

Natalie Cross
Ames High School
Ames, Iowa
Haiti, Factor 18: International Trade

Haiti: The Negative Impact of Rice Importation On Haitian Farmers

The Caribbean Sea is a bright blue patch in the Western Hemisphere dotted with many islands. Right in the middle sits the island of Hispaniola. Hispaniola consists of two countries, the Dominican Republic and Haiti. Throughout its history, the island country of Haiti has suffered poverty, government instability and food insecurity. Haiti is the poorest country in the Western Hemisphere, with over $\frac{3}{4}$ of its population living in poverty. Cities, such as the capital Port-au-Prince, contain slums that contrast sharply with the very small wealthy upper class. This upper class is made up of four percent of the total population and its members earn 67% of the national income. The middle class consists of only 15% of the population, and the remaining 81% are members of the lower class (Smucker, 328-35). A majority of this lower class population lives in rural areas and practices agriculture. On average a woman in Haiti has 2.69 children, making the size of a typical family about four or five (Central Intelligence Agency, World Factbook). The families living in the rural areas of Haiti are mostly small farmers, who make food for their own consumption and to sell in the markets. In marriage, the wife and husband have different roles; normally the wife cares for the house and sells food at the market, while the husband does the hard labor and farming (Gender in Haiti). The Haitian diet consists of staple foods such as rice, millet, cassava, corn and fruit. Since a majority of rural Haitians live in poverty, expensive foods such as meat and dairy are a rarity (Haiti Health Ministries). Rice has become a large part of the Haitian diet, as it makes up about $\frac{1}{4}$ of the food consumed. However, 80% of the rice consumed in Haiti is imported into the country; a problem that plagues small Haitian rice farmers as they are not able to compete with these cheaper rice imports (Cochrane, Childs, Rosen).

School in Haiti is very expensive; with tuition averaging at about \$70-\$80 USD per child per year, excluding the additional costs of a uniform and school supplies. The Haitian government does not spend a lot on public education, therefore 80% of Haitian students attend expensive private schools (World Bank; "Our Goal: Education for All in Haiti"). The GDP per capita of \$824 means that most parents are barely able to afford food, schooling and other basic necessities for their children (World Bank Database). As a result of the high cost, over 200,000 Haitian children are unable to attend school. Moreover, the lack of infrastructure in rural areas creates the additional challenge of transporting the children to/from school. Many children receive their education in spurts. As of 2003 the average age for a child in 6th grade was 16 years old (when it should be 11 or 12). Many rural families are only able to send their children to school when they have the funds available, and normally these times coincide with a successful harvest (World Bank: "Four Things You Need To Know About Education in Haiti"). The quality of education is very poor in Haiti, as almost 80% of teachers have had no training (USAID). This inadequate education system is reflected in Haiti's literacy rate of 64.3% for males and 57.3% for females (Central Intelligence Agency, World Factbook). The literacy rate is higher for males than for females because the average Haitian girl only stays in school until she is seven years old (Haiti, Save the Children). In comparison, Haiti's neighboring country, the Dominican Republic, has a literacy rate of 97.98% (UNESCO).

As of 2013, the total health expenditure in Haiti is only 9.3% of the GDP. The life expectancy of 63.51 years is quite low, and Haitians live about a decade shorter than their neighbors in the Dominican Republic. Many people are suffering and dying from treatable diseases such as HIV/AIDS and tuberculosis (TB) because they do not have access to the right medications or treatments (Central Intelligence Agency, World Factbook). In 2010, a horrible earthquake struck Port-au-Prince destroying many of Haiti's medical centers and worsening the health care situation (Plenty International).

94% of all the farms in Haiti are less than three hectares in size, with 44% of them less than half a hectare and another 30% between half of a hectare and one hectare (FAO). One hectare is equivalent to two and a half acres. Many of these small farms are owned and worked on by the family. The crops most commonly grown by Haitian farmers are cane sugar, cassava, maize, yam, coffee, bananas, sorghum, cocoa beans, dry beans, and rice. Rice makes up about 1/4 of the typical Haitian diet (Cochrane, Childs, Rosen).

Before the free country of Haiti was formed it was the French colony, San Domingue. San Domingue had been one of the wealthiest colonies in the Americas because of its large coffee and sugar industry. In order to produce these high quantities of coffee and sugar, slaves used techniques that were extremely productive but not very environmentally friendly (Central Intelligence Agency, World Factbook). Today, many Haitian farmers continue to use these unsustainable practices, mainly because they have not been educated about the negative consequences. Farmers work on small family farms using simple tools and limited machinery. Only 32% of the land in Haiti is considered arable, however 61% of it is used for farming (Lutz, Pagiola, Reiche). Farmers cut down forests to create farmland and this deforestation is a major problem as it leads to soil erosion.

Even though the country of Haiti has a good climate to grow rice, 80% of the rice consumed in Haiti is imported into the country (Cochrane, Childs, Rosen). Why is this the case? International trade is a key factor contributing to this problem. In the 1980s, Haiti had a weak economy. Other countries with similar economic struggles, such as India, Vietnam and Uganda had adopted trade liberalization policies, or policies that removed/reduced restrictions on trade (Investopedia). These policies resulted in economic improvement and poverty reduction in those countries (IMF). With persuasion from the International Monetary Fund (IMF) and other countries, the USA especially, Haiti decided to adopt their own trade liberalization policies. The first policy was enacted in 1986/1987. It eliminated restrictions on the importation of seven foods; one of these foods being rice. This first step in trade liberalization did not have any immediate negative effects.

Following the military coup of 1991, a trade embargo was placed on Haiti by the USA and OAS (Organization of American States). The embargo lasted for three years. During that time, the overall agricultural production in Haiti dropped by 17% because farmers were not able to access the supplies they needed (Phillips, Watson II). In 1994, the embargo was lifted; however Haiti's economic problems were not over. That same year, Haiti implemented the second phase in their trade liberalization policy when they reduced the tariff on rice imports to 3% (IMF). This was extremely low and has had devastating effects for Haiti's rice farming sector. Bill Clinton, who was president of the United States in 1994, stated: "[The tariff reduction] may have been good for some of my farmers in Arkansas, but it has not worked. It was a mistake. It was a mistake that I was a party to. I am not pointing the finger at anybody. I did that. I have to live every day with the consequences of the lost capacity to produce a rice crop in Haiti to feed those people, because of what I did. Nobody else." (Democracy Now). As Clinton said, the reduction of the rice tariff made Haiti into a country unable to sustain itself in rice production.

As mentioned earlier, 80% of the rice consumed in Haiti is imported into the country. The extremely low tariff and instability of the government means that domestic rice farmers receive virtually no protection from the Haitian government. During the years 1995 to 2005, the United States government spent an average of \$1 billion a year on rice farming subsidies (Phillips, Watson II). Small Haitian rice farmers with very little government support are forced to compete against these huge companies from the USA who receive massive government subsidies. The lack of good infrastructure and irrigation systems only intensifies the decrease in Haitian rice production. Haiti has made some effort to improve the irrigation systems, and in 2012 a project financed by the IDB (Inter-American Development Bank) increased the area of irrigated land in the Artibonite Valley (the primary rice growing region in Haiti) by 5,000 hectares in the dry season and 7,000 hectares in the rainy season (IDB). If this project continues to irrigate the

land, rice farmers will benefit. Since farmers typically live in rural areas, good infrastructure is also necessary for them to get their products out to the cities and markets. Subsidies from the Haitian government could help Haitian farmers gain access to necessary supplies, such as seeds or fertilizer, and also help in various rice processing stages.

Between the years 1994 up until 1996, both the FAO (Food and Agriculture Organization) and the Haitian Ministry of Agriculture recorded at least a 35% drop in rice production (the data differs slightly between the two sources). During this same period of time, rice imports from the United States to Haiti doubled (Phillips, Watson II). Since then, domestic rice production has continuously lagged behind rice imports. Rice farmers' incomes have fallen simply because they are not producing as much rice as they were before the drastic increase in importation. Inflation combined with the depreciation of the Haitian gourde has increased the price of imported rice. Currently, one Haitian gourde is equal to about 0.016 US dollars and in the last five years, the value of the gourde has fallen by about 36% (XE). 50% of the rural farming population in Haiti lives on less than \$1 a day, which is not enough money to purchase the proper amount of food with good nutritional content that they need to survive. This explains why there are about 100,000 children under five years of age who are suffering from malnutrition (World Food Programme).

Haiti's inability to sustain itself in rice production is not going to go away anytime soon. The trade liberalization policy meant to improve Haiti's economy has been in place for over 20 years. Rather than improving the economy, there has been a massive decline in domestic rice production and a surge in rice importation. If the trend of doing nothing continues, Haiti will become more and more dependent on rice imports and domestic farmers will stay stuck in poverty.

The lack of government support for rice farmers also has had negative effects on the environment. The combination of unsustainable farming practices and deforestation has caused soil erosion to run rampant in Haiti. This soil erosion is a main factor contributing to the 60,000 hectares of arable land that are being lost each year (Lutz, Pagiola, Reiche). Haitian farmers are forced to repeatedly farm the same small patch of land past the point of exhaustion, in the hopes they will be able to make a decent crop and earn enough money to feed their families. This environmental damage is an unforgiving loop; by using unsustainable practices, farmers quickly degrade their land and are forced to cut down more trees in order to get more land. Women in Haiti are at a disadvantage, and households headed by women are among the poorest in Haiti. In this patriarchal society, the male is normally the head of the household, and women only gained the right to own property in the 1980s (Gender in Haiti). Giving farmers, especially women, access to education and training is a step in the right direction. On average, women spend 90% of their incomes on things that benefit their family; such as food, medicine, and education. It is so important to educate Haitian women (and women all over the world), because educated women will earn higher incomes than uneducated women and they will use those profits to help their families and their communities rise out of poverty and combat food insecurity (Howard).

Ever since the trade liberalization policies were first adopted by Haiti, different issues have intensified the problem of food insecurity. Natural disasters have caused many problems for Haiti, such as the horrible 7.0 magnitude earthquake of 2010. Many cities were destroyed and today, six years later, the country still has not fully recovered. In 2012, Haiti was once again ravaged by hurricanes Sandy and Isaac. Haitian farmers need to be prepared for natural disasters, because it is likely more will strike in the future. The unpredictability caused by climate change creates a problem as farmers are not prepared for the multitude of potential conditions they might be forced to face in the future. Sporadic rainfall, rising temperatures and winds are all new obstacles to which farmers must adapt in order to produce a successful crop (McParland).

Population growth is yet another issue facing farmers. When the trade liberalization policies were first enacted in 1994, Haiti's population was about 7.8 million. A massive population increase occurred and 20 years later, in 2014, the population was at 10.5 million (World Bank Database). Before the trade liberalization policies, Haitian rice farmers were able to produce enough rice to feed their country. However, conditions have changed. Not only are there many more people, but also these people are eating much more rice than they had been before. For example, in 1985 rice made up 7% of the average daily caloric intake, compared to 23% in 2011. The combined factors of cheaper rice imports and changing lifestyles have caused the consumption of rice to increase. This must be taken into account when considering solutions to help Haitian rice farmers (Cochrane, Childs, Rosen).

There are several aspects to emphasize when crafting a solution to this problem. Steps need to be taken to get government support and teach sustainable techniques to farmers before the environment is completely destroyed. The Haitian government can help its farmers by either increasing the rice tariff or providing subsidies. If the amount of rice imports is decreased, then Haitian rice farmers will be able to sell more of their rice. Rice farmers will be able to get enough money to buy food to properly feed their families. In turn, rice farmers should purchase other locally grown foods and support the Haitian non-rice farmers who are also impoverished. A cycle of Haitians helping other Haitians by purchasing locally grown foods has the potential to improve the economy and reduce poverty. Campaigns should be put into place in order to educate and encourage Haitian farmers and consumers to produce and buy locally grown food. Bringing foreign goods into Haiti has not helped the economy, so instead a new internal movement should take place. The Haitian government has a role to play but so do Haitian consumers by supporting local agriculture. However, the only way for this to have long term success is if Haitian farmers adopt more sustainable and efficient farming techniques.

The U.S. rice companies that export rice into Haiti have an unfair advantage over the small Haitian farmers. Not only do they have modern tools and techniques, the U.S. government provides massive subsidies to many U.S. rice companies (Phillips, Watson II). It could be very effective for the Haitian government to adopt a similar type of subsidy program. \$1 billion a year is an unrealistic goal for the unstable government of Haiti, however providing subsidies on seeds and fertilizer, or providing farmers with more modern tools are possible ways the government could provide support. It might be very difficult for the Haitian government to actually increase the rice tariff, however that is not their only option. Both Haiti and the United States of America are members of the World Trade Organization (WTO). To become members, both countries had to agree to an anti-dumping agreement. It is considered dumping a product "when a company exports a product at a price lower than the price it normally charges on its own home market." The influx of rice from the USA into Haiti could be considered a dumping situation. In order for the WTO to take action to end a dumping situation, the country being dumped on needs to file a claim. This claim involves a lengthy report, data collection and a very detailed investigation. Currently, the Haitian government has not considered this a priority, or has not been in a stable enough state in order to file such a claim. If the Haitian government managed to get together the materials needed to file such a claim, then the WTO could take action and stop the dumping situation allowing the Haitian farmers regain their former role in the economy (WTO).

If farmers learn sustainable farming techniques, then they will be able to consistently produce food in the long term. One example of a local organization that has begun to take steps in this direction is the Lambi Fund for Haiti. The Lambi Fund focuses on five project areas and partners with smaller local organizations doing work in each of the areas. There has been progress made in the area of sustainable development. The Lambi Fund partnered with the Small Farmers Association of Desdunes (GPTD), a coalition of rice farmers, and helped them get two rice tillers and training for the machinery. They also supported the God is All Powerful Organization of Gilgo (ODTPG) in their efforts to build a community-run rice mill. In addition, the Lambi Fund focuses on reviving the degraded environment and many trees were planted for both of these projects. It would be very useful to plant fruit trees in the future, as it

would not only counteract soil erosion, but would also provide additional healthy food alternatives and opportunities for small business development as there are a multitude of potential products that can be created from the fruit. Working directly with local farmer associations and providing them with the tools that they want and need is a very good way to provide support. Other larger international aid organizations, such as the United Nations or UNICEF, should put programs in place that are similar to that of the Lambi Fund (Lambi Fund).

The situation for Haitian rice farmers is not hopeless. It might seem as though the 3% tariff or lack of government subsidies is permanent and that nothing can be done to help the people of Haiti. Even though Haitian rice farmers might be suffering today, there are steps that can be taken to fix the problem. The government of Haiti should submit a dumping claim against the United States of America through the World Trade Organization, and end the rice exports that make up 80% of rice consumed. Haitian farmers must learn sustainable, modern techniques so they can meet the demands of their people when the American rice importation has decreased. Environmental sustainability is key if Haitian farmers want to be the primary rice producers in the long term. The country of Haiti has suffered through many things; from the slave rebellion of the 18th century, to the earthquake of 2010. However, the Haitian people have survived these hardships and even though they are plagued by many problems, they have remained strong. That strength will allow them to conquer this crisis as well.

Works Cited

- "10 Facts About Hunger in Haiti." *World Food Programme*. World Food Programme, 12 Jan. 2015. Web. 23 Mar. 2016.
- "About Us." *The Lambi Fund of Haiti*. N.p., n.d. Web. 23 Mar. 2016.
- "Anti-Dumping." *World Trade Organization*. World Trade Organization, n.d. Web. 23 Mar. 2016.
- "Better Irrigation and Training to Improve Crop Yields in Artibonite." *IDB*. Inter-American Development Bank, 4 Mar. 2013. Web. 24 Mar. 2016.
- Cochrane, Nancy, Nathan Childs, and Stacey Rossen. "Haiti's U.S. Rice Imports." *USDA Economic Research Service*. USDA, 01 Feb. 2016. Web. 23 Feb. 2016.
- "Education : Literacy Rate." *UNESCO Institute for Statistics*. UIS, n.d. Web. 13 Mar. 2016.
- "Education." *USAID*. N.p., 25 Feb. 2016. Web. 13 Mar. 2016.
- "Family Farming in Haiti." *FAO Regional Office for Latin America and the Caribbean*. FAO, n.d. Web. 13 Mar. 2016.
- "Four Things You Need to Know About Education in Haiti." *World Bank*. The World Bank Group, 12 Mar. 2015. Web. 24 Mar. 2016.
- "IMF Plans Additional Help for Haiti." *International Monetary Fund*. IMF, 6 June 2008. Web. 13 Mar. 2016.
- IMF Staff. "Global Trade Liberalization and the Developing Countries." *International Monetary Fund*. IMF, Nov. 2001. Web. 13 Mar. 2016.
- "GDP per Capita (current US\$)." *The World Bank Data*. The World Bank Group, n.d. Web. 13 Mar. 2016.
- "Gender in Haiti." *Haiti Net*. Northeastern University, n.d. Web. 23 Feb. 2016.
- "Haiti." *Save the Children*. Save the Children Federation, Inc, n.d. Web. 24 Mar. 2016.
- "Haiti." *United Nations World Food Programme*. World Food Programme, 2016. Web. 23 Mar. 2016.
- "HAITI AND HEALTH CARE." *Plenty International*. Plenty, 11 Feb. 2010. Web. 13 Mar. 2016.

- "Haiti In Depth." *Haiti Health Ministries*. Haiti Health Ministries, 2012. Web. 23 Feb. 2016.
- "Haiti." *The World Factbook*. Central Intelligence Agency, n.d. Web. 23 Feb. 2016.
- Howard, Jacqueline. "Empowering Women And Girls Is The Key To Ending Poverty, And Here Are Numbers To Prove It." *The Huffington Post*. TheHuffingtonPost.com, 28 Jan. 2015. Web. 07 Aug. 2016.
- Lutz, Ernst, Stefano Pagiola, and Carlos Reiche, eds. *Economic and Institutional Analyses of Soil Conservation Projects in Central America and the Caribbean*. Tech. no. 13010. N.p.: n.p., 1994. World Bank Environmental Paper #8. World Bank. Web. 23 Mar. 2016.
- McParland, Leisha. "Dirt Matters: Climate-Resilient Farming in Haiti Starts in the Soil." *Frontlines*. USAID, 17 Mar. 2016. Web. 23 Mar. 2016.
- "Our Goal: Education for All in Haiti." *Latin America and Caribbean*. The World Bank Group, 2015. Web. 13 Mar. 2016.
- Phillips, Erica, Derrill D. Watson, II (2011). Case Study #10-13, "Miami Rice in Haiti: Virtue or Vice?". In: Per Pinstrup-Andersen and Fuzhi Cheng (editors), "Food Policy for Developing Countries: Case Studies." 16 pp.
- "Population, Total." *The World Bank*. The World Bank Group, 2016. Web. 23 Mar. 2016.
- "Projects in 2008, Sustainable Development." *The Lambi Fund of Haiti: 2008 Annual Report (2008)*: 4-5. *The Lambi Fund*. The Lambi Fund. Web. 23 Mar. 2016.
- Smucker, Glenn R. "Haiti: The Society and Its Environment." *Dominican Republic and Haiti: Country Studies*. Ed. Helen Chapin Metz. 3rd ed. Washington DC: Federal Research Division, Library of Congress, 2001. 328-35. *Library of Congress*. Web. 23 Mar. 2016.
- "Trade Liberalization Definition." *Investopedia*. Investopedia, LLC, 03 Apr. 2010. Web. 24 Mar. 2016.
- "We Made a Devil's Bargain": Fmr. President Clinton Apologizes for Trade Policies That Destroyed Haitian Rice Farming." *Democracy Now!*Democracy Now, 1 Apr. 2010. Web. 13 Mar. 2016.
- "XE Currency Charts (Haitian Gourde to US Dollar)." *XE.com*. XE, 2016. Web. 23 Mar. 2016.

