



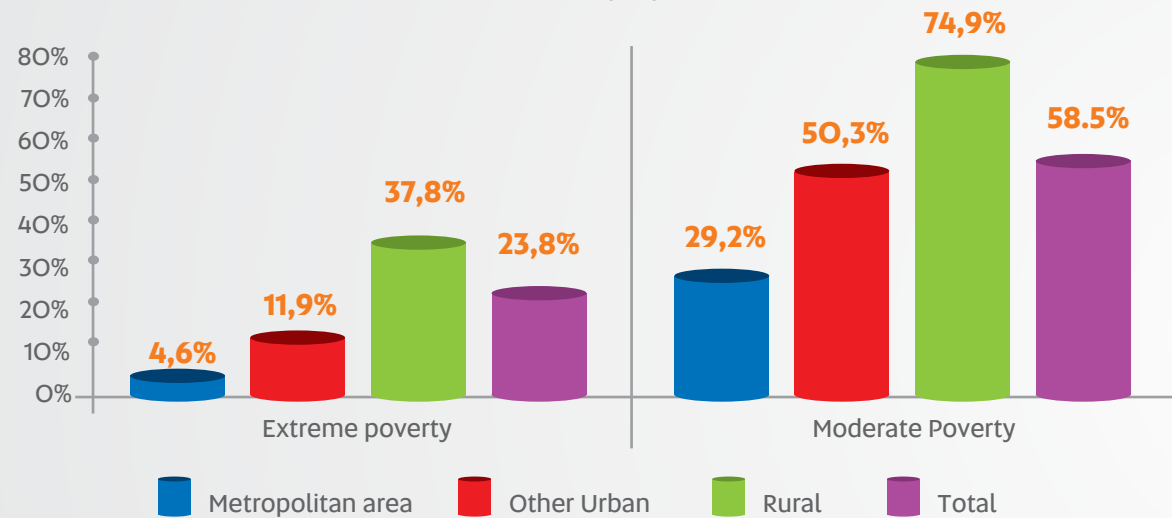
# Increase urban and rural incomes to reduce poverty



## Although extreme poverty has declined from 31 to 24% since 2000, poverty remains widespread in Haiti.

Extreme poverty declined in urban areas due to increased revenues from sectors such as construction, transport and telecommunications, as well as increased private transfers and international aid. However, extreme poverty has stagnated in rural areas (38%) and moderate poverty remains very high at 58.5% nationally (75% in rural areas).

Extreme and moderate poverty, by residence area, 2012



## Income generating opportunities in urban areas are limited by the lack of jobs and the prevalence of badly paid occupations.

Unemployment affects 40% of the urban workforce, nearly 50% of the female workforce and 60% of young people<sup>1</sup>. In addition, only 60% of people of working age are active, the lowest labor market participation in the region. Among those who find employment, 60% perceive incomes below the minimum wage of 250 HTG daily. Overall, nearly 60% of the poor are self-employed, mostly in the informal sector.

1. Extended unemployment rate, which includes not only people in working age who do not have a job but are looking for one, but also those who are not looking for a job because they are discouraged, waiting for a job answer, retired or sick, but would be immediately available if offered an opportunity.

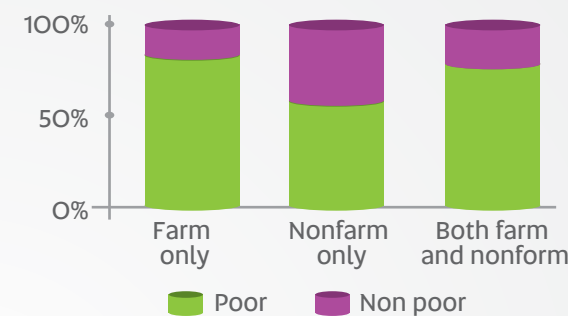


## Education plays a vital role in improving well-being in urban areas.

Labor income is on average 28% higher among adults who have completed primary education than among the uneducated population.

## The persistence of rural poverty reflects a growing reliance on a low-performing agricultural sector and production for home consumption.

Distribution of farm and non-farm labor among poor and nonpoor, 2012



Rural livelihoods are highly dependent on agriculture: almost 80% of households engage in farming and for half of rural families farming is the sole economic activity. Unfortunately, the returns to agriculture are low and unreliable due to lack of inputs and extreme weather events: 80% of exclusively agricultural households are poor.



## In rural areas, Engaging in the non-agricultural sector offers one way out of poverty:

Participating in this sector in rural areas reduces the probability of being poor by 10%.

## For many households, migration within the country or abroad is an effective way to generate income.

Over one million Haitians live abroad and 20% of the population has migrated within the country. Educated migrants in the metropolitan area earn, on average, 20 to 30% more than their peers in rural areas.



## To help households increase their incomes and escape poverty, the following recommendations emerge:

- Invest in education and skills for the labor market.
- Increase agricultural productivity by promoting diversification better access to and functioning of inputs and output markets.
- Improve the business environment in order to improve the prospects of the self-employed to become successful entrepreneurs.
- Improve the mobility of people and goods through investments in transportation, infrastructure, and financial inclusion.

