



Invest in people to reduce poverty and build the future of Haiti

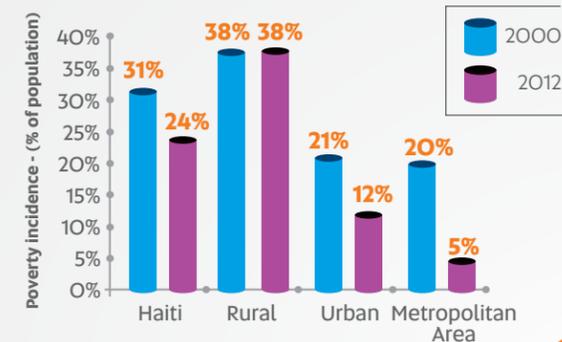


Despite modest improvements since 2000, the country registers high levels of poverty and vulnerability.



The national extreme poverty rate decreased from 31 to 24% between 2000 and 2012. However, poverty remains widespread, with 6.3 million people (58.5%) living below the poverty line and, among these, around 2.5 million (24%) who cannot feed themselves adequately. Almost half of the population is poor and lacks access to basic services. 1 million Haitians could fall into poverty in the event of an adverse shock.

Evolution of extreme poverty in Haiti, 2000/2012

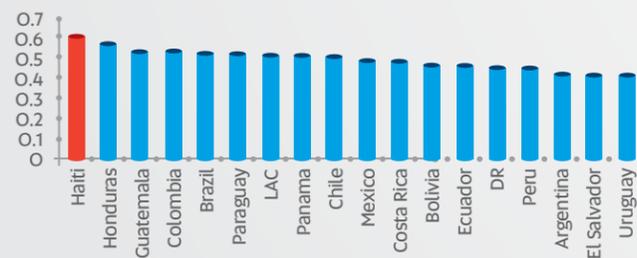


Income distribution and access to services are highly unequal.

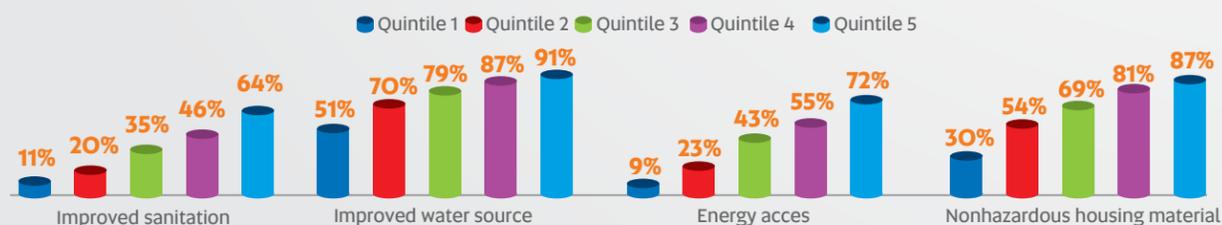
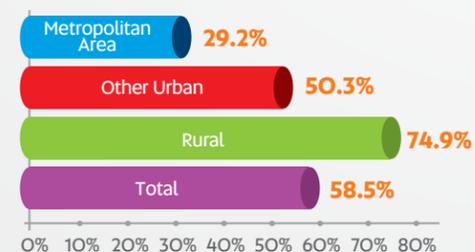


The income inequality rate (Gini coefficient) has stagnated at 0.61 for over 10 years and has deteriorated in rural areas, passing from 0.50 to 0.56. The richest 20% of the distribution earns more than 60% of the national income. Despite some improvements (school attendance rate for children 6-14 years old increased from 78 to 90%), access to basic services remains limited and uneven: among the two poorest quintiles (bottom 40% of the population) only 15% of households have access to improved sanitation versus 65% among the richest 20%.

Income inequality in Haiti and Latin America, 2012 circa



Moderate poverty in Haiti, 2012



To fight poverty and inequality in a sustainable manner, public policies should focus on three key areas, alongside strong economic growth and better governance:



Invest in People: Efforts should be focused on expanding access to primary education and basic health care, while improving the quality of services provided: building capital of individuals and households is a crucial condition for sustainable poverty reduction. Special attention should be given to women and girls, who face disproportionate challenges in all aspects of life in Haiti.

When the household head completes secondary education, the whole family is 5 times less likely to be poor. Women are more likely to be unemployed (20 p.p.) and earn 32% less than men on average; girls start to leave school at 14, exposing themselves to long-term consequences, such as early marriage or illiteracy.



Increase revenues and opportunities, especially in the agricultural sector and for the self-employed in the informal sector.

In rural areas, any improvement should be based on policies that promote agricultural productivity, better access to and functioning of basic inputs and output markets, and diversification (agricultural and non-agricultural). In urban areas, education and skills are the key factors for increasing labor income. In urban and rural areas access to basic services and infrastructure (water, electricity, transport) and skills is equally critical to increase the prospects of self-employed becoming successful entrepreneurs and create jobs.

Nearly 60% of the poor are self-employed workers, mostly in the informal sector. Almost 80% of exclusively agricultural households are poor. Compared to formal sector employees, workers in the agricultural sector earn on average 75% less, and those in the informal sector earn 50% less.



Protect the poor and vulnerable against shocks:

It is important to improve the targeting and coordination between government and agencies on the ground, and increase the coverage of social protection programs when possible. Furthermore, disaster risk management should complement any strategy for poverty reduction and public or private investment: risk management strategies must be a priority to protect the livelihoods of households and individuals.

Almost 75% of Haitians face at least one economic shock every year. When confronted with a climate shock, 56% of households in extreme poverty have no mitigation measure other than changing their food consumption, which can cause high levels of malnutrition and anemia.