addition to furnishing a safety valve, emigration often deprives the country of valuable talent. When well educated and risk-taking Haitians leave for other shores, they deprive the country of its more dynamic elements. In many instances, emigrants have the means and may be willing to contribute to development back home, not just through remittances but also through investments in their original communities. The recent establishment of a Ministry of "Émigrés" -- Ministry of the Tenth Department -- is an indication that the Government of Haiti recognizes the significance of the country's diaspora, and the potential role it can play in Haiti's development. So far, however, little has been done.

CHAPTER 4: CONSTRAINTS TO FOOD SECURITY

This chapter forms a bridge between the description of Haiti's current and future food security problems in Chapters 2 and 3 and the presentation of the strategy itself in Chapter 5. The various constraints discussed here set the context for the recommended policy and programmatic responses that follow. Although this chapter does not provide an exhaustive list of constraints, it does point up the enormity of the food security challenge -- that one cannot attack everything at the same time. The sorting through of possible priorities takes place in the presentation of the strategy itself.

4.1. ECONOMIC POLICIES

Following the collapse of the economy during the international embargoes on most trade and financial transactions, the constitutional government restored to power in October 1994 put an Emergency Economic Recovery Plan into effect. The plan sought to stabilize the economy, restore public administration, and attend to immediate infrastructure and social service needs. The plan was successful on a number of economic counts: modest growth ensued, inflation slowed, the gourde remained stable, and net international reserves grew. During 1995, the government also introduced a number of important structural reforms, among them lifting remaining restrictions on imports and eliminating all interest rate ceilings.

With the onset of the presidential election in late 1995, economic performance deteriorated: the public sector deficit swelled and the economic expansion slowed. On assuming office in early 1996, the Preval government took steps to reestablish control over public sector finances. Specifically, it set up procedures to limit government expenditure to revenue collected, it instituted a wages and personnel policy that freezes the government wage bill for three years, it closed most discretionary ministerial checking accounts, and it introduced better expenditure control procedures. As expected, the measures succeeded in slashing the budget deficit and in lowering inflation. Growth, however, remained sluggish.

On balance, two years of economic policymaking after Haiti's return to constitutional government have had demonstrable success on the economic stabilization front, but have not been able to ratchet up the pace of economic growth. For that reason, the government has solicited assistance from the International Monetary Fund and the World Bank to implement a medium-term economic recovery program. Under the program, which will run until 1999, the government proposes to raise real growth in Gross Domestic Product (GDP) to 4.5 percent a year, to reduce inflation to single-digit levels, and to strengthen the country's balance of payments. More generally, the program's major objective is to promote recovery of economic activity through the generation of productive job opportunities, especially for the poor. To support the program, the government proposes fiscal reforms aimed at mobilizing revenues and

improving control and allocation of expenditures, all with a view to directing a significant portion of available resources to infrastructure projects that support economic growth.

The cornerstone of the government's recovery program is the Enhanced Structural Adjustment Facility it has negotiated with the International Monetary Fund. The structural reform agenda under the Facility will focus on:

- ◆ Improvement of public finance, including tax reform and budgeting and expenditure control processes;
- ◆ Public sector management, including civil service downsizing and reform;
- ◆ Privatization of state-owned enterprises;
- ◆ Trade liberalization; and
- ◆ Financial sector reform.

The first priority in the first year of the program will be to broaden the country's currently meager tax base, improve tax administration, and strengthen tax enforcement. This focus is well taken: if ever the government is to lessen its dependence on external aid, it will need to generate and manage resources efficiently on its own. That will not be an easy job. Not only did it recently lower tariff rates significantly; the budget now must accommodate new commitments for security requirements -- the new police force, for example -- as well as the recurrent expenditure implications of donor-financed infrastructure investment. Realistically, the government will be able to finance little infrastructure investment on its own. For that, it will depend heavily on the World Bank and the Inter-American Development Bank, among other donors.

On the soft side of the equation, *the government also has a leadership role to play in establishing a climate propitious to productive investment.* Without such a climate, attempts at economic recovery will be thwarted. Ultimately, Haiti's growth must come from private sector dynamism. To unleash that dynamism, the government needs to be more than neutral; it needs to adopt a consciously encouraging posture. To date, it has vacillated in the image it has conveyed to potential investors. Key elements in the inculcation of a pro-business climate in Haiti include: guaranteed physical security, transparent and enforceable mechanisms for protection of property rights, and sound and enforceable contract legislation governing transactions and exchanges. At the current time, the status of these elements can be described as embryonic.

Most Haitians are risk averse. In rural areas, for example, farmers usually work several plots under various tenure arrangements, simultaneously owning, sharecropping, and renting. The arrangements in question change according to seasons, life cycle, and many other variables. Together with highly varied and flexible agronomic patterns, these practices serve both to avoid risk and to ensure some income throughout most of the year. Without increased protection of their assets and profits, Haitian peasants will not produce more.

The propensity to risk aversion is observable throughout Haitian society, in urban as well as rural areas. The capricious behavior of government officials, unpredictable taxation, a sluggish and inequitable legal system, the uncertain protection of freedom and property, as well as other aspects of the "soft state" result in high transaction costs for every action taken, and in low rates of savings and investment. Under conditions of uncertainty, risk avoidance is rational behavior even if it limits production and incomes. Political uncertainty is a root cause of poverty and, by extension, of food insecurity.

Scarcity of social capital makes the deficiencies of the governmental apparatus particularly damaging. To minimize vulnerability, large numbers of peasant organizations emerged during the past thirty years and covered virtually every community and every aspect of rural life. Compared to the strength of established interests, however, these attempts at peasant organization were transitory, fragmented and weak. A great deal more "institutional scaffolding" is needed at every level if Haiti is to reach a higher plateau of food security.

Haiti has the highest urban primacy rate in the region, and it has been growing every decade. Indeed, urban bias is a dominant aspect of Haitian society, as all large employers, banks, hospitals, institutions of higher education, and modern infrastructure are urban, indeed metropolitan. Yet high urban primacy may be necessary during early phases of economic development and some forms of urban bias may be in the national interest. It is quite likely that investment in secondary cities as service centers would have positive consequences for the non-urban areas surrounding them and that the urban employment created by urban investment would accelerate economic and demographic transitions that rural Haiti will undergo at any rate.

Political constraints frequently have been significant in the channelling of food resources -- indeed, in the institutions that handle resources of any kind. The question must be asked whether the populist politics prevailing at the current time hinder movement toward greater food security. To wit: can entrepreneurs be assured of the physical and political safety of their investments, can managers of production units, transportation firms, and warehouses be protected from rent seekers and mobs alike, and might the "déchoukages" of the past ten years erupt again with all their damaging consequences on the business climate? Although nobody can venture totally reassuring answers to these questions, there has been much progress in the right direction, to say the least. Public order, justice, provision of governmental services, and the restoration of public infrastructure are four pillars of a conducive business climate. In each case, demonstrable progress has been made. But caution is in order for two reasons. First,

public trust, especially trust in governmental institutions, is still shaky. Second, although there definitely is a window of opportunity at the time of this writing, a departure of the United Nations force, an economic crisis, or a number of other unforeseen events conceivably could close the window later in 1997.

4.3. PRODUCTIVE SECTOR CONSTRAINTS

This section discusses constraints that affect Haiti's productive sectors. Because of the focus on food security, the lion's share of attention is given to constraints affecting the country's agricultural sector.

4.3.1. NON-AGRICULTURE

Haiti's industrial sector consists of state-owned enterprises and medium- and small-sized private enterprises that produce for domestic demand, as well as a small number of large private firms that process domestic agricultural products and raw materials and assemble imported components for foreign markets. The industrial sector currently employs less than 10 percent of the labor force and contributes about 10 percent of GDP, down from almost 20 percent in 1991. Firm closures due to the embargo resulted in a sharp drop in employment, especially in the assembly industry, where women represented 70 percent of the workers. In particular, the number of firms in the assembly industry (mainly textiles and electronics) fell from about 250 to 44 during the crisis period, while employment fell from 46,000 to about 8,000. By the end of 1994, assembly operations for exports had virtually ceased. In the rest of the manufacturing sector, the trade sanctions forced firms to produce only for the domestic market and activity in the sector declined generally. Since then, investment has been slow to recover and jobs have increased very slowly.

On the positive side, the Haitian economy is relatively open and there is considerable entrepreneurial talent available locally. The Haitian workforce is hard-working, reliable, stable, and trainable. Workers are also available at very competitive wages and historically have a low level of absenteeism. This in spite of high illiteracy and the lack of access to both technical and managerial training. Haiti's close geographical proximity to the large market in the United States is another advantage. The presence in the United States of a one-million-strong diaspora, which includes many potential investors and a technical and managerial human resource pool for Haiti, also is a major plus, as is the absence of any foreign exchange controls, which permits investors to repatriate capital and earnings at any time and without limits.

4.3.1.1. CONSTRAINTS

- ◆ *State ownership of a broad range of enterprises – including telecommunications, power, ports, financial institutions, manufacturing enterprises, and agribusinesses –*

has resulted in mismanagement, corruption, and very poor performance. Services are unreliable and of poor quality and operations are inefficient, with poor financial control and substantial overstaffing.

- ◆ *Haiti's infrastructure is in serious disrepair, lacking rehabilitation and maintenance, and requiring considerable new investment.* Even before the crisis, less than 20 percent of the paved roads and four percent of the remaining road network were maintained adequately. The main port is heavily congested, and its operations are hampered by inadequate equipment, excessive labor, and poor management. Telephone services are dismal: Only eight out of 1,000 inhabitants have a phone line, and most businesses use radio-based communications. Power supply is concentrated in Port-au-Prince, often limited to a few hours a day during the dry season, and falls far short of even Haiti's limited demand. In addition, non-technical losses and theft consume 40 percent of the electricity supply. Without significant visible progress in each of these areas, it is unrealistic to expect that many investors, especially off-shore investors, will be attracted to Haiti. These conditions reduce Haiti's international competitiveness, incur needless costs, discourage the return of tourism and the recovery of markets lost as a result of the embargo.
- ◆ *The current policy, legal, and regulatory environment is not sufficiently supportive of private sector expansion.* Policies, legal codes, and regulatory mechanisms still are outmoded, unclear, and designed to limit market access, and their application is neither open nor transparent. This increases transaction costs for businesses, provides opportunities for corruption, and encourages commercial banks to remain very risk adverse.
- ◆ *Experienced business people also are reluctant to commit resources to begin or reestablish businesses, to invest in inventory, or to hire or rehire a work force because of the lack of a reliable judicial system, the lack of adequate physical security and protection of property, and the absence of any confidence in contract enforcement.* A pervasive problem is that there is no concept of civil contempt and consequently no penalty for non-compliance with judicial rulings. In cases of egregious civil violations, the perpetrator may be sent to jail, but there is practically never any recovery of damages by the victim.
- ◆ *Local entrepreneurs also lack knowledge of business opportunities and new technologies.* Global trading relationships based on international comparative advantage have become the name of the game in the 1990s. Since Haiti was out of the market for several years during the beginning of the 1990s, it has fallen behind its international competitors. In order to regain its old markets and establish new ones, Haiti's productive and service sector will need up-to-date information on markets and access to state-of-the-art technology. *Information is key.* In addition, labor skills will need to be updated and upgraded at all levels to meet the quality and price requirements of the international market.

- ◆ *The informal sector makes up a large, permanent, heterogeneous, energetic, and high-profile segment of the Haitian economy. It also faces daunting constraints.* Constraints that apply to the vast majority of informal sector operators include: lack of legal title to property, which makes it useless as collateral; lack of a proper workplace, with sufficient production and exhibition space; inadequate availability of basic utilities -- electric power and water; lack of working capital for purchase of raw materials; lack of sales, linked to insufficient demand for their products; and unhealthy working conditions, stemming from poor sanitation, air pollution, lack of clean water, and often unsafe work sites (Delatour and Duggleby, 1993; ILD, 1997).

4.3.2. AGRICULTURE

Agriculture traditionally has been Haiti's principal economic activity. Even in the 1970s, agriculture still accounted for almost 47 percent of the country's GDP, employed almost 75 percent of the country's labor force, and accounted for almost 60 percent of the value of the country's exports. Agricultural production fell steadily during the 1980s. By the end of the decade, agriculture accounted for only 35 percent of GDP and less than ten percent of exports. The sector also suffered greatly during the recent crisis, although its share of GDP actually increased in importance during the period. This phenomenon was due more to the deterioration of the economy as a whole during the embargo period and its slow recovery since then rather than to any vibrancy within the agricultural sector itself.

The Preval government has decided to make agriculture a major priority in its development strategy, both to raise living standards and increase the food security of the majority of the population who still live in rural areas and to create favorable conditions for the export of value-added agricultural products. More specifically, the Ministry of Agriculture, Natural Resources, and Rural Development (MANDR) has established four priorities: (1) the development of irrigation infrastructure, especially in the plains; (2) improvements in land security and the development of water users associations; (3) strengthening agricultural markets through improvements in extension services, the provision of financial services to farmers, support to export marketing, and the development of domestic agro-food industries; and (4) strengthening agricultural research.

The government expects that the agricultural sector, to which considerable donor assistance has been committed, will contribute significantly to growth over the coming years. Programs currently underway include the IDB-financed irrigation construction and rehabilitation projects in the Artibonite and Cul de Sac and rural rehabilitation projects financed by the European Union. The IDB currently is financing technical assistance to the government in the development of reforms in land and water policy. In 1997-98, it intends to develop a \$30 million project to help modernize the agricultural sector. The project will focus on irrigated agriculture, agrarian reform, and support services, including research, technology transfer, and rural financial services. The World Bank (IDA) is providing support to the agricultural sector under the buffer zone development component of a recently approved environment project. It

also is designing a \$20 million agricultural support project for 1998. USAID, another major donor in the sector, has focussed much of its support on sustainable agriculture, and other donors, including France and the European Union, support a wide variety of localized agricultural development projects.

4.3.2.1. CONSTRAINTS

- ◆ *The physical environment is difficult and fragile.* Haiti is a mountainous country. The mountains make it difficult to construct and maintain the all-weather roads that are needed to link people to markets. They also create a diversity of ecological conditions as well as irregular rainfall patterns that lead to periodic droughts that prevent the use of intensive agricultural methods. Most of the country was once covered with natural forests. By 1987, however, only 100,000 hectares remained in forests. Approximately one million of the country's 2.7 million hectares were cultivated, and 0.5 million were used as pasture. Thirty percent of cultivated lands are in the plains and 70 percent on the hillsides. Half the hillside lands have slopes of more than 40 percent where annual food crops cannot be grown without using soil and water conservation techniques.
- ◆ *Population pressure on the land leads to environmental degradation (erosion, flooding, siltation of downstream infrastructure works, water depletion).* Sixty five percent of the Haitian population lives in the countryside, and 70-90 percent of people in rural areas work in agriculture. The rapidly increasing population has exerted increasing pressure on the land, which has generated serious environmental problems. About 30 percent of the land that is cultivated is in marginal areas. Trees are cut to clear lands for agriculture and to harvest wood and charcoal for energy and other needs. Approximately one million hectares of land have been eroded and can no longer support any agricultural use. Plus, an estimated 36 million metric tons of soil have been lost, equivalent to 12,000 hectares of land.
- ◆ *The potential for gravity-fed irrigation is limited, and the implementation of public irrigation schemes has been plagued by financial and institutional constraints.* Gravity-fed irrigation is an alternative for increasing agricultural production and productivity. Only 150,000-190,000 hectares are estimated to be irrigable, however, and of them, only 70,000-90,000 hectares currently are irrigated. Irrigated land is divided into 128 inventoried systems: (1) the Artibonite Valley system with approximately 30,000 hectares, (2) twelve medium-sized systems (from 1,000 to 9,000 hectares each) that total approximately 35,000 hectares, and (3) 100 small systems with a total irrigated area of 20,000 hectares. Most of these systems are under the administrative control of MANDR. Because of financial constraints, however, rehabilitation and maintenance operations are taking place, with donor support, under the auspices of other autonomous agencies. Most public irrigation systems have deteriorated over time due to poor maintenance. At the core of the problem is the fact that users' contributions to cover operation and

maintenance costs are minimal. Design deficiencies also include lack of adequate attention to water availability, including the protection of upstream catchment areas.

- ◆ *Haitian farms are too small for families to be able to make a living solely from agriculture, and opportunities to expand area under cultivation are almost non-existent.* Large farms account for less than one percent of the land under cultivation in Haiti. *Seventy percent of farms are smaller than 1.28 hectares. That contrasts with the estimate that a household needs 2.5 to three hectares in order to make a living from farming. As a result, 80 percent of rural households have to find sources of income other than agriculture in order to buy food.* Farms of less than three hectares have increased, from 62 percent of cultivated area in 1971 to 95.5 percent in 1987, and farms less than one hectare from 21 percent in 1971 to 60 percent in 1987. Most households cultivate four to five parcels on average under various tenure arrangements, simultaneously owning and sharecropping in different ecosystems. These arrangements, which change according to seasons and life cycle patterns, help farmers avoid risk and insure some income throughout most of the year. But they also complicate management and render economies of scale almost impossible. The origins of this structure of ownership can be traced to land distributions that followed the country's independence and to inheritance customs that allocate land to each of a deceased's children. The opportunity for further expansion of agricultural land under cultivation is almost non-existent.

- ◆ *Land titling is difficult and expensive, and lack of land tenure security contributes to stagnation in the agricultural sector.* Lack of legal titles prevents access to formal financial markets, hindering investment and technological change. Lack of tenure security also has a negative impact on the environment, discouraging on-farm investments such as terracing and tree planting and biasing the substitution of annual crops for perennial crops. Property rights are limited by the lack of titling services and a reliable judicial system. The procedures established by law for land affairs are complicated and expensive, and the amount of land that is titled and that complies with legal requirements is extremely small. An informal system provides some land tenure security as long as conflicts can be resolved through existing -- albeit limited -- legal documentation and local customs. This tends to restrict land transactions to community and family members. Joint possession, particularly on hillsides, is widespread. People try to solve the problem by sharing the informal rights to cultivate, to harvest permanent crops, to cut trees, to pasture animals, to build residences, and to bury family members. The situation is fragile, however, and leads to informal land disputes, legal disputes, and even to death. The state, which controls about ten percent of farmed area, is the largest single landowner. Except for the Plantation Dauphin in the Northwest, all state lands are occupied. The status of renters of state lands is not well-defined, however, and the revenue derived from annual lease fees is very low, accounting for only 0.4 percent of fiscal revenues during the last years of the 1980s.

- ◆ *Agricultural productivity is low, as are levels of technology.* The productivity of land and labor fell during the 1980s. This decline in factor productivity reflects a continuous deterioration in the quality of the country's capital stock arising from: (1) continuing land erosion; and (2) very low levels of investment in basic infrastructure, particularly irrigation systems and roads. With the exception of rice, crop yields are declining, falling increasingly below those recorded in other countries in the region. Farm equipment and tools are rudimentary. Most farmers rely on a machete or hoe as the only tools to farm their lands. Sixty five to seventy percent of farmers do not possess a machete or hoe, or the tools are too old to be efficient. Only a few farmers (in the Plain of Les Cayes and the Central Plateau) use animal traction, and even fewer use tractors to prepare their lands. The use of inputs is limited primarily to irrigated areas such as the Valley of Artibonite, the Plain of Cul de Sac, and the Plain of Les Cayes, and the quantity applied is low (15 kg./ha.). Farmers also have problem getting access to good-quality seed. Storage techniques are rudimentary. Drying areas called *glacis* are not widespread. Few farmers have access to silos, even through group or community ownership. Post-harvest losses are estimated to be as high as 20-30 percent for grains, and even higher for perishable products such as fruits.

- ◆ *Farms have been decapitalized, and lack of access to formal credit markets continues to limit farmers' production activities.* Haitian farmers have become decapitalized. The decapitalization is due to a combination of factors, beginning with the slaughter of pigs at the time of the African swine fever crisis, followed by the political instability that developed after the fall of the Duvalier regime, as well as the embargo imposed after the fall of Aristide. In the past, households were able to rely on incomes earned by seasonal migrants to help recapitalize their farms. These earning opportunities have shrunk with the lapse of an official agreement for workers to cut sugar cane in the Dominican Republic and the reduction in illegal migration to the Bahamas, Florida, and elsewhere in the Caribbean. With the closing of the Banque de Crédit Agricole (BCA), the only channels of formal credit to farmers are commercial banks, credit unions, cooperatives, and non-governmental organizations (NGOs). Since most farms are small, commercial banks have played an extremely limited role in Haiti's agricultural sector. Worldwide, commercial banks seldom lend to small farmers because of high transaction costs, the inability to use untitled land as collateral, and the existence of interest rate caps that promote credit rationing away from borrowers whom it is costly to service and for whom risk is high. Cooperatives and credit unions operate primarily in urban areas. Their expansion to rural areas will depend on changes in existing laws to allow payment of competitive rates on savings deposits and on development of an adequate legal and regulatory framework.

- ◆ *Poor to non-existent roads isolate producers from markets and contribute to higher food prices.* Although Haiti is a relatively small country, the poor condition of existing roads -- and the utter absence of roads in many rural areas -- makes it difficult and costly to move products, whether imported or domestically produced, to deficit areas, thereby increasing prices to consumers and reducing the incomes received by farmers. The

remoteness of so many production units also acts as an obstacle to investments in activities with backward and forward linkages to the agricultural sector, such as the production of agricultural inputs and the processing, packaging, and marketing of agricultural outputs. High transportation costs, not high profits by marketing agents, are the major reason for the reportedly high food prices in Haiti. This conclusion was confirmed by a recent SECID survey in the Northwest, which found that market margins are relatively low once one takes transportation costs into account. Retail margins, for example, varied from 7.9 percent for rice to 30-39 percent for sorghum and corn, which were just enough to cover transportation and marketing costs.

- ◆ *Public sector institutions are weak and fail to supply key public goods.* The failure of the state to supply much needed public goods has been a major constraint to the development and modernization of the agricultural sector in Haiti. One of the most serious failures of the government has been the lack of enforcement of property rights as a consequence of inadequate provision of titling services and the absence of a reliable judicial system. Other serious shortcomings include the absence of public sector leadership both in technology generation and transfer and in the maintenance of public roads and irrigation systems, as well as the lack of prudential regulations that could contribute to the development of rural financial markets. The combined effects of a decade of political instability and the more recent embargo have weakened an already weak set of government institutions, including the MANDR. Donor decisions to withdraw development assistance from the public sector in favor of NGOs have contributed to and helped perpetuate these weaknesses. The end result is that the current government has limited financial resources to invest in the agricultural sector. In 1996-97, for example, only 900 million gourdes -- six percent of the national budget of 13 billion gourdes -- will be directed to agriculture. Moreover, few human resources exist to provide even the most essential public goods and services.
- ◆ *Coordination is lacking within the sector, both by NGOs and by the donor community.* The role of NGOs in the agricultural sector has increased in importance as the capacity of the public sector has deteriorated. Coordination among the various actors is poor. Plus, considerable gaps and duplications exist among programs. A number of donors, including the World Bank, the Inter-American Development Bank, IICA, FAO, and the European Union are active in the agricultural sector in addition to USAID. These agencies attempt to maintain informal contact to avoid duplications and contradictions in their programs. Still, the potential for redundancy is considerable and there is no process in place for developing a common vision for the sector or for identifying whether there are key gaps where no donor support currently is available. In addition, MANDR has not yet been able to take a strong leadership role in coordinating the activities of the NGOs or the international donors active in the sector.

◆ Food aid programs may have created disincentive effects to the domestic production and marketing of food. There is no hard evidence that food aid has had a disincentive effect on local production. Nor would one expect such an effect at the macro level. Nationally, donated food has helped increase the overall supply of food available, which has helped moderate price increases. Without food aid, either commercial imports would have to increase to fill the gap (if the purchasing power of the population were sufficient) or the food deficit would rise, resulting in higher prices and the exclusion of more low-income households from the market. The story could be quite different, however, in the small, price-sensitive regional markets outside of Port-au-Prince, especially right after harvest. Injecting food into those markets could lower prices temporarily at the very moment that farmers need to sell their own production, thus reducing their incomes and their ability to buy food back later. The availability of non-monetized food aid for sale in local markets in Haiti also is indicative of the potential for market distortions. The problem is not that the food is marketed, but that it is sold below its real market price, since its opportunity cost to beneficiaries is low. Price distortions result that could discourage the production and marketing of agricultural products. The policy of using food as food (more than 70 percent of the food assistance made available to Haiti has been provided in non-monetized form), together with its distribution through bureaucratically administered rather than market channels, also may contribute to market distortions and inhibit the development of more efficient food markets.

4.4. SOCIAL SECTOR CONSTRAINTS

Social sector programs can make important contributions to food security, and there are a multiplicity of such programs underway in Haiti. Food assistance programs are the most visible, and their impact on food security is the most direct and immediate. Among traditional social sector programs, primary health care and basic education are the most important from a food security perspective. Nutrition programs, implemented separately or as part of the health system, also play a role in the alleviation of food insecurity in Haiti. Temporary employment generation programs, created to assist the poor to maintain their access to adequate diets, also can contribute significantly to food security, as they did during the economic crisis in 1994-1995.

4.4.1 FOOD PROGRAMS

Special attention needs to be given to food assistance programs because food resources have been such an important part of the U.S. assistance program to Haiti. The program was fairly small in value terms in the years between its initiation in 1954 and 1977, when the addition of a \$10 million Title I program brought the total food resources provided to the country to approximately \$20 million. In relative terms, food aid was very important during the latter half of the 1970s,

when it accounted for 60 to 70 percent of the Mission's portfolio. The food aid program also has been significant during the 1990s. The addition of a \$20 million Title III program in 1991 to support the new Aristide government increased the value of the total food assistance program to \$30 million. And the big increase in Title II food resources in 1993 in response to the embargo brought the total value of the program to over \$40 million, where it remained for the next two years. Because of the relatively large amounts of Development Assistance (DA) and Economic Support Fund (ESF) resources made available to Haiti, especially in 1994 and 1995, the relative importance of the food program in the 1990s is smaller than in the late 1970s. On average, the food assistance program has accounted for 40 percent of USAID's portfolio during the 1990s.

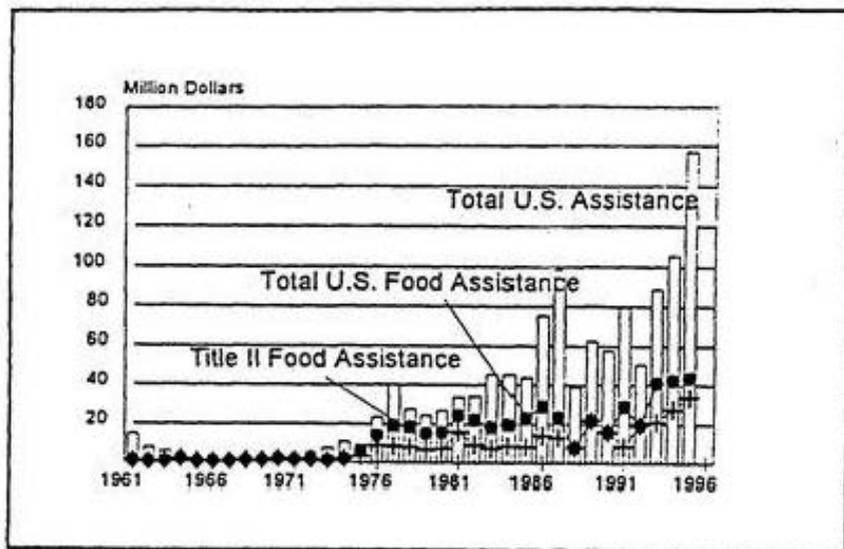


Figure 4.1: Trends in U.S. Assistance, including Food Assistance

Title II, which provides food to NGO cooperating sponsors to use in direct feeding programs, has been the dominant program. In 18 out of the last 34 years, it was the only U.S. food assistance program in Haiti. The food has been allocated to four types of programs -- maternal and child health (MCH), school feeding (SF), food for work (FFW), and general relief (GR).

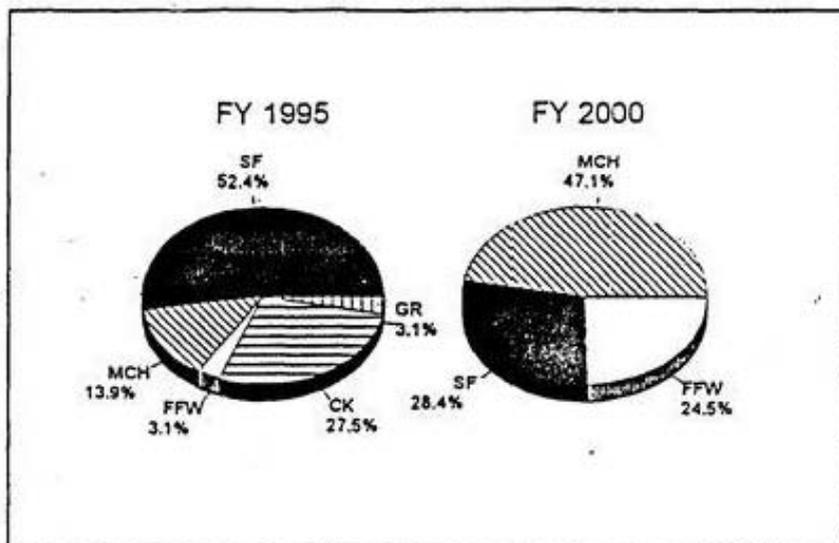


Figure 4.2: A Comparison of the Distribution of Regular Program Beneficiaries in FY 1995 and FY 2000

The relative importance attached to these programs has changed over time.

Food for work was more important during the 1970s, whereas, more recently, more attention is given to maternal-child health programs. School feeding programs remained popular for many years despite evidence that they tend not to be well targeted to more food insecure households. General relief programs increased in importance during the embargo years, when large amounts of food were made available through hastily established community kitchens or *cantines populaires*. This method of distribution turned out to be inappropriate in more rural areas and was not effective in targeting resources either to the most vulnerable households or to the most vulnerable members of those households. In FY 1995, school feeding programs accounted for the majority of the beneficiaries of the non-emergency Title II program, followed by community kitchens (CK) and the maternal-child health programs. Food for work and general relief to orphanages and old age homes each accounted for only 3.1 percent of total beneficiaries. Current plans are to exit from general relief programs by FY 2000, to scale down the school feeding program, and to increase the numbers of participants in the maternal-child health and food for work programs.

Large quantities of food assistance have been both an advantage and a disadvantage. The food that has been distributed through the various direct distribution programs, including maternal and child health and school and community feeding, has had a direct and positive impact on the food security of large numbers of households and individuals. These programs were particularly important during the 1991 to 1995 period, when they contributed significantly to reducing the negative impact of the embargo and the subsequent economic crisis on the well-being of poor Haitian households. Food made available under the Title III program also has helped increase the supply of food and moderate increases in food prices. In the most recent agreement, the policy reform agenda and the uses of the local currencies generated under the program have been tied more closely to food security objectives.

4.4.1.1. CONSTRAINTS

- ◆ *The availability of large amounts of food assistance has encouraged a tendency to equate food security with feeding programs.* The drawback to having large amounts of food assistance available for Haiti is that it probably has encouraged the tendency to equate food security with feeding programs and may have led to an excessive reliance on food assistance to resolve Haiti's food security problems.
- ◆ *Emergency food assistance programs focused USAID's attention on feeding people in the short run and obscured the role that food aid can play in helping people improve their food security over the longer term.* Emergency food assistance programs have dominated much of USAID's attention in the 1990s. The economic crises of recent years, coupled with the drought in the Northwest, demanded that steps be taken to avoid hunger if not outright starvation. In reacting to these crises, the use of food aid as an instrument to promote food security in the longer term was relegated to the back burner.
- ◆ *Food assistance programs also may have encouraged the development of dependency on the part of program beneficiaries as well as program workers.* Donated food has been available to Haiti and to particular programs and communities for a long time. A relatively large percentage of the population has been able to rely on food rations for a number of years. This suggests the possibility that dependency and initiative-inhibiting behavior may have taken root, even among those who have participated in better targeted programs such as MCH and food for work. The modalities for distributing food have contributed to the problem. The community kitchen programs were particularly vulnerable to the charge that they created a climate of dependency and entitlement. The fact that so many people, foreign aid workers as well as Haitians, depend on these programs to make their living, raises a different type of dependency question.
- ◆ *Food assistance programs have not paid sufficient attention to the importance of complementary health and education inputs.* Traditional social services have an important role to play in the alleviation of food insecurity in Haiti in the short, medium, and long run. In Haiti, poor dietary and sanitary practices and poor health are major constraints to proper food utilization. Low levels of education are associated with low levels of productivity and incomes as well as with poorer health and nutrition status and larger families. In the design of food assistance programs in Haiti, insufficient attention has been paid to the importance of complementary inputs. *Food alone, in the absence of complementary health measures such as micronutrient supplementation, growth monitoring, and the promotion of better health and nutrition practices, including breast feeding and appropriate weaning practices, is unlikely to have much of an impact on child malnutrition. Food used to stimulate attendance at schools is not likely to have much of an effect on what children learn if the quality of the education provided is low because there are no textbooks available, because teachers are poorly trained and frequently absent, because classes are overcrowded, etc.*

- ◆ *Food assistance programs have not been well integrated with each other or with other Mission programs.* Although the situation is changing, the Mission has tended to design and manage food assistance programs independently of other activities. A particular case in point was the development of the large community kitchen program during the embargo. The practice also has been true even in cases where one logically might have expected relationships to exist with other Mission activities -- for example, in health and education settings. Title II programs also have suffered from the lack of standard operating procedures. Programs with the same objectives and target groups vary both in the levels and in the duration of the assistance they provide. Unit costs, measured in terms of food costs and total cost per beneficiary, have varied substantially. The absence of standards for monitoring and evaluation also has made it difficult to set priorities among programs and to improve their management. The Title II and III programs have not been linked conceptually, although Title III local currencies have helped cover some of the logistical costs of Title II cooperating sponsors.

4.4.2. HEALTH

Haiti has some of the worst health indicators in the Western Hemisphere, especially for children and reproductive-age women. Infant mortality approaches 80 per 1,000 live births, the mortality rate for children under five is 130 per 1,000 live births, and maternal mortality is estimated at 460 per 100,000 live births. Epidemics of communicable childhood diseases are common, as are outbreaks of environmentally linked diseases. The disease burden on children is enormous. Over half of Haitian children have episodes of diarrhea every two weeks, and diarrhea accounts for 48 percent of deaths of children between one and 11 months. Morbidity data confirm the widespread prevalence of tuberculosis (two to three percent), sexually transmitted diseases (four percent), and HIV infection, which affects seven percent of sexually active adults in urban slum areas and 2.5 percent of newborns.

On the positive side, the Ministry recently defined basic principles for health policy for the next five years. These principles include: (1) decentralization of decisionmaking and execution to departmental and local levels; (2) restructuring the national health system around local health systems or community sites called UCSs (Unités Communales de Santé); and (3) guaranteed access to a minimum package of basic services. The UCS strategy has many positive attributes for the development of basic health services for a wide range of under-served populations and provides an integrating focus for government, NGO, and donor funding for health services at the community level. The focus is the services to be provided, not the structures through which they will be delivered. This approach will allow development of many models of services delivery. This means that a UCS could provide services through government facilities managed by the Ministry of Health and Population (MSPP), through government facilities managed by an NGO, through NGO facilities connected with a government hospital, through a private-for-profit (franchise) health facility, through a for-profit group practice of doctors providing community health services, through a health facility with effective outreach services, or through a community-based program with referral services. The flexibility that the UCS concept offers

is a plus in the Haiti context. Still, the development of effective UCSs will not be an easy task, given the weakness of the current system, particularly at the community level, and the complexity of coordinating services and different funding sources among different community service providers.

A number of donors either are active or are planning to become active in the health sector in Haiti. The World Bank is financing a \$28.2 million health and population project that includes components to establish basic health service models in the country's western and southeastern health departments, to establish a national tuberculosis program, and to reduce the transmission of HIV and other STDs nationwide. USAID's Health Systems 2004 Project will provide \$50 million over 4.5 years. It includes a policy component to work with MSPP in the development of national policies, norms, and standards. It also includes support for MSPP, NGOs, and commercial providers to deliver child survival and primary and reproductive health care in geographically focused areas throughout Haiti. The project also supports national programs in immunization, family planning, HIV/AIDS prevention, and nutrition. The IDB is designing a \$35 million project to support the reorganization and rationalization of the health sector. The IDB also is providing \$35 million in assistance to rehabilitate rural water systems, and a project financed by the World Bank (IDA) and France is expanding coverage in Port-au-Prince. The government has requested assistance from the IDB to improve sanitation conditions in Port-au-Prince and is preparing a Port-au-Prince sanitation master plan with World Bank (IDA) assistance. The IDB and World Bank also have provided \$23.7 million (the IDB is scheduling an additional \$30 million) through Haiti's Economic and Social Assistance Fund (FAES) to finance critical social infrastructure, particularly health and education facilities.

4.4.2.2. CONSTRAINTS

- ◆ *Public financing of the health sector is low and unsustainable.* Public expenditures on health in Haiti are strikingly low and have been declining. Between 1990-91 and 1994-95, public spending in the health sector varied between 1.1 and 0.7 percent of GDP, or between \$20.7 and \$17.7 million. The contribution from international donors varied between \$23 million in 1990 and \$52.9 million in 1995. A significant share of external funds were directed to NGOs under the category of humanitarian assistance during the recent political crises. Private spending is estimated to make up more than half of health sector financing in Haiti. External donors contribute nearly one third of all expenditures, and public expenditures provide the rest. This pattern of expenditures is largely a function of the recent crises. As Haiti regains social and political stability, the public sector must emerge as a stronger actor, especially in setting health policy and service norms.
- ◆ *Allocation of public sector health resources is inefficient.* The distribution of resources within the public health sector in Haiti suffers from two problems. First, purchases of complementary inputs are crowded out by spending on personnel costs. It is estimated that about 90 percent of the government's health budget is allocated to personnel. Little

remains for urgently needed drugs, supplies, and maintenance. Second, scarce public resources are allocated disproportionately to hospitals and, in particular, to facilities within Port-au-Prince, at the expense of primary care and health programs in the rest of the country.

- ◆ *The provision of health services is uncoordinated.* The current configuration of the Haitian health system reflects political, economic, and social upheaval, rather than any systematic planning to address the critical health needs of the population. The role of NGOs and the number of NGO facilities have increased as the public system has deteriorated. The NGO sector now is a major actor in the health care system. Of the 573 health facilities in the country, 36 percent are private (primarily NGOs), 26 percent are mixed public-private, and 38 percent are public, operating under the auspices of MSPP. NGO facilities, while providing vital services to many of the country's poorest populations, operate outside a regulatory framework and without government oversight.
- ◆ *Institutional constraints limit service delivery.* Lack of qualified personnel, drug shortages, and disrepair of facilities limit the availability of services, particularly in areas outside of Port-au-Prince. Pharmaceuticals and contraceptives are not available uniformly at service delivery points, and those that are available are too expensive for most clients. Part of the problem can be traced to the lack of overall accountability in the system. The system includes: a central procurement agency (PROMESS), managed by PAHO; peripheral depots, built by the World Bank and separate from PROMESS; and service delivery points managed either by MSPP or by individual NGOs. NGOs are expected to pay cash for the drugs they purchase and transport them to the health facilities. Other systems also need to be put in place if the UCS strategy is to succeed. Many service delivery points, especially those in rural areas, do not have trained staff. The staff they do have are not supervised or paid in a timely fashion. Referral systems are lacking. And financial systems are inadequate.
- ◆ *Policies are inconsistent with broad access to health services.* Many policies currently in force do not promote the widest possible access to health services. For example, many health facilities open only a few hours a day and, thus, limit the ability of mothers to receive services. Policies that give short shrift to self-treatment and emphasize the need to visit health facilities often mean that clients receive no treatment at all. And reliance on doctors, even medical specialists, for routine procedures limits the availability of some contraceptive methods.
- ◆ *Coordination also is lacking within the donor community.* Although donors to the health sector, which include WHO/PAHO, the European Union, USAID, the World Bank, the Inter-American Development Bank, and UNICEF, attempt to maintain informal contacts, the potential for duplication, overlapping programs, and even conflicting programs remains considerable. The Ministry has not yet been able to take a leadership role in coordinating donor participation in the health sector.

4.4.3. NUTRITION

The current policy of the Ministry of Health and Population includes a strong focus on improving child nutrition. More specifically, the current policy is that each child have access to a package of integrated services, within which nutritional services play an important role. The model envisioned by MSPP encompasses growth monitoring, nutrition education, and targeted supplemental food for the malnourished, coupled with other community interventions, as well as other services such as immunization and deworming. The providers of these services will be the UCSs. The minimal package is to include: (1) integrated management of the child; (2) management of pregnancy and delivery; (3) management of medical and surgical emergencies; (4) communicable disease control; (5) dental care; (6) essential drugs; (7) sanitation and potable water; and (8) health education. Examples of the types of nutrition and health activities that can be expected to contribute to food security in Haiti are identified in Table 4.1. The advantages and disadvantages of selected alternatives are discussed in Table 4.2 at the end of the chapter.

Table 4.1. FOOD SECURITY-ORIENTED NUTRITION AND HEALTH INTERVENTIONS	
Direct Nutrition Interventions	Non-Specific, Health-Oriented Interventions
Rehabilitation of the malnourished child: <ul style="list-style-type: none"> ◆ at a hospital ◆ at a rehabilitation center ◆ at home 	Control of diarrheal diseases through: <ul style="list-style-type: none"> ◆ health education ◆ oral rehydration therapy (ORT) ◆ adequate feeding during the episode
Screening and early diagnosis through nutritional surveillance: <ul style="list-style-type: none"> ◆ of at risk groups ◆ of the community 	Vaccinations
Nutrition education, including: <ul style="list-style-type: none"> ◆ breast-feeding promotion ◆ weaning foods 	Treatment of respiratory infections (ARIs)
Supplemental feeding for: <ul style="list-style-type: none"> ◆ children under five ◆ pregnant women 	Malaria prophylaxis
	Health referral systems
	Family planning
	Health education
	Prenatal care

The program is a long way from implementation, however. The minimum package has not been defined in full. Although several small area health systems might be considered to exhibit elements of a UCS, no UCS currently exists. Some elements of the minimum package are likely to be better implemented than others. For example, service providers pay particular attention to EPI services, less to family planning. Few organizations have set up integrated management-of-the-child programs, and many have no program to address chronic diseases such as tuberculosis and malaria. Even in "better-off" areas, there is no continuity of care at the periphery: a sick child currently has nowhere to go for treatment except to a health center, which may be far away. These problems are amplified in areas where no organized community health activities exist. Theoretically, the 2.5 million people living in urban areas have access to health services. Of the remaining five million people, about 2.5 million are reached by organized community health systems. Thus, 2.5 million people have very poor, or no access to health services. Finally, the quality of services has not been addressed in a systematic manner on a nationwide basis, although it has been reviewed in the evaluation of several projects, particularly family planning projects.

4.4.3.1. CONSTRAINTS

Specific constraints to implementing the nutritional component of the health program include:

- ◆ Only two million people, corresponding to roughly 300,000 children under five years of age, live in areas where growth monitoring is carried out on a community basis. The existing infrastructure took ten years to put in place, at considerable investment. The investments needed to extend this approach to the rest of the country are formidable.
- ◆ Many organizations that implement health programs refuse to distribute food rations, stating that such rations provide an artificial stimulus for the use of health services.
- ◆ Even in very well run programs, attendance at growth monitoring sessions oscillates between 50-70 percent of target children.
- ◆ There is no documentation in the literature that growth monitoring programs, when carried out on a large scale, have a positive impact on nutritional status.
- ◆ Such models treat children when they are already malnourished -- that is, too late -- while having little or no impact on the prevention of malnutrition.

Growth monitoring also has a positive side of the coin. In small area programs, where growth monitoring takes place on a community basis, it furnishes a ready-made channel to target food assistance to needy families. Furthermore, individual growth monitoring can furnish a way to revitalize underutilized, mostly public, health centers and dispensaries, improve their utilization, and thereby increase coverage for health services in general.

Even if the health system could reach the entire population, there are technological constraints that limit the impact of health interventions on nutrition.

- ◆ There is no guaranteed way to *prevent low birth weight*. Alternatives include providing supplemental food to pregnant women (see discussion in the Annex to Chapter 2) or mass treatment of genital infections during pregnancy. This newer approach has been explored in the past 15 years and still is being investigated.
- ◆ The anti-*measles* vaccine is effective as of the age of nine months. By that time, 40 percent of infants already will have sero-converted to measles.

In two important areas, technological constraints do not rear their ugly head:

- ◆ There are currently no technological constraints to the improvement of contraceptive prevalence in Haiti.
- ◆ The means to provide potable water to the population exist, and ORT is a well-recognized intervention for the treatment of diarrhea.

4.4.4. POPULATION

Although the rate of natural increase of the population remains at over two percent, Haiti has made progress during the past seven years in reducing its fertility rate and increasing use of contraceptives. The total fertility rate declined from 6.3 children per woman in 1987 to 4.8 in 1994, a drop of 24 percent in less than ten years. Fertility declines have been particularly sharp in the peak child-bearing years – ages 25 to 34. One important factor contributing to the overall fertility decline has been the increased use of modern family planning. Since 1987, the percentage of married women using contraception has increased from seven to 18 percent, including the 14 percent who currently use modern methods. The increase in contraceptive use has been particularly strong in urban areas, but rural areas have made significant progress as well. In fact, there is widespread awareness of contraception and heavy demand for family planning services throughout the country. Nearly 99 percent of married women know about at least one modern method of contraception. When asked about their desire to limit or space child-bearing, almost 50 percent of women interviewed in the EMMUS II survey said that they did not want any more children, and an additional 22 percent indicated a desire to delay their next child at least two years. Desired family size also has decreased significantly from 4.8 children in 1987 to three children today. As a result, 48 percent of currently married women have an unmet need for family planning services.

4.4.4.1. CONSTRAINTS

- ◆ *The number of service delivery points is inadequate and the supply of services at these points is unreliable.* The key constraint to a dramatic expansion of the use of contraception is the lack of a reliable supply of services. According to a recent facilities mapping study, only 80 percent (460 of 573) of health facilities in Haiti currently provide family planning services. In 1994-95, an additional 23 percent of facilities had interruptions in contraceptive services or supplies. The only methods commonly available at most facilities are oral pills, condoms, and injectables, and many of them are not available to clients because of provider bias. A major reason for the absence of services is the lack of trained providers at many service delivery points. Many providers are unwilling to live in isolated rural areas where basic amenities such as housing, water, electricity, and telephones are not available. Another reason is the lack of support for public health providers, many of whom do not receive their salaries for months at a time and are likely never to see a supervisor or receive communications from headquarters.
- ◆ *Contraceptives are not readily available.* PROMESS, the central procurement agency, has not given high priority to contraceptives. The pharmaceutical distribution system included contraceptives as part of its routine formulary just recently, and still seems to treat contraceptives as an optional item in its essential drugs program.
- ◆ *The Haitian medical community has overmedicalized family planning.* In other countries, medical personnel other than doctors routinely provide some contraceptive services. In Haiti, only doctors can provide them. This practice limits the availability of contraceptive services and increases their costs. Examples include dispensing multiple cycles of oral contraceptives and the insertion of IUDs and injectables.
- ◆ *Donors have relied too heavily on the private sector.* Since the mid-1980s, donors have provided support almost exclusively to private family planning activities. Reasons include the weak performance of the public health sector as well as overall political instability. Although this support has contributed to the increase in contraceptive use in the country, it is questionable whether the private sector -- both for-profit and non-profit -- will be able to provide quality reproductive health and family planning services to the entire population. Many private, non-profit providers of family planning services have a narrow base, are unsustainable, and work in isolation from each other.
- ◆ *The Government of Haiti has not given enough attention to population and family planning issues.* Despite the importance of family planning to the people and the economy of Haiti, there remains a lack of strong and sustained political support for such services both within the Ministry of Health and Population and more broadly throughout the government. The government does not have a national population policy; nor is there a commitment on the part of MSPP to attach high priority to family planning and reproductive health services as part of the basic package of health services to be provided in all health facilities throughout Haiti.

4.4.5. EDUCATION

Human capital formation is an essential ingredient of all progress toward sustainable development, and basic education has the most favorable cost-benefit ratio of all human capital formation. All countries ranking high on either economic or human development scales have excellent primary education systems, while all countries with low rankings, such as Haiti, have deficient systems. Education affects development directly by increasing knowledge, competency, and flexibility of the labor force, and by improving the discipline and productivity of labor. Education is also an indirect cause of development through its effects on health, life expectancy, fertility, personal incomes, and the quality of life.

In Haiti, *the demand for education is high*, and Haitians of all classes sacrifice a large part of their incomes for education. Most parents now try to send all their children to at least primary school, and, on average, spend an estimated 16-17 percent of their incomes on schooling. Social returns are low, however, because of the system's inefficiencies and because the economy fails to transform educational achievement into more than modest productivity gains.

The private sector, which includes a multitude of private voluntary organizations, religious orders, and private entrepreneurs, is playing an increasingly important role in the educational sector in Haiti. Thirty five years ago, private schools accounted for only 20 percent of total enrollment. In primary education today, they account for 66 percent of enrollment, 86 percent of schools, and 70 percent of teachers. From an organizational perspective, therefore, the educational sector is highly decentralized. Some may view the limited role of the government in the provision of educational services as a constraint -- even a failure -- of the public sector. An alternative view is that its diversity makes the sector more crisis-proof than a centralized system would be. Even if some parts fail to perform, there will be others in the sector willing to accept enrollment spillovers and move into market niches.

The government currently is working on a National Education Plan. The plan will give priority to redefining the role of the Ministry of Education, giving more emphasis to its leadership and supervision role, and to institutional reform. The Ministry has three objectives: (1) the establishment of an open and accessible but fee-paying school system; (2) the provision of quality education; and (3) the creation of a partnership among the Ministry, parents, and communities.

USAID, through its Incentives to Improve Basic Education project, has provided support to education in Haiti since 1986. Most of the support has focussed on private schools and on primary education. Other donors have and will continue to focus primarily on public schools. Both the IDB and the World Bank are designing new projects to support development of basic education. The IDB's \$30 million project is expected to focus on the provision of texts and materials, revamping the financing of education, and improving teacher training. The European Union is assisting the Ministry of Education meet its non-wage recurrent expenditures.

4.4.5.1. CONSTRAINTS

- ◆ *Access to education is limited.* Although formal schooling has a long history in Haiti, educational opportunities for the vast majority of Haitians are limited by spatial and economic constraints. The dispersed location of much of the rural population imposes a heavy price in energy on rural children who attend primary school and effectively excludes them from secondary education. The direct and opportunity costs of education also impose a heavy burden on the rural and urban poor, and result in strong fluctuations in school attendance in response to prevailing economic conditions. The upshot is that Haiti has the highest rate of illiteracy -- over 50 percent -- in the hemisphere.
- ◆ *Educational efficiency is low.* Haitian schools are marked by high attrition rates at every level. Grade repetition and dropout rates are hard to assess because of frequent school changes, but their overall effect is well known. It takes 12.5 student years to produce a single primary school graduate. The school career of most children consists of several enrollments, withdrawals, and repetitions. Two thirds of all places are filled by students who are overage by at least three years, most of whom will never graduate. Crude enrollment rates are deceptively high (close to 80 percent), but graduation rates and throughput to secondary school are low. Most children drop out after a few attempts at completing preschool. Some never complete first grade.
- ◆ *The quality of education is poor.* School quality is high in a small number of urban schools run mostly by religious orders, but on the whole it is very low. In private schools, which, again, teach two thirds of enrolled children, only 12 percent of teachers are qualified. In public schools, only half are. Most schools are ill equipped and in disrepair, and most pupils have no textbooks or materials. Deficiencies in supplies, overcrowded classrooms, inadequate supervision, and a generally low level of organization complete the picture. About 14 percent of private schools operate in the open air, sometimes without benches.

Table 4.2.

**ADVANTAGES AND DISADVANTAGES
OF ALTERNATIVE TYPES OF NUTRITION PROGRAMS**

Advantages	Disadvantages
Treatment of the malnourished child in a hospital, rehabilitation center, demonstration foyer or at home	
<ul style="list-style-type: none"> ◆ This approach treats those who need help the most and saves on scarce resources. ◆ Centers known as <i>foyers de démonstration</i>, which provide intensive education to mothers, may be effective in the short term (70 percent of children will improve if rehabilitation is carried out well). In certain circumstances, a permanent educational effect also is seen (Augustin, <i>et al.</i>, 1994). ◆ Such programs could be developed where there already exists an extensive infrastructure for community-based nutrition surveillance of pre-schoolers and where resources exist to educate mothers in the appropriate use of locally available (and bought) food. 	<ul style="list-style-type: none"> ◆ This approach is curative rather than preventive. That is, the child is treated after it already is malnourished. ◆ This approach also requires a nutrition surveillance/growth monitoring infrastructure that needs to be extensive to cover the population at large. ◆ Evaluations of Haitian programs have shown them to be costly, to need well trained and motivated workers, and to have severe limitations in coverage (Beaudry-Darismé and Latham, 1973; Augustin, <i>et al.</i>, 1994)
Early screening and diagnosis through growth monitoring	
<ul style="list-style-type: none"> ◆ By identifying growth faltering early, mothers can be alerted and motivated to give more food to the child. ◆ In any "best practices" book, any child who is in contact with the health sector has his or her weight taken and plotted on a growth chart. This allows both mother and practitioner to determine whether the child is growing normally. Growth monitoring is part and parcel of the "integrated management of the child" wherever the health infrastructure exists to carry this out (ideally it should be carried at all health institutions in the country as part of the health package). ◆ Henrys, <i>et al.</i> (1991), have reported a positive impact of a community-based growth monitoring program in Thomonde, which did not use supplemental food distribution. 	<ul style="list-style-type: none"> ◆ The impact of these programs may be limited if they are not coupled with an education component and some specific intervention for those found to be malnourished. ◆ This approach also requires well trained, well motivated, well supervised field personnel and numerous weighing stations close to the home (rally posts). ◆ Another problem with these programs is that only 50-70 percent of the children come regularly to be weighed (Henrys, <i>et al.</i>, 1991; Eggren, personal communication).

IV-24

Growth monitoring, nutrition education, targeted supplemental food (i.e., the standard package), using donated food	
<ul style="list-style-type: none"> ◆ This is known in some circles in Haiti as the "CRS" model that was initiated in 1990 under the VACS project and that included three components: 1) MCH activities at both the community and clinic levels (which include nutrition recuperation and surveillance for children and a food supplement for mothers); 2) income-generating activities for community health workers; and 3) small-scale water and sanitation activities in communities participating in the MCH program. On the basis of a positive evaluation, CRS is to expand the model to additional communities in the southern peninsula of Haiti. ◆ This approach identifies and works with high-risk households who need services the most and does not waste resources on those who are not in need. 	<ul style="list-style-type: none"> ◆ This approach is curative rather than preventive. That is, the child is treated after it already is malnourished. ◆ This approach also requires well trained, well motivated, well supervised field personnel and numerous weighing stations close to the home (rally posts), with an anticipated 3000 health workers employed for rural areas alone. ◆ This approach also requires the permanent availability of food aid.
Growth monitoring and use of local food instead of donated food for supplementation	
<ul style="list-style-type: none"> ◆ This is known in Haiti as the Canadian ("CEC") model. It has the same advantages and disadvantages as the CRS model. ◆ The education component would be more sustainable if mothers are taught which local food to buy. 	

Supplemental food is targeted to selected groups, such as pregnant women and children under two or three

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| <ul style="list-style-type: none">◆ Limiting food distribution to children already malnourished may not be cost-effective, because over half the children under two suffer from some form of malnutrition.◆ Recent data suggest that it also is important to correct mild malnutrition.◆ A significant number of pregnant women in Haiti are underweight pre-pregnancy and would benefit from adequate food intake to guarantee proper weight gain during pregnancy. | <ul style="list-style-type: none">◆ A massive distribution of food on a national level would require an extensive distribution network even if the targeting were made simpler by focusing on all pregnant women and all children under two.◆ The evidence that supplemental food during pregnancy impacts on birth weight is ambiguous, although data on food reserves of pregnant women in developing countries suggest a need for supplementation.◆ Making food available to all pregnant women and all children under two might discourage the behavior of "positive deviants," i.e., those who manage to cope despite severe limitations in resources.◆ There is a danger that this approach would artificially increase the demand for health services and that this demand would not be sustainable once the food is gone.◆ Making food available to all pregnant women with no limitations on the number of times a woman could participate in the program might encourage additional pregnancies. |
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Provide dietary supplements (micronutrients), i.e., iron and folic acid to pregnant women and Vitamin A to children from six months to six years

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| <ul style="list-style-type: none">◆ Iron/folate supplementation has been found to be the single most effective intervention in terms of prenatal survival in several international studies.◆ In Vitamin A deficient populations, similar to Haiti's, distribution of Vitamin A capsules has led to a 30 percent decline in the mortality of children of over one year of age.◆ Micronutrients are cheap. By providing them to those who make regular use of existing health services, a significant proportion of the population could be reached without significant additional investment. | <ul style="list-style-type: none">◆ A service delivery mechanism must be in place to make micronutrients available to the community. |
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CHAPTER 5: PROPOSED FOOD SECURITY STRATEGY

This chapter covers a lot of ground. Not only does it lay out policy and programmatic priorities to advance food security in Haiti. It also seeks to explain the reasoning that leads to the priorities selected. Since food security is multidimensional in character, the upshot is that the chapter has many messages to convey. To ease the burden on the reader, the diagram on the following page summarizes the chapter's main messages. It also attempts to portray schematically the logic that leads to the proposed strategy's major policy and programmatic conclusions.

5.1. CENTRAL FOCI

Of the three rubrics of food security -- availability, access, and utilization -- lack of access is the root cause of food insecurity in Haiti. In other words, *Haiti's food insecurity is more than anything else a question of poverty*. If poverty can be reduced, lack of availability and poor utilization can be addressed as well.

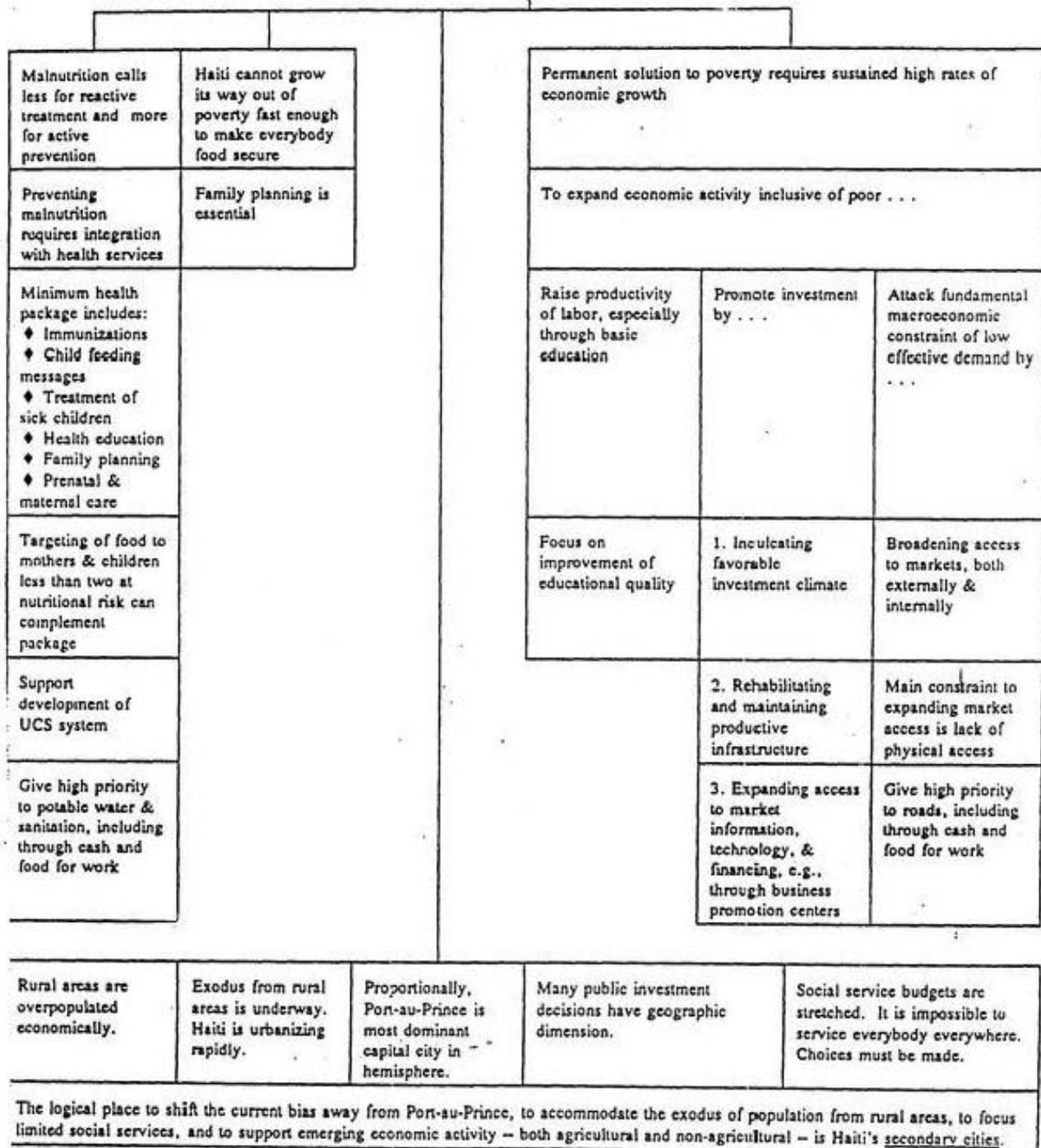
In what follows, a strategy is outlined that attaches highest priority to poverty reduction. As discussed in Chapter 1, however, poverty reduction is a medium- to long-run proposition. In the short to medium run, large numbers of Haitians will continue to be malnourished or at nutritional risk. In particular, substantial numbers of young children will continue to be vulnerable to irreversible physiological damage unless measures are taken to enable them to benefit from whatever food to which the incomes of their households give them access. As a consequence, the proposed strategy's primary focus on income generation for the poor will be complemented by a focus on utilization, especially on Haiti's most nutritionally vulnerable population, children less than two years of age either currently malnourished or at high nutritional risk.

Strategically, food availability is an important, but secondary concern. If Haiti's poor were not poor, that is, if they could translate their nutritional needs into effective demand for food, food availability would increase markedly, either through increases in national production or through increases in commercial imports. Producing food often is a cost-effective way for poor households to increase their access to food. But increasing food production is only one -- and not always the most cost-effective -- way to bring about that result. Furthermore, it is not an end in itself.

LOGIC AND PRINCIPAL MESSAGES OF PROPOSED FOOD SECURITY STRATEGY

Haiti's food insecurity has its roots in poverty

Reducing poverty permanently requires adoption of developmental perspective



It is one thing to define Haiti's food security problem and to list constraints to solving it; it is another thing to suggest appropriate solutions. To do that, one must have a clear conception not only of where one is now, but of where one would like to go. In what follows, the strategy team presents a vision of Haiti in the year 2010. The vision is not a projection, but a value judgement tempered by a sense of the possible. By making its desired destination explicit, the team presumably can make more informed choices among competing policy and program options on how to get there.

The vision that follows paints a picture of what Haiti ideally will be like in approximately 15 years from now under the assumption that things go reasonably well between now and then. The characteristics of this "realistically optimistic" vision of Haiti are:

- ◆ Economic growth rates will gradually approach eight to ten percent a year, and the natural population growth rate will decline from 2.1 percent to 1.5 percent. As a result, a smaller percentage of Haitians will suffer from poverty in 2010 than today. Nevertheless, a substantial number of Haitians will continue to be poor. If roughly two of every three Haitians are poor today, roughly one of every two will be poor in 2010.
- ◆ Acute malnutrition and micronutrient deficiencies virtually will disappear. Chronic malnutrition will halve to approximately 15 percent. The principal cause of chronic malnutrition will be low birth weight.
- ◆ Rural population will increase, but the trend toward urbanization will accelerate. By 2010, there will be close to a 50-50 split between Haiti's rural population and its urban population. Food insecurity will become increasingly an urban problem.
- ◆ Population growth rates will be highest in Haiti's secondary cities, especially in the half dozen secondary cities that have grown by at least a factor of four since 1950 and that currently contain at least 20,000 inhabitants. Port-au-Prince will grow, but its rate of growth will slow. In sum, Haiti's population will be more urbanized, but less concentrated in the capital city.
- ◆ Primary agriculture will grow, but less rapidly than other sectors. Backward and forward linkages with primary agriculture will take on much more significance. Haiti's principal cities will be the base of expanded and more efficient agricultural input, processing, and marketing industries. In short, primary agriculture and its ancillary industries will be more modern and productive.
- ◆ Haiti will produce more food, but will meet an even higher proportion of its food needs with imports. Commercial imports, which it increasingly will be able to afford, will make up the lion's share of Haiti's food import bill. Food aid will decline both

proportionally and absolutely. Haiti will be far from food self-sufficient, but it will be more food secure.

- ◆ Proportionally, Haitian agriculture will shift production out of basic grains to high-value crops, exploiting comparative advantage. The country's most dynamic farmers will produce for niche markets, both internally and externally. *Private initiative select the crops.*
- ◆ Haiti's strategic watersheds will be stabilized and protected. Outside of strategic watersheds, environmental degradation will continue.
- ◆ Light manufacturing will be the main engine of Haiti's future economic growth. The bulk of light manufacturing will be for export. Light manufacturing operations will be spread among Port-au-Prince and the country's principal secondary cities.
- ◆ Haiti's road network will improve dramatically. Good trunk roads will connect Port-au-Prince and the country's principal secondary cities. Access roads will connect strategic watersheds with major cities. Roads in most of the rest of the country's rural areas will continue to be poor.
- ◆ The private sector will manage essential public utilities, especially electricity, telecommunications, and (sea and air) port services. The companies in question will furnish effective service not only in Port-au-Prince but also in the country's principal secondary cities.
- ◆ As Haiti becomes increasingly urban, more of its people will benefit from social sector services. An increasing proportion of investments in primary health, population programs, and basic education will be directed to Haiti's principal secondary cities, but local governments still will have difficulty meeting the burgeoning demand of urban dwellers for social sector services. Realistically, budgets will continue to be inadequate to meet the social sector service needs of most people in rural areas.
- ◆ Primary school efficiency will rise from roughly 50 to 75 percent: more students will complete primary school and, on average, they will complete it in less time. The quality of primary education also will improve markedly. The number of secondary schools will increase, as will their quality.
- ◆ The growth of Haiti's secondary cities will bring with it a decentralization of economic power. The power of the purse will shift markedly away from Port-au-Prince. Local governments will become much more active protagonists of development.
- ◆ Emigration from Haiti will continue to be a two-edged sword. On the one hand, emigration will continue to be an escape valve from poverty. On the other hand, Haiti's best educated people will find it easiest to migrate.

5.3. PRINCIPLES FOR SETTING FOOD SECURITY PRIORITIES

Every strategy team brings a mindset to its interpretation of the facts. Ultimately the acceptance or rejection of its strategy will depend on the degree to which readers share that mindset. Prior to presenting the specifics of the proposed food security strategy, therefore, this section attempts to make explicit the principles that guide the team's selection of policy and program priorities.

There are so many worthwhile things one can do to improve food security in Haiti that one can justify practically any intervention he or she can think of. The difficulty is that the resources available to address food insecurity pale alongside the magnitude of the problem. As a consequence, opportunity-cost thinking is essential.

When faced with the juxtaposition of a plethora of needs and a modicum of resources, one must assess carefully how one chooses to allocate development resources. Any time a scarce resource -- US dollar, Haitian gourde, or food -- is spent on one thing, it means that it is *not* spent on something else -- where potentially, at least, it could fetch a higher social return.

Firm, coherent monetary and fiscal policy is essential to put Haiti's economic house back in order and to restore public confidence in economic policymaking.

The government is to be commended for the discipline it is exercising on the macroeconomic front. There now must be no turning back. A consistent hand at the macroeconomic policy rudder is a precondition for sustained, steady growth in the future.

For a country like Haiti to reduce permanently the number of its people in poverty, its economy must grow for a number of years at a rate of eight to ten percent a year.

Growth in Gross Domestic Product on the order of four to five percent a year obviously is better than no growth at all, but does not amount to much more than a holding pattern. For sizable numbers of poor people to cease being poor people, sustained, dynamic growth is essential. Fortunately, experience in other parts of the world, especially in East Asia and more recently in other countries in Latin America and the Caribbean, suggests that growth of that magnitude, though still years away for Haiti, is not a pipedream. For it to occur, however, one must think big and be ready to depart from business as usual.

The generous response of external parties to Haiti's crises in recent years has contributed to a climate of dependence, which is antithetical to a long-term poverty eradication strategy.

International donors and non-governmental organizations are to be commended for the generosity of their response to the crises of recent years. Their support literally saved lives. The flip side of the coin, however, is that the very liberality of the response has reinforced a predisposition to look at poverty in Haiti as a "welfare" rather than an economic growth problem. Now that the crises ideally have passed, the time has come to reintegrate the poor as active participants in the market economy. Haiti's development challenge is not to substitute for market forces, but to make markets work for the poor.

Realistically, Haiti cannot grow its way out of its food security problem fast enough to address the problem in its entirety. Population programs will continue to be essential for the foreseeable future.

Below it is argued that light manufacturing, especially for export, probably is the likeliest sector to look to to restore economic dynamism. The development/redevelopment of that sector will take time. As a consequence of the economic embargo of recent years, relationships between foreign buyers and local manufacturers that had taken years to build disappeared over night. Those relationships -- and, in fact, the image of Haiti as a country in which it is attractive to invest -- will take considerable time to rebuild. Thus, no matter how appealing the notion of light manufacturing may appear, there is no way that sector will be able to create jobs fast enough to meet the entirety of the labor force's pent-up and rising demand for jobs. In addition to the health and human rights arguments that can be advanced for population programs, therefore, the economic case is clear as well.

For Haiti to make a permanent dent in poverty, the productivity of its poor people must increase. For the productivity of its poor people to increase, they must have more capital, both physical and human, to work with.

By all accounts, Haitians are hard-working people. Why then is the productivity of Haiti's labor force so low? In comparison with labor forces in other countries, the Haitian labor force has relatively little physical capital at its disposal and exhibits relatively low levels of educational attainment. As a consequence, investment promotion and education call for high priority attention.

Realistically, poor people have limited capacity to expand physical capital on their own. As a result, one must look to the non-poor, both in and outside Haiti, for the lion's share of the investment required for future growth in jobs and incomes.

For many purposes, it is desirable and admirable to work directly with the poor in resolving their problems. Realistically, though, there are limits to how far, by itself, such a strategy can go. Haiti's needs for employment-generating investment far exceed the capacity of poor people to do it themselves. As a consequence, the climate for investment in Haiti is a matter of primordial importance. To generate jobs, Haiti needs to attract risk-taking *employers*. A logical first place to look for such investors/employers is the Haitian diaspora.

Both macroeconomically and locally, the major constraint to development in Haiti is lack of effective demand. As a result, connections with outside markets are essential. In other words, Haiti must export, both externally and internally.

Nationally, Haiti's productive apparatus is constrained by the low level of effective demand -- that is, purchasing power -- within the country. As a practical matter, therefore, Haiti has no choice other than to look to external markets for buyers of its goods and services -- and to make its investment climate one that is oriented outward rather than inward. Looked at another way, setting up free trade zone enclaves is not enough. The challenge is to encourage and open the entire economy to trade.

The same argument has validity at the local level. Despite their heavy dependence on markets, poor people, especially those in isolated areas, typically enjoy only limited access to them. To break out of the low-level equilibrium trap in which they find themselves, it is essential that they enjoy access to a broader range of market opportunities.

In Haiti, the best public investment for expanding market access is roads.

In principle, there are a variety of policy and program actions that can tie markets together and tie currently poor people into those markets. In Haiti, however, there is little doubt that the appalling state of roads -- both trunk and access roads -- is the major impediment to integrating domestic markets and linking them in turn with international markets. As a result, the rehabilitation of the country's road network must be public investment priority number one.

The place one finds a problem is not necessarily the best place to attack it. As a case in point, the location of the majority of Haiti's most food insecure people in rural areas does not necessarily make rural areas the best place to attack their food insecurity.

There appears little doubt that the majority of Haiti's most food insecure people live in rural areas and engage -- among other pursuits -- in agriculture. One programmatic response to the plight of such people might be to focus primarily on raising agricultural productivity. Such a response could be second-best. Existing population-land ratios, especially in Haiti's hills, are too high for a productivity-increasing strategy -- by itself -- to generate sufficient incomes to lift significant numbers of poor rural households above the poverty line. In addition, the resource base of the areas in question is too fragile to support much additional population pressure in any case. Such considerations suggest that it may be advisable to consider program responses outside the areas of extreme food insecurity themselves. Haiti's rural poor appear to have internalized that lesson themselves, as the diversity of their income sources bears witness.

The logical place to focus public investments is the country's principal secondary cities and their respective countrysides.

In one sense, promotion of growth in Haiti's secondary cities and neighboring countrysides is the country's only reasonable development choice. On the one hand, the current pattern of mass migration to Port-au-Prince is neither desirable nor sustainable. On the other hand, Haiti's rural areas are overpopulated *now*, and will continue to be so, even with conceivably dramatic increases in agricultural productivity. Moreover, and as painful as it may be to acknowledge, reaching all of Haiti's most food insecure people -- and Haiti's most food insecure people are, almost by definition, its most isolated physically -- lies beyond the country's budgetary grasp. Hard choices therefore must be made. As a matter of relative priority, focusing public investment on the country's principal secondary cities is the sensible choice -- not only to service a substantial portion of Haiti's currently poor population, but also to furnish relatively attractive places for currently isolated poor people to migrate in the future.¹

A secondary cities strategy is an agricultural and rural development strategy.

A strategy of decentralization to secondary cities not only is a way to deflect growing population pressures in Port-au-Prince; it also is a logical outgrowth of thinking through what "rural"

¹Secondary cities often have been the first haven of poor people leaving rural areas for gainful employment. During the embargo, these migrants were referred to as "internal boat people." Internal boat people may become "external boat people" once again unless, between them, secondary cities and Port-au-Prince step up the pace of generating jobs.

development must entail in coming years. There are two ways of thinking of agricultural and rural development, as a supply-push process and as a demand-pull process. If one thinks of agricultural and rural development in supply-push terms, one focuses on productivity concerns and how much additional product can be "pushed" from the countryside. If one conceives of development more as a demand-pull process, then one shifts one's focus to look at overall effective demand in the economy and the potential role that cities and market towns can play in "pulling" agricultural production out of rural areas. Both development theory and programmatic experience in a variety of countries -- including Haiti -- suggest that the latter perspective is the more appropriate of the two. When the development process is looked at in that way, city and countryside are not rivals, but allies. The two demand goods and services from each other: in the city, industries with backward and forward linkages with agriculture grow and mature, and absorb the continuing exodus of rural dwellers; in the countryside, increases in effective demand in the city furnish real incentives to invest in primary agriculture and make it more productive, modern, and profitable.

As a practical matter, when one talks about the economic potential of a secondary city, much of the discussion revolves around the economic potential of its surrounding rural areas. It may be that processing activities take place in the city, but the products processed typically have their origins in the countryside.

Agriculture will continue to be a significant sector of the economy for the foreseeable future, but it cannot be looked to as Haiti's lead engine of dynamic growth.

There is ample evidence available that returns on investment in agriculture can be high, both on the plains and in the hills. For that reason, investment in agriculture will continue to make sense. That said, it is difficult to believe that agriculture in Haiti, even with substantial investments in lowland irrigation, can be the lead engine of the eight- to ten-percent growth rates required to lift substantial numbers of Haitians out of poverty and food insecurity.

Geographically, the appropriate unit for investment in agriculture is the watershed.

In Haiti, it is common to debate the relative priorities to be given to hillside agriculture and to plains agriculture. As a practical matter, the two ecosystems are related intimately and cannot be divorced from each other. Rather than thinking in horizontal terms, therefore, it is preferable to think in vertical terms, that is, of watersheds.

The sector most likely to provide the dynamism for high rates of overall economic growth is light manufacturing.

In the last 45 years, Haiti has enjoyed only one brief period in which growth in Gross Domestic Product approached levels that lift substantial numbers of people out of poverty. That period was the late 1970s and early 1980s. The principal engine of growth during the period was light manufacturing -- assembly, textiles, agroprocessing, etc. In a negative vein, the principal losers from the economic embargo were workers in precisely those kinds of industries. Although these glimpses into recent Haitian economic history are not definitive, they certainly are suggestive.² Specifically, they suggest that a likely place to start to put Haiti back on the path to buoyant economic recovery is the light manufacturing sector. Furthermore, as intimated above, the ideal location for firms in that sector is not Port-au-Prince alone, but secondary cities as well.

The role of government is to encourage private sector activity. It is not to pick winners, to make productive investments, or to produce. Those responsibilities lie with the private sector.

The government does not have the wherewithal, by itself, to create permanent jobs for the majority of Haiti's poor people. Nevertheless, government policies have much to do with the degree to which private economic activity flourishes and the degree to which those relatively poorly endowed participate in that activity. In essence, the government has two fundamental roles to play: first, to set clear and transparent rules for market activity and to enforce compliance with those rules; and, second, to invest in public goods -- physical infrastructure, primarily -- essential for the conduct of private economic activity. Of all the actions that a government can take, these are the most basic -- and those that typically will have the biggest impact in lowering transaction costs in the economy and making it more competitive.

Roads probably are the most common example given of public goods that reduce market transaction costs. There also are other, less obvious examples of public goods that governments and donors can invest in for the same end. The partial underwriting of deal-oriented private business promotion offices in secondary cities discussed below is a case in point.

Emergency food assistance has dominated much of USAID's attention in recent years. The time has come to shift its focus to the prevention of malnutrition and, thus, reduce Haiti's need for emergency assistance in the future.

The economic crises of recent years, coupled with drought in the Northwest, demanded that USAID act reactively rather than proactively. Starvation was in the offing, and action needed to be taken. As the country slowly emerges from that emergency, the time has come to adopt

²Also suggestive is what appears to be a gradual acceleration of light manufacturing activity since the embargo.

a more long-term developmental posture and focus on the means for preventing malnutrition in the future.

Food is a necessary but not sufficient condition for good nutrition.

Malnutrition is not just a disease, and food is not its cure. Rather, malnutrition is a state that results from a number of interrelated variables. In Haiti, available evidence suggests that the principal determinants are infections, limited maternal knowledge, meager use of health services, and fertility factors. Although food can be useful as an income transfer and in luring vulnerable mothers and children to health services -- and, in fact, recompensing mothers for the difficulty in getting to them, food per se typically is not the key variable at work.

Food insecurity is too scattered in Haiti to use geography as a criterion for targeting. This suggests the desirability of self-targeting interventions -- food for work, for example.

Despite political sensitivity and anecdotal evidence to the contrary, food insecure people apparently are open to -- and, indeed, would welcome -- food-for-work programs. Food for work offers a number of advantages: first, those willing to accept food for work typically need it; second, food-for-work programs can create productive and social capital -- roads and potable water systems, for example; third, food for work is flexible -- if necessary, it can be programmed to meet seasonal fluctuations and emergency requirements.

Safety nets mean different things to different people. Clarity of definition is in order.

In Haiti it is common to refer to at least three different kinds of programs as safety net programs: first, programs that attend to otherwise defenseless indigent people in institutions set up expressly for that purpose -- orphanages and old-age homes, for example; second, programs directed to populations at nutritional risk -- maternal-child health programs, for example; and, third, programs that provide jobs for those temporarily unemployed. In the policy and program recommendations given below, reference is made to these programs separately, not indiscriminately.

Improving food security in Haiti is Haiti's job. USAID is only a supporting actor in that drama.

In recent years, the United States Government has played a major role in Haiti's affairs. It led the economic embargo that finally returned the country to democratic rule, and, both during and since, has given generously of its resources to ease Haiti's food insecure people through very trying times. Precisely because its humanitarian response has been so robust, the popular mind has come to identify food security in Haiti with USAID's food aid program. This perception is unfortunate on two counts. First, it confuses food security with food aid. And, second, it place USAID in the awkward position of taking on responsibility for Haiti's food security problem. As a final principle for consideration, therefore, the strategy team suggests that the role of the United States Government assume proper perspective. As daunting as Haiti's food security challenge looms for the future, it is Haiti's challenge to respond to. USAID can help Haitians in that task, but it neither can nor should it attempt to do the job for them.

5.4. MAJOR DEVELOPMENT CHOICES

During the development of the strategy, a number of significant choices surfaced for consideration. In one sense, the choices are the strategy's "metachoice." Before presenting the policies and program actions that make up the practical meat of the strategy, therefore, this section summarizes the strategy team's positions on what are logically prior, broader questions. The summary appears in Table 5.1.

Table 5.1.

**PROPOSED POSITIONS
ON MAJOR DEVELOPMENT CHOICES**

Question	Answer
To what extent should the strategy focus on safety nets, economic stabilization, and economic growth?	If Haiti is to move substantial numbers of poor people out of poverty, it has no choice but to tilt its development attention more aggressively toward growth. The shift can not be done wholesale from one day to the next, however.
Should the strategy focus primarily on rural or urban areas?	No matter what the government and donors do, outmigration from rural areas is likely to continue unabated for years to come. The development of cities tied in with external markets is essential for buoyant economic growth. The choice therefore comes down to going with the flow and directing it preferentially to secondary cities, supporting more decentralized development.
Should Haitian agriculture produce primarily for the domestic market or for export?	In the final analysis, this is not a question for the government, donors, or the strategy team to answer. Picking winners (and, quite possibly, losers) is the prerogative of producers. That said, producers typically need information on markets, appropriate technology, sources of financing, etc., to make informed choices. Often the costs of obtaining such information can be prohibitive. As experience under the PLUS Project illustrates, external support can play an important, facilitative role here.
What specific agricultural products should Haiti produce?	Although plenty of ideas abound, this is a question, again, that falls more appropriately to producers to answer. The same goes for selecting among specific light manufacturing industries as well.
Should USAID continue to focus on agriculture in the hills or support the government on the plains?	Other donors have expressed interest in lending major support to the government to improve irrigated agriculture on the plains. Continuation of the implicit division of labor currently in force therefore appears in order, subject to the proviso that USAID continue to focus on strategic watersheds and coordinate with parties working downstream.
Should USAID focus on treating or preventing malnutrition?	Now that the crisis of recent years is receding, it is time to tilt the pendulum to prevention.

5.5. FUTURE POLICY AND PROGRAM PRIORITIES FOR FOOD SECURITY IN HAITI

This section presents the key elements of the proposed strategy to improve food security in Haiti. In general, it recommends a conscious shift from a "welfare" to a developmental perspective. Specifically, it argues for a change in policy and program priorities to nudge Haiti, over time, to growth rates high enough to lift substantial numbers of food insecure people out of poverty. In addition, it argues for a focus on secondary cities and their surrounding countryside.

Strictly speaking, the focus on secondary cities is not a necessary condition for growth. In principle, Haiti's future growth could take place without it. Nevertheless, the current pattern of growth, in which the Gulliver of Port-au-Prince lords it over the Lilliputians of the rest of the country, is neither sustainable economically nor desirable socially. Some will argue that development resources are simply too scarce at this time to "divert" them away from pressing needs in Port-au-Prince. Migration to secondary cities is not a fad, however. It has been going on for some time, and, if anything, it will accelerate. The public policy question, therefore, is whether it makes sense to go with the flow, so to speak, and accommodate what, by all accounts, is a socially desirable evolution of demographic trends. The strategy team argues that the time has come not only to accommodate it, but to encourage it.³

In developing the strategy, the proposed focus on secondary cities generated a variety of reactions. Like beauty, what a focus on secondary cities means appears to lie in the eye of the beholder. For that reason, it is important to make explicit what is proposed here is and what is not.

For some, the proposal of a secondary cities strategy harks back to the development thinking of the 1970s and 1980s that emphasized urban-rural linkages, the role of market towns, and the creation of "growth poles." Much of that thinking continues to have relevance today. As a practical matter, though, many programs that emerged from that thinking suffered from two major drawbacks, both of which are to be avoided here. First, designers of secondary city programs often tried to lead -- not to say, preempt -- the market. In short, the underlying philosophy was, "if you build it, he will come." Frequently, economic activity did not come, and white elephants resulted. In the strategy proposed here, the approach is explicitly pro-market: look to those cities where economic dynamism already is taking place, build on it, and expand it. Haitians already are voting with their feet and migrating to secondary cities. The challenge is to make those cities permanent homes of economic dynamism and, thus, minimize further onward migration, either to Port-au-Prince or abroad.

³In fact, donors have been and are likely to continue to be the predominant source of Haiti's investment funding. To a large extent, therefore, a decision to shift public investments toward secondary cities would involve primarily donor funds.

The second drawback of much urban development in the past has been the almost exclusive emphasis given to industrial development as the motor of regional growth. Although potential linkages between city and countryside were acknowledged in principle, the practical application often was enclave in character. Although the benefits of industrial growth were seen as rippling out somehow to the countryside, the countryside largely was ignored as a source of raw material. Thus, the natural symbiotic relationship between city and countryside described in textbooks did not pan out in full. The strategy proposed here would not ignore the potential of industries relying on imported inputs -- such industries do create income after all and do set in motion derived demand for food and fiber. But the strategy would not cocoon itself in that approach. In Haiti, the major constraint to the growth of agriculture is lack of effective demand. Secondary cities are a logical place to look for the generation of that demand, not only through the multiplier effects that result from higher urban household incomes, but also, more directly, through agroindustries that process primary agricultural products for both domestic and export markets.

The overriding objective of the focus on secondary cities and their respective countrysides proposed in this document is to increase the incomes of currently food insecure people, primarily through the generation of jobs. The principal instruments to bring that objective about will be the combination of conducive policies and investment programs. To the extent that those policies and programs require geographic focus -- and often they do, secondary cities furnish it. Looked at from that perspective, therefore, the strategy proposed here is unabashedly an economic development strategy. It is not, per se, an urban development or political decentralization strategy -- though, as incomes rise in secondary cities and their surrounding areas, both urban development and political decentralization naturally can be expected to take place. For purposes here, however, they are ancillary objectives to the main task at hand.

Table 5.2 presents Haiti's current hierarchy of cities. It includes all settlements with more than 7,000 inhabitants, a cutoff point that, with one exception, identifies what most observers would regard as the country's "cities." The exception is Jacmel, which has a population slightly less than 20,000 people.

Haiti has the most pronounced urban primacy in the hemisphere. By official estimates, the Port-au-Prince metropolitan area contains at least 15 times the population of Cap-Haitien, the country's second largest city. Actually, that ratio may understate the difference. Many observers believe that the population of Port-au-Prince metropolitan area is considerably higher than the official estimate. If so, the "true" ratio could be greater than 20:1.

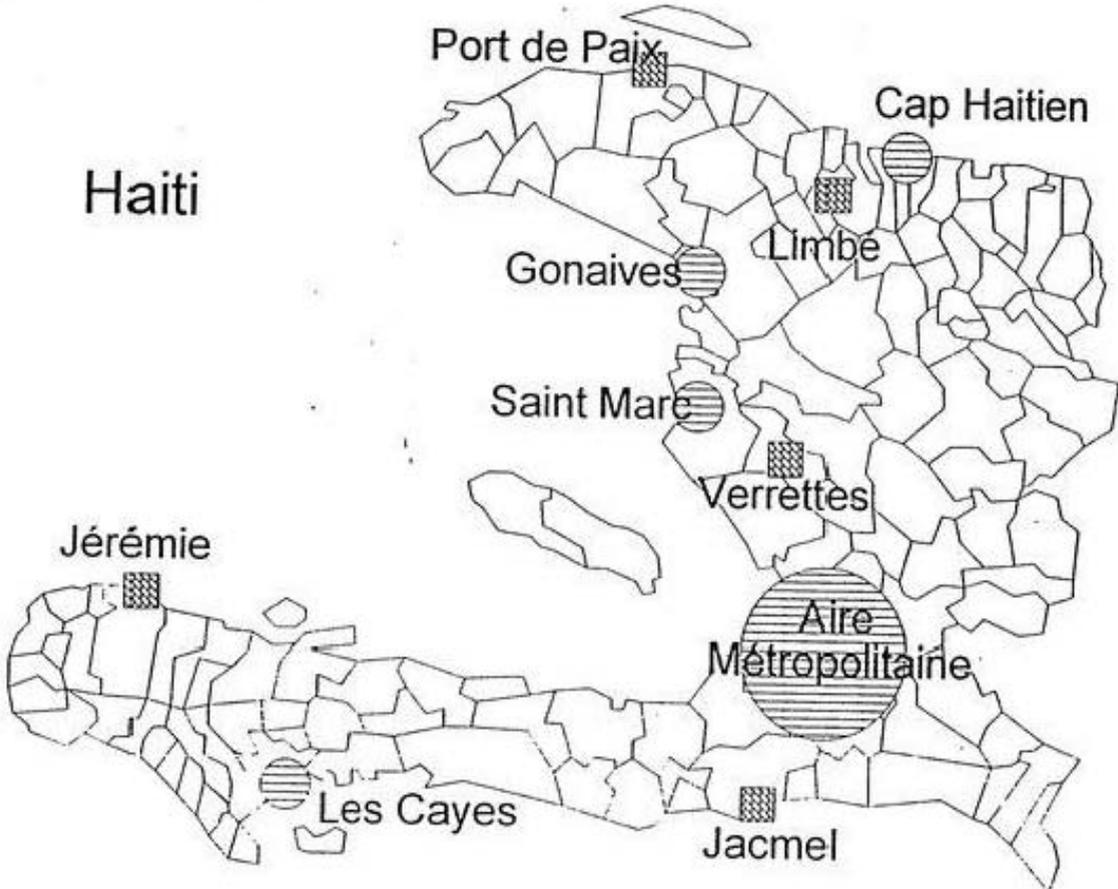
Empirically, when this document refers to "secondary cities," it is referring to the four "intermediate cities" and the four "market and district towns" contained in Table 5.2. The strategy team would not be averse to including Jacmel in the list as well, which would give a total of nine. It is in a limited number of these cities and their neighboring countrysides that the strategy team recommends priority be given in future investment programs. The location of the cities can be seen in the map below.

Table 5.2. HIERARCHY OF CITIES IN HAITI		
Types of cities	Cities	Population
Metropolitan areas	Port-au-Prince	1,651,000
Intermediate cities	Cap Haitien	102,000
	Gonaives	61,000
	Saint Marc	47,000
	Les Cayes	47,000
Market and district towns	Vérettes	28,000
	Jérémie	27,000
	Port-de-Paix	26,000
	Limbé	21,000

The remainder of this section, Section 5.5, and the following section, Section 5.6, define the principal policy and program priorities that the strategy team sees as essential to improve food security in Haiti. The following section talks explicitly to what the team recommends that USAID do. This section, in contrast, lays out policy and program priorities across the board, and thus, ideally, at least, has implications both for USAID and for the Government of Haiti, as well as for other donors and non-governmental organizations. Since the strategy team is preparing this strategy exclusively for USAID, the reader is cautioned to view the policy and program priorities presented here not as prescriptions for others, but as the major items of the overall food security policy dialogue agenda that the team would propose USAID take up with the government and other parties involved in Haiti's development. In the final analysis, enhancing food security in Haiti is Haiti's job, not USAID's. The role of USAID is to support Haiti in that task and, ideally, act as a catalyst in helping think through what will work and what will not. It is in that spirit that the recommendations below are offered.

The priorities recommended by the team are summarized in Tables 5.3 and 5.4. Table 5.3 presents recommended policy measures, while Table 5.4 presents recommended program actions. In each case, a phasing of the implementation of the recommendations is suggested over two periods, from 1996 to 2000 and from 2001 to 2010. As one might expect, the recommendations for the latter period are more generic than those for the former.

Haiti



Port de Paix

Cap Haitien

Gonaives

Limbe

Saint Marc

Verrettes

Jérémie

Aire
Métropolitaine

Les Cayes

Jacmel

Table 5.3

**SUGGESTED PHASING OF POLICY MEASURES
TO ADVANCE FOOD SECURITY IN HAITI**

1996-2000	2001-2010
Rationalize and make investment incentives uniform	Refine and maintain investment incentives
Institutionalize procedures for resolution of business disputes	Refine and maintain procedures
Reduce tax exemptions and improve enforcement	Expand tax base and improve enforcement
Privatize electricity, telecommunications, and ports	
Implement current tariff policy	Adopt uniform tariff policy
Make support to agriculture evenhanded and transparent	Continue evenhanded and transparent policy
Make family planning a clear national priority	Continue to make family planning a clear national priority
Government assumption of responsibility for orphanages, old-age homes, etc.	Continuation of government responsibility for orphanages, old-age homes, etc.; funding of greater portion of FAES and minimum package of health services
Explore options for regularizing property rights, water, and finance policies	Regularize and refine property rights, water, and finance policies
Institutionalize joint government-donor programming of all local currency generated under food aid programs	Continue joint programming of local currency generations; as the economy improves, gradually phase out food aid programs

Table 5.4 SUGGESTED PHASING OF PROGRAM ACTIONS TO ADVANCE FOOD SECURITY IN HAITI	
1996-2000	2001-2010
Rehabilitate and maintain major trunk roads	Complete rehabilitation of trunk roads; rehabilitate major access roads; maintain all roads rehabilitated
Develop private business promotion centers in four major secondary cities	Expand private business promotion centers to additional secondary cities; gradually phase out external support
Increase focus of social sector activities in secondary cities	Continue to focus social sector activities in secondary cities
Expand current focus on microenterprises to promote business activity across the board	Maintain expanded focus
Improve quality of primary education	Raise primary school efficiency; improve quality of secondary and technical education
Increase UCS coverage to 60%	Gradually increase UCS coverage to 95%
Target PLUS-like interventions in strategic watersheds; expand commercial orientation of program	Continue to target PLUS-like interventions in strategic watersheds; continue commercial orientation of program

On the policy front, the proposed priorities are:

- ◆ Rationalize and make investment incentives uniform. At the moment, Haiti's investment "regime" is an amalgam of *ad hoc* measures, including sweetheart deals granted to individual companies during previous governments. The introduction of a uniform code of non-exorbitant, time-limited, monitorable tax incentives clearly is in order. Unfortunately, the government's recent attempt to develop an investment code did not meet these conditions. The government needs to cultivate a pro-business image, but without giving away the store.
- ◆ Institutionalize procedures for resolution of business disputes. A major constraint to investment in Haiti, both by Haitians themselves and by foreigners, is the absence of protection for private property and legal recourse in the event of contract disputes.

The institutionalization of transparent, expeditious, and enforceable procedures for resolving business disputes merits high priority attention.

- ◆ Expand tax base and improve enforcement. By taking difficult structural adjustment measures, the government willy-nilly has put itself in a tax revenue bind. In the short run, it probably is unrealistic to look for major new sources of tax revenue, but substantial progress still can be made in eliminating loopholes and improving enforcement. In the longer run, that is, after the termination of the current ESAF, expansion of the authority of secondary cities to tax and spend will be in order. So too will the expansion of their capability to do so.
- ◆ Privatize electricity, telecommunications, and ports. For private investment to increase, functional electricity, telecommunications, and port services are essential. It is unrealistic to expect the Haitian government to provide these services efficiently. Consequently, transfer of operational responsibility to the private sector -- by direct sale, by "capitalization," or by other means -- is imperative. Privatization currently is a major item on the policy dialogue agenda of international donors. Until the torch is passed, it will need to continue to be.⁴
- ◆ Adopt uniform tariff policy. The government has made great strides in trade policy in recent years, though implementation of the reforms in question has been somewhat uneven. The levels of tariffs have fallen, as has the dispersion among them. It is unrealistic to expect tariffs to become more uniform in the next five years. Other policy reforms also are more important. As Haiti enters the next century, however, the removal of this lingering trade distortion will warrant attention.
- ◆ Make support to agriculture even-handed and transparent. In its frustration at the stagnation of the country's agriculture and in its desire to satisfy more of Haiti's food needs with domestic production, the government often is tempted to administer prices -- tariffs, for example -- to favor certain products over others. Such policies can be risky. By distorting the relative prices producers face, the government can wind up making the preferred commodities artificially and unsustainably attractive and, in the end, skewing the country's pattern of production against its comparative advantage. None of this is to say that the Government of Haiti does not have the right to promote crops like rice for strategic reasons. It certainly does. The question is how to do so in a way that minimizes the likelihood that farmers will stay out of other, potentially more profitable commodities. All other things being equal, the best way to promote production of a given commodity is directly and transparently -- for example, by expanding the irrigation of lands apt for production and investing in applied research

⁴One intriguing option to consider is the privatization of public utilities by region. For example, the national electric concern need not be transformed into a single private company; it might be split geographically.

and the transfer of proven technology. If producers can compete in the market with such support, fine. But if they cannot, fine, too. If some other commodity is more profitable under prevailing market conditions, that is where production should shift.

- ◆ Make family planning a clear national priority. To date, government support for family planning largely has been lukewarm. Given the magnitude of the problem, it needs to go publicly and unequivocally on record that it is a national priority.
- ◆ Government assumption of responsibility for orphanages, old-age homes, etc., and increasing portions of other safety-net programs. At the moment, the Government of Haiti relies almost entirely on donors and non-governmental organizations to fund the gamut of the country's safety net programs. Clearly, this is a responsibility it must begin to assume. Given the government's revenue squeeze, it probably is unrealistic to expect that it can take on responsibility for funding much more than orphanages, old-age homes, and similar institutions in the next five years. But assumption of some fiscal responsibility is imperative, and here is a logical place to start. Between 2001 and 2010, it is recommended that the government begin covering at least a portion of the costs of the country's Social and Economic Investment Fund, as well as a portion of the costs of a minimum package of health services.
- ◆ Regularize property rights, water, and finance policies. The relegation of the regularization of overall property rights, water, and finance policies to the next century is not to say that these policy areas are not problematic. On the contrary. Insecurity of property rights, particularly, receives frequent anecdotal mention as a major constraint to productive investment. So too does the absence of sources of long-term lending. The question is how to attack such constraints, as national issues calling for resolution across the board or as investment-specific obstacles that can be attacked case by case. *Needless to say, property rights, water, and financial policy are national concerns. The problem is that national solutions will be years in the making, and investments in the next few years cannot wait. Tactically, therefore, the strategy team opts for the more pragmatic, case-by-case approach.* Below, a case is made for investing in programs that facilitate business deals. To the extent that a land or water dispute, for example, stands in the way of making such a deal, the recommendation is to treat the dispute, if possible, as a site-specific business problem, not as a matter requiring national resolution. In a similar vein, the Institute for Liberty and Democracy proposes a bottom-up program to assist poor Haitians in formalizing their assets. The strategy team endorses the approach and recommends that it be applied first in a limited number of secondary cities.
- ◆ Institutionalize joint programming of local currency generations under food aid programs. At the moment, each donor programs the local currency generated under its food aid program independently. The result is inconsistency across programs, as well as overlap and avoidable gaps. A strong case can be made for joint programming of the proceeds of monetized food aid programs. Although each donor still would

need to abide by the statutes governing its own program, joint programming at least would allow the left hand to be aware of what the right hand is doing. In certain instances, donors even might find that it makes sense to join forces operationally to reinforce each other's impact. The Title III Management Office would be the logical party to turn to to facilitate such coordination.

In a similar vein, the strategy team's proposed priorities on the program action front are:

- ◆ Rehabilitate and maintain major trunk and access roads. As suggested above, rehabilitation of Haiti's road network must be public investment priority number one. Within that network, first priority must be the trunk roads that connect the country's secondary cities with Port-au-Prince and with each other. Second priority would be key access roads that link strategic watersheds with those cities. Interestingly, the World Bank and the Inter-American Development Bank have authorized loans to Haiti for these purposes, but disbursement has been riddled with bureaucratic problems. The logjam must be broken, and broken soon, including provision for road maintenance once rehabilitation is completed. Ultimately that responsibility must fall to the government -- which, given the fiscal bind in which it finds itself, will be easier said than done.
- ◆ Develop private business promotion centers in secondary cities. The strategy teams sees three conditions as essential for spurring investment in substantial numbers of income- and job-creating opportunities in Haiti: first and foremost, the inculcation of a favorable investment climate, which goes beyond tax incentives to include, even more fundamentally, guarantees of basic security and property and contract protection; second, the presence of reliable public goods infrastructure -- especially roads, electricity, and telecommunications -- that lowers the currently exorbitant costs of doing business; and, third, the availability at reasonable cost of know-how to identify investment opportunities and address obstacles to bringing them to fruition. In this last connection, private business promotion centers can play a pivotal role, as described in Table 5.5.
- ◆ Increase focus of social sector activities in secondary cities. Despite the natural desire to attend to the social sector service needs of everyone, available resources typically fall far short of that goal, and difficult choices must be made. One obvious criterion for making such choices is the geographic focus that guides the strategy as a whole. Secondary cities offer the virtue not only of housing a substantial portion of Haiti's currently poor population but also of furnishing relatively attractive places -- places desirable from a policy perspective as well -- for currently poor rural people to migrate in the future. Social and productive sector policies dovetail well here. Healthy, well educated, and relatively small Haitian families not only will be content families; they will be productive families as well.

Table 5.5

**PRIVATE BUSINESS PROMOTION CENTERS
IN SECONDARY CITIES: A PRECIS**

It is recommended that private business promotion offices be established in most if not all, secondary cities in Haiti. The offices would provide packages of services both to the cities and to their neighboring countryside.

Each office would have two functions. *The first function would be to facilitate access to financial services, information on markets (both domestic and foreign), technical and management assistance and training, legal protection, notary services, transport, insurance, etc., with the objective of lowering the transaction costs of entry into markets and broadening the participation of local people in them.* The office would not provide any physical or financial inputs, but, again, would facilitate the access of producers and investors to them.

The second function would be to act as an aggressive broker of deals between foreign buyers and investors, on the one hand, and local producers, on the other. The office, which would be located in an organization like a Chamber of Commerce, would be connected electronically with the rest of Haiti and internationally. When necessary, the office would provide specialized technical assistance to resolve specific problems that stand in the way of local businesses getting started and expanding. The assistance would not be broad-gauged but focused. In short, the approach would be classic problem solving.

- ◆ Expand current focus on microenterprises to promote business activity across the board. In recent years, many donors, including USAID, have increased the support they provide to the development of microenterprises. Although microenterprise development has proven to be an effective instrument for raising the incomes of program participants, evidence worldwide suggests that the employment impact of such programs typically is very limited. For generation of employment on the scale required in Haiti, a conscious broadening of the net is called for.
- ◆ Improve quality of education, especially primary education. Of all the phenomena that struck the strategy team in the course of preparing this document, probably the most striking was the high premium that Haitian parents place on the education of their children. Unfortunately, the caliber of education offered in public and private schools throughout Haiti does not do justice to the sacrifices that parents are willing to make. As discussed above, Haiti's poor desperately need two kinds of capital to raise their productivity and increase their incomes. Much of this document has focused on increasing investment in physical capital. *Investment in human capital is no less important than investment in physical capital. Improvement of the quality of*

education – particularly at the primary level where the foundation for future learning is laid – is essential.

- ◆ Increase UCS coverage. As discussed above, malnutrition is a state that results from a number of interrelated variables. Accordingly, it must be attacked with an integrated package of health interventions. The organizational scheme proposed for the delivery of such interventions in Haiti is a flexible community-based approach referred to as the Communal Health Unit (UCS) system. The strategy team endorses this approach and its gradual expansion geographically over time.
- ◆ Target PLUS-like interventions in strategic watersheds. The PLUS Project has been remarkably successful in expanding the commercial orientation and raising the incomes of poor rural people and, at the same time, conserving their natural resource base. Despite its success, its coverage is small, and would need to be expanded a prohibitively high number of times to have countrywide impact. Focus therefore is imperative. Realistically, the resources are not there to restore all of rural Haiti to ecological health. PLUS-like activities can have a significant impact in strategic watersheds, however, not only by conserving resources upstream but by contributing to the sustainability of production downstream.

5.6. FUTURE POLICY AND PROGRAM PRIORITIES FOR USAID

The remainder of this chapter presents future policy and program priorities specifically for USAID. As might be expected, it is a natural outgrowth of the discussion in the previous section, especially the discussion of policy and program priorities outlined in Tables 5.3 and 5.4. Although those tables trace out policy measures and program actions through 2010, the discussion here confines itself to roughly the next five years.

In overview, the strategy team recommends two initiatives that will call for budgetary allocations significantly higher than what they command at the present time. Otherwise, the team sees implementation of the strategy entailing sharpening and refocusing of activities currently underway and planned for the future.

The two initiatives that will demand significantly more resources are:

- ◆ Policy analysis, dialogue, and reform. Putting the proposed strategy in action will require the collaboration and contributions of other parties, especially the Government of Haiti and other donors. As a result, the Mission will need to dedicate considerable personnel time and at least a modicum of technical assistance resources to convince counterparts of the merits of the measures proposed, to formulate options for implementation, and to assist the government in translating them into action. Most of the policy changes to be made are not ones for which policymakers will be able to sit back and watch the magic of the market work. On the contrary. Most of the reforms

in question will be labor-intensive and involve inglorious periods of what political scientists refer to as "muddling through." For that reason, well targeted technical assistance may be useful. The upcoming amendment to the PRET Project would be a likely source for funding the technical assistance in question.

- ◆ Support for private business promotion centers in secondary cities. As discussed above, the strategy team sees the creation of business promotion centers as the critical third leg of the productive investment expansion triangle. The centers would service not only secondary cities, but their surrounding countryside. Under the assumption that four offices are phased in over the next five years and that each office will require financial support in the neighborhood of \$750,000 a year, the five-year price tag of this initiative would come to approximately \$12 million.

The subsections below trace out how the strategy team proposes that the Mission refine its ongoing and planned activities to increase their impact on food security. The discussion is organized by the Mission's four current strategic objectives, which correspond closely to the Agency's four overarching goals. In addition to promoting the policy reforms outlined in Table 5.3., the team recommends that the Mission finance program actions consonant both with the priorities indicated in Tables 5.3. and 5.4. and with its own comparative advantages. As a prelude to the discussion that follows, Table 5.6 summarizes the kinds of program actions to which the strategy team recommends the Mission give priority.

5.6.1. ECONOMIC GROWTH POLICY AND PROGRAM PRIORITIES

To a very large extent, the activities currently conducted under the Mission's economic growth strategic objective also contribute in a significant way to the improvement of food security in Haiti. Nevertheless, the strategy team suggests a number of shifts in emphasis to enhance their impact both on food security and on growth *per se*:

- ◆ First, the balance in the attention given to policy measures and program actions needs to shift more toward the former. As suggested above, successful implementation of the key reforms required to improve food security in Haiti will depend on the active endorsement of the proposed strategy by other actors. For that to occur, policy dialogue will need to come more to the fore.⁵

⁵In addition to conducting dialogue with the Government of Haiti and other donors, there could be occasion for USAID to dialogue with the U.S. Government. If one had to rank policy reforms with potential to generate substantial numbers of jobs, a lifting of Haiti's textile quota certainly would appear high on the list.

Table 5.6 PRIORITY PROGRAM ACTIONS FOR USAID TO ADVANCE FOOD SECURITY IN HAITI	
Productive Sector Program Actions	Social Sector Program Actions
Support of business promotion centers in secondary cities	Support for development of UCS system
Support for other programs that make investment attractive and lower costs of doing business	Complementary support for immunization campaigns
Support of income-generating activities, including micro- and other enterprises	Complementary support for education in child feeding practices
Cash and food for work in rehabilitation and maintenance of productive infrastructure, especially roads	Development of weaning foods specifically for Haiti
Support of PLUS-like interventions in strategic watersheds	Promotion of family planning
Support for formalization of property rights and business activity in secondary cities	Support for improvement of primary education, including through school feeding
	Cash and food for work in social infrastructure, especially potable water and sanitation

- ◆ Second, at the moment much of the Mission's day-to-day management attention is given to agricultural concerns. Obviously, agricultural development is essential to Haiti's future growth, but, by itself, it will not be sufficient to generate the increases in incomes and jobs needed to make a major dent in Haiti's food security problem. The Mission's sphere of action must be broadened consciously to include non-agricultural income- and job-generation possibilities -- for example, light manufacturing and service industries, especially in secondary cities. Operationally, support of private business promotion centers is a logical way to translate this recommended shift in emphasis into practical action.⁶

⁶The suggestion has been made to estimate the Domestic Resource Costs (DRCs) of a sampling of agricultural and non-agricultural products. Such an exercise could be useful, not to pick winners (again, that is the private sector's job), but to identify specific actionable constraints to Haiti competing internationally.

- ◆ Third, the Mission's concern for microenterprises -- be they urban microbusinesses or small farms -- must not blur the necessity of thinking bigger. As laudable as the focus on microenterprises may be in many ways, realistically it will go only so far in generating jobs for the numbers of poor Haitians who need them. To create substantial numbers of jobs, Haiti needs to promote business activity across the board.

The recent consolidation of most of the Mission's support for economic growth into a limited number of umbrella activities-- especially PRET, ASSET, PAR, and PL 480, Title II and Title III -- would appear to offer a flexible operational framework for introducing the changes in emphasis suggested here.

A few words specifically on PL-480 Title II and Title III. As discussed above, the strategy team is attracted by the possibility of the use of food for work for constructing and rehabilitating productive infrastructure, especially rural access roads. By choosing to concentrate Title II resources on roads that tie into selected secondary cities, the program not only would provide jobs for those who need them; it also would contribute directly to broader strategic goals. The strategy team recommends that the logistical costs of such a program be absorbed by the program itself, that is, that a portion of Title II resources be monetized for this purpose.

Title III has three virtues. First, it allows Haiti to add to its food supply without expending scarce foreign exchange on commercial food imports. Second, it typically includes policy conditionalities. And, third, it generates local currency revenues for use in development activities. On the policy conditionality front, the strategy team recommends that Title III contribute directly to the policy dialogue and reform process stressed above. Table 5.7 suggests objectives and gives examples of conditionalities the team considers particularly germane. On the local currency front, the strategy team recommends that revenues be expended in activities consistent with priorities suggested in this document. Again, rehabilitation of productive infrastructure is a case in point. So too are social sector service activities targeted directly to food insecure people. In either case, the team recommends that the activities in question be tied specifically to whatever secondary cities the Mission selects for primary emphasis. These priorities are summarized in Table 5.8.

Table 5.7 SUGGESTED OBJECTIVES AND EXAMPLES OF CONDITIONALITIES FOR PL 480, TITLE III, POLICY AGENDA	
Objectives	Examples of Conditionalities
Encourage investment	<ul style="list-style-type: none"> ◆ Enact laws/regulations to develop "one-stop centers" to encourage exports as well as domestic and foreign investment
Expand access to markets and improve their functioning	<ul style="list-style-type: none"> ◆ Enact and implement new 0-5-10% tariff regime ◆ Rationalize system for granting tariff exemptions, reducing exemptions but maintaining them for legitimate humanitarian assistance imports ◆ Rationalize port clearance process and reduce time it takes to clear customs ◆ Develop and implement road maintenance strategy
Promote family planning	<ul style="list-style-type: none"> ◆ Develop, disseminate, and popularize GOH population/family planning policy

Table 5.8 SUGGESTED TITLE III LOCAL CURRENCY USES	
GEOGRAPHIC FOCUS	A subset of secondary cities and their respective countrysides
SUBSTANTIVE FOCUS	Activities likely to have an impact on: <ul style="list-style-type: none"> ◆ Incomes and jobs -- for example, the creation of short-term jobs in the rehabilitation of productive and social infrastructure, and support for activities designed to create permanent agricultural and non-agricultural jobs ◆ Health, family planning, and nutrition

5.6.2. PUBLIC HEALTH, FOOD SECURITY, AND EDUCATION POLICY AND PROGRAM PRIORITIES

Formally, the Mission's public health, food security, and education strategic objective is "to promote healthier, better nourished, smaller and better educated families." To achieve this objective, it has singled out three areas for priority attention: first, reduction in malnutrition, largely through the delivery of integrated packages of health services; second, increase in access to reproductive health services; and, third, improvement in the quality and efficiency of primary education. The strategy team has no quibble with these priorities, nor with the flexible umbrella activities -- Health 2004, Education 2004, Enhancing Food Security II, and PL 480, Title II and Title III -- into which the Mission proposes to bundle its support. It does, however, wish to highlight key priorities.

Improvements in health are essential to improve the biological utilization of food, to reduce malnutrition, and to increase labor productivity -- all components of improved food security. These considerations argue for continued commitment by USAID to improve the quality and availability of primary health care in Haiti.

The strategy team endorses the UCS model for the delivery of a minimum package of health services. Components of the minimum package especially important from a food security/nutrition perspective include: immunizations and vitamin A supplements; health and nutrition education, including growth monitoring and education in appropriate breast feeding and weaning practices; treatment of sick children (including treatment of diarrhea, respiratory infections, tuberculosis, and parasites); family planning; and prenatal and maternal care.

The team endorses Mission plans to increase the use of Title II food resources to support the primary health care program. Since food cannot be expected to have much of an impact on child nutrition on its own, the team recommends that Title II food be integrated as much as possible with other Mission-supported primary health care activities and only used in situations where the other components of the minimum package are available. In practice, this may mean that Title II cooperating sponsors become part of the integrated network of service delivery entities responsible for the provision of the minimum package of services.

It is recommended that Title II resources be targeted to that portion of the population most vulnerable to the effects of malnutrition. This population includes pregnant and lactating women and children under two who are malnourished or at risk of malnutrition. Encouraging pregnant and lactating women to avail themselves of better prenatal and maternal care and broadening eligibility to include children at risk will help change the focus of the program from nutritional rehabilitation to malnutrition prevention. One approach to identify children at risk of malnutrition is to select all children whose weight for height is less than one standard deviation from the median of a health reference population instead of the usual two standard deviations.

The team also recommends that priority attention be given to:

- ◆ Increasing immunization rates in the short run. Other Latin American countries have used immunization campaigns successfully. Such an approach would appear to make sense in Haiti. After the campaigns, the logical next step would be to develop the capacity of the health system to deliver immunizations over the longer term. Possibilities for support include use of monetized Title II and Title III resources to finance the campaigns themselves, and use of food directly as remuneration for health promoters involved.
- ◆ Improving child feeding practices. Messages on child nutrition -- and especially breast feeding -- need to be targeted to the community at large, not just to breast-feeding mothers and not just through hospitals. The minimum package of services to the community must include more and better messages on what children need to eat once breast milk is no longer sufficient, as well as how often children need to be fed.
- ◆ Development of weaning foods. The development of specialized instant high-calorie and nutrient-dense weaning foods could help address the problem of how to meet the special nutritional needs of children between six months and two years of age. Support could take the form of social marketing programs and use of the products in the Title II program. To be sustainable commercially, vendors would need to develop the products locally.
- ◆ Implementation of a vigorous family planning program as part of the minimum package of services. Family planning counseling needs to be provided to pregnant and lactating women targeted with Title II food, and the distribution of the food itself needs to be structured so that the women in question in fact have access to counseling sessions.

Improving basic education in Haiti also is key to improving food security, although it naturally takes time to see its effects. The strategy team believes it is important for USAID to continue its support to the education sector at least until planned World Bank and IDB programs come on board. The Mission's support is especially important because of its focus on the private sector, which currently accounts for 66 percent of enrollment in primary schools, 86 percent of the schools themselves, and 70 percent of teachers.

The team endorses the Mission's plans to phase down the use of Title II food in school feeding programs. With food resources scarce, preference must be given to children under two and pregnant and lactating women. All other things being equal, the nutritional impact of programs targeted to this population is more immediate as well as longer lasting.

As the Mission phases down school feeding under Title II, the strategy team suggests that improvement of the quality of education become the primary concern. Program options include: (1) changing the way schools are selected to participate in the program -- one

possibility might be to require schools to compete for inclusion in the program, making eligibility for food a function not only of need but also of demonstrable evidence that schools are taking steps to improve the quality of the education they offer; (2) changing the criteria for expelling schools from the program -- giving higher priority to factors such as the absence of teachers and books than to small discrepancies in food stocks; and (3) changing the time that feeding takes place -- providing food to children early in the school day so that it can have an impact on improving attention in class and, thereby, improve learning.

One final point. As discussed above, food insecurity can be found virtually anywhere in Haiti. For that reason, the strategy team does not look to geography, *per se*, as a guide to program targeting. There are, however, other ways to target, and many are mentioned in passing in the discussion above. For ease of reference, Table 5.9 summarizes the principal criteria that the team proposes.

Table 5.9	CRITERIA FOR TARGETING USAID FOOD SECURITY ACTIVITIES
◆	Nutritional vulnerability -- children less than two years of age and pregnant and lactating mothers
◆	Relationship to priority secondary cities
◆	Self-targeting nature of interventions -- food for work, for example
◆	Seasonality -- focusing on lean periods

5.6.3. DEMOCRATIC INSTITUTIONS AND COMMUNITY EMPOWERMENT POLICY AND PROGRAM PRIORITIES

Inculcation of the rule of law is an essential precondition for the creation of a pro-business climate and the attraction of investment that will create jobs. Consequently, administration of justice activities under the Mission's democratic institutions and community empowerment strategic objective can have a significant food security payoff. Additionally, the Mission's support of local governments squares with the strategy's objective of broadening economic power beyond Port-au-Prince. The strategy team recommends that, to the extent feasible, the Mission target its local government support activities to the secondary cities proposed for emphasis here.

The Mission currently is sponsoring a strategic assessment of democracy in Haiti. A major message of the assessment is the need to break down the long-standing isolation of the Haitian state from its people. For that to happen, it argues that government must perform useful functions and earn the public's trust. Tactically, it argues for devolution and building from the bottom up. The economic decentralization proposed here dovetails naturally with that line of thinking.

5.6.4. ENVIRONMENT AND NATURAL RESOURCES POLICY AND PROGRAM PRIORITIES

There are two ways in which the food security strategy's recommendations link to the Mission's environment and natural resources strategic objective. The first and more immediate connection is the PLUS Project. The strategy team recommends that PLUS and PLUS-like projects continue and that, as now, they continue to focus their activities in Haiti's strategic watersheds. In other words, the criterion for siting activities is, and is proposed to continue to be, eminently environmental.

The second connection with the environment and natural resources objective is much more indirect, but no less real. On balance, the food security strategy team is considerably less sanguine than other observers concerning the potential of on-site activities to contribute in more than a marginal way to the reversal of the widespread environmental degradation found in Haiti's rural areas. For the team, it is difficult to believe that that degradation is stoppable, at least cost-effectively. Much of rural Haiti is well beyond its carrying capacity, both economically and ecologically. Thus the marked flow of population out of rural areas in recent years. In the final analysis, the only sustainable solution to Haiti's rural environmental degradation will be sizable net outmigration of poor rural people to cities. The trick, of course, is for the cities to provide enough jobs to absorb the exodus -- which is what the proposed food security strategy is all about.

APPENDIX

FUNCTIONS OF CITIES

Since secondary cities emerge as such a central element of the proposed strategy, it is useful to summarize the functions cities perform, and how they relate to Haiti.

A. CITIES AS CENTRAL PLACES

Cities and their surrounding rural areas are interdependent, with each serving as both provider and market for the other. The greater the distance from the next city, the higher the cost to a rural area of doing business with that city. At a certain point it becomes advantageous to be linked to a different city somewhere else. That is the underlying logic of central place theory, which has dominated urban geography for the past decades.

In reality, cities are never arranged as neatly as the theory predicts. Not only are there political and geographic barriers that can modify the cost of doing business with one city or the other; frequently there are policies that favor a certain urban model. Since urban hierarchies and rural-urban relations change over time, it has become customary to try to plan urban and regional development so as to provide maximum benefit for national economic development. Distance and transportation costs are only one aspect of such planning; other aspects include the functions allocated to each city and region, and the specialization of regional economies.

What speaks for centralizing urban functions in a single giant metropolitan area? Trade advantages, economies of scale in both export processing and import substitution manufacturing, the diversity of services that reduce transaction costs, and the concentration of an elite that can stand up to foreign competition are among the factors that provide overwhelming advantages to primate cities. The cumulation of such advantages leads to further strengthening and expansion of existing businesses, as well as the addition of new businesses. Miserable as they may look to the foreign observer, Third World primate cities are, in relative terms, large markets, powerhouses of development, and engines of growth, if growth and development are defined in economic terms alone.

Decentralization is concerned with dispersing investment at the lower end of the spatial hierarchy. Those who argue for decentralization typically react negatively to the burgeoning of slums in primate cities, their inadequate infrastructure, their epidemiological risks, and their large under-employed populations. Furthermore, it often is said that large primate cities are extractive machines, parasitically living off their rural surroundings, which they drain of material and human resources.

Settlement type and example	Tenure status	Density	Permanency of buildings	Permanency of population	Economic outcome
<u>Squatter settlement</u> (Raboteau in Gonaives; Savane Salée in PauP)	illegal	low, later medium	temporary, easy to dismantle	permanent if tenure status can be resolved	Generally these areas become built-up working class areas with most buildings made of solid materials and eventual provision of electricity and water.
<u>Central city slum</u> (Portail Léogane)	mostly rental from non-resident landlords	very high	permanent, decaying structures; many buildings made of solid materials	temporary (a few weeks to 12 months); low level of social organization.	These areas remain permanent and look terrible. Newcomers move through at a rather fast pace, and move on to settlements where conditions are better. Some of the literature refers to "slums of hope."
<u>Marginal city slum</u> (Brooklyn, near Cité Soleil)	mostly rental from non-resident landlords	very high	permanent, decaying structures; frequent use of weak and perishable building materials	permanent (several years); organization of gangs	People trapped in these areas are frequently people with no other options, easily victimized. They have little to lose by staying and little to win by moving on.
<u>Built-up working class area</u> (Fort Mercredi)	mostly ownership and long-term lease, some rental	medium	permanent structures; continuous upgrading	permanent; much organization through churches and NGOs	These settlements are the successors to successful squatter settlements.

C. CITY TYPES AND SERVICE PROVISION

The metropolitan area — as run-down as it may appear to the outside observer — has diverse economic functions with relatively high levels of efficiency. It has the highest population and population density. It is the hub of communication and transport for the nation, has most of its modern infrastructure, and is unsurpassed in cultural activities. Some less easily quantified factors also may be of great importance in assuring continued dominance by the primate city, such as face-to-face contacts and interaction with executives and administrators.

Intermediate cities are regional economic and administrative centers. They normally contain specialized government services such as those concerned with agriculture (extension), health (hospital), and regional police and justice systems (court). They have large markets, some warehouses, and secondary schools. To prosper, they depend on good transportation and diverse linkages with surrounding areas. As rural regions prosper, so do intermediate cities.

Market or district towns have primarily an administrative function. They also contain low level-service providers such as mechanics and artisans engaged in the processing of agricultural products. In Haiti, they always have moneylenders, schools, a dispensary, and some stores.

Balanced spatial development is dependent on linkages between rural areas and various levels of cities. Physical linkages (transport) facilitate economic linkages (the flow of goods, capital, and income), social linkages (migration, social networks), and service delivery linkages (flows of energy and credit, education, extension, health and technical services). These linkages facilitate other exchanges and make it possible for each level of urban centrality to fulfill those functions for which it is best suited. Rural areas prosper more readily if they receive needed services, and central places prosper to the extent that they can channel rural products efficiently to urban consumers. Ideally these interdependencies allow for balanced growth in both economic and demographic terms.

USAID and other agencies long have provided assistance for increasing agricultural productivity and for alleviating rural and urban poverty. In doing so, spatial structure often is ignored. Integrated systems of production and exchange carry enormous economic benefits. In fact, secondary city development is essential for rural development, and rural and urban development assistance are not engaged in a zero-sum game, but are complementary to each other (for programmatic advice on this score, see Rondinelli, 1978).

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