



HAITI GENDER ENTREPRENEURSHIP AND INVESTMENT REPORT

Haiti has a unique history. It was the richest colony in the Western Hemisphere during the 1700s and now observes the highest poverty rate in the region (Marroquín 2005). Haiti is a low-income country with a GDP per capita of 820 current USD and a population of approximately 10.9 million people. The country is also dependent on external revenue: foreign aid accounts for over 20 percent of the government's annual budget while remittances from the Haitian diaspora account for more than 25 percent of the country's GDP. Aid can have a positive short-term effect, especially in times of crisis. In the long run, however, aid can create dependence and reduce the incentives for individuals to work and innovate, and could prepare themselves for a crisis. There are some instances in Haiti where innovation and creative talent targets the needs of international aid organizations, who demand their services. Some Haitian entrepreneurs exist because of the demand of international donors, not because of the existence of robust markets that demand their products. While this system is a temporary source of cash, it is not conducive to stable, long-term economic growth.

The starting point of an individual in Haiti is very different than the starting point of a person in many, or most, countries. Just by being born in Haiti the person is in relative disadvantage. Her cognitive abilities might be affected by the lack of clean water, malnutrition, etc. That means that surviving in Haiti and succeeding is more difficult than in many other countries in the world. In recent years, natural disasters, disease, political instability, mismanagement of humanitarian relief, and the depreciation of the local currency has negatively impacted the entrepreneurship ecosystem in Haiti. The country's GEM Education Index in 2016 was 0.422, the lowest in the region. Corruption is particularly rampant; in corruption, Haiti ranks 161 out of 175 countries with a score of 17 out of 100 in the Corruption Perception Index. According to the *World Bank Doing Business* report (2019) Haiti is ranked 189 out of 190 countries in the "Starting a business" category. The World Economic Forum's Global Competitiveness Index 2018 ranks Haiti at 138 out of 140 countries with a score of 36.5. Even though the score improved by 0.7, the country went down 5 ranks. The Index of Economic Freedom tracks advancement in economic freedom, prosperity, and opportunity. Haiti ranks 143 out of 180 countries with a score of 52.7 and is considered "Mostly Unfree".

There are a number of barriers to female entrepreneurship in Haiti including lack of reliable electricity, difficulty in accessing technology, burdensome bureaucratic requirements, expensive and costly business plans, weak financial institutions, lack of credit from financial institutions, lack of gender-sensitive business trainings, unequal share of household duties, a male-dominated business environment, gender-based segregation of income-generating labor roles, aversion to risk amongst females, and the reluctance of women to put themselves forward for business plan competitions and trainings. Experiments in Haiti have also shown that when women participate in a mixed gender Business Development Services (BDS) training, they are less vocal, less likely to participate, and less likely to take the lead than their male peers. The credit gap has been partially covered by microfinance organizations. Microcredit, however, goes to retail and not production. Low financial education and skills to prepare business plans is an important barrier to get credit. Providing training on financial literacy is one way to support the local female entrepreneurial community as well as offering seminars on the role of the entrepreneur in society regarding innovation and creativity.



EDUCATION AND ENTREPRENEURSHIP

Girls in Haiti lack access to education due to several factors. There is a need for safe spaces in schools for girls. Among girls ages 13 to 17 who reported sexual abuse, schools were the second most common place for unwanted touching. Of women ages 18 to 24 who received money for sex before turning 18 years old, 27 percent reported that schools were the most common location to meet people paying for sex. In an effort to address this issue, USAID is working with the Ministry of Education to maintain schools that are free from any gender-based refusal and bias and to promote awareness of gender-based violence.

Although entrepreneurship has the potential to empower women, the percentage of women in business in Haiti remains low. As discussed above, lack of education, reduced skills and training, and gender-related challenges are some key factors that affect the growth and productivity of women-owned micro, small and medium enterprises (SMEs). The Center for Facilitation of Investment (CFI) established in 2006 with the objective to facilitate and promote private investments in the country, has created an incentive to start businesses and made the business registration less arduous. However, these measures do not necessarily cater to the real needs of women entrepreneurs but instead they more likely address the needs of foreign investors and larger local companies. Until now, there is no proper institutional support for the economic sectors in which Haitian women are more active. Financing businesses is one of the biggest issues for entrepreneurs in Haiti. Many existing or aspiring women entrepreneurs have stated that the lack of credit is the major problem for developing SMEs in the development stage.

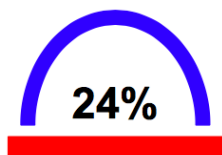
Just like in the Haitian higher education system, women are underrepresented in the higher level of the economy. To help women access top positions in formal business hierarchy, Haitian families have to invest more in female higher education. The struggle for women economic rights has to start with reducing the illiteracy rate. In Haiti, uneducated girls are relegated to informal economic activities where no special entrepreneurial skills are necessary. This helps reproduce particular cultural beliefs that are not challenged by Haitian microfinance organizations. Then, to generate a significant socioeconomic change, institutional and behavioral improvements are necessary. Women entrepreneurship should not be confined to economic activities in the informal sector with the image of “Madan Sara”. Everyone who grew up in Haiti knows what a 'Madan Sara' is, a Haitian woman who works hard, wakes up earlier than most, sleeps later than most. The educational system should promote women entrepreneurship development through motivations for formal business creation, and that is where our work comes in. For example, by promoting entrepreneurship, universities – have their own interest to become entrepreneurial universities – can help modify significantly the common perceptions of women in the whole economy. Researchers claim that “women entrepreneurs require different training” and need “specific policies, advice, and assistance”. There is presence of informal entrepreneurship education for women. Building Markets holds specialized training sessions exclusively for Haitian female entrepreneurs registered with the Haiti Marketplace project. The goal of these training sessions is to give female entrepreneurs a better understanding of the procurement process and develop good business practices which enable them to successfully bid on and win contracts. Furthermore, these training sessions give women the opportunity to connect and share experiences with each other and/or potentially collaborate on projects. La Chambre de Commerce des Femmes entrepreneures d’Haïti (CCFEH), an organization supporting women entrepreneurs, promote partnerships and alliances within communities throughout Haiti to enhance healthy business and investment climates, increase the ease of doing business, and encourage public and private sector partnerships.



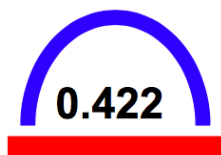
Mercy Corps along with Fondation Être Ayisyen (FEA) is developing the Discovering Young Women Entrepreneurs (DYWE) program, a training program in Haiti for women aged 18 - 35. The program will initially support 200 Haitian women, eventually reaching 600 women, to increase entrepreneurial capacity, job creation and revenue generation to improve Haiti's economy.

HAITI WOMEN ENTREPRENEUR AND INVESTOR PROFILE

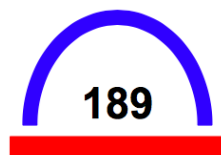
- Established Business Activity: Over 900 (or 24%) of all businesses listed on the Haiti Business Portal are either female-owned or managed.
- Industry: Women are predominantly present in wholesale and retail, hotels, restaurants, and crafts.
- Company Boards: In recent years, there has been more women managers in banking as well as communication and telecommunication, but there are still very few women that are part of board of directors in the formal sectors.
- Executive Makeup: According to a survey realized by the Haitian Institute for Children, from 2005 to 2006, seven women out of ten from those who worked at the time of the survey or who had worked twelve months prior to the survey, 73% were in sales and services, near 13% in the agriculture sector, 1% were manual workers, and only 8% were executive or worked in an administrative professional field.
- Institutional Investment: Although women recently are better represented in public administration, they remain active in businesses with little or no external angel or venture capital financing. Microfinance institutions provide funding for their little economic activities, almost 74.4% of women entrepreneurs receive funding through microcredit.
- Government Investment: In 2006, Senator Étienne (the only woman in the Senate) presented a check for one million gourdes to finance the various entrepreneurial innovation projects of organizations and groups of women in Northern Haiti. The U.S. Embassy recognizes the importance of including women in every facet of Haiti's economic growth strategy. Under the USAID Leveraging Effective Application of Direct Investments (LEAD) project, U.S. provided financial and technical assistance to 21 Haitian female entrepreneurs, all of whom are still operating successfully.
- Female VC Investment: 82 senior female VCs invest in Latin America, while only 2 of them invest in the Caribbean.
- Business Training Participation: Business Development Services (BDS) does not specifically target women and has low female participation rates. Mercy Corps has found that on average only 16% of beneficiaries of BDS provided by Enterprise Development Organizations (EDOs) in Haiti are female. No existing EDO currently provides women-exclusive BDS, which makes the efforts of women oriented non-profits required for the growth of women entrepreneurs in the Haitian economy.



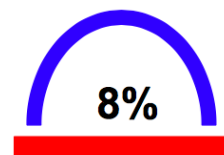
Female Owned or
Managed Businesses



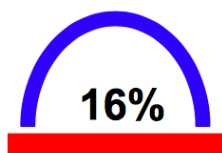
2016 GEM Education
Index (lowest in the
Caribbean)



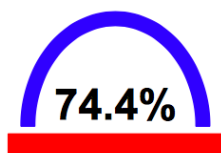
Starting a Business Rank
(190 countries)



Female Executives
or Professional
Administratives



Female Participation
in Business
Development Training



Female Entrepreneurs
Funded by Microfinance



Average Microfinance
Loan (Fonkoze)



Female ICT
Entrepreneurs

HAITI HUMAN DEVELOPMENT INDICATORS

In Haiti multidimensional poverty is 41.3% that leads to a lack of education. Mean years of schooling for females in Haiti is 4.3, whereas United States is 13.4. The Global Multidimensional Poverty Index 2019 analyzed changes over time in 10 countries including Haiti. The study states that children are poorer than adults in all 10 countries. Child poverty fell markedly faster than adult poverty in Haiti. In all 10 countries rural areas are poorer than urban areas. In Haiti poverty reduction in rural areas outpaced that in urban areas—demonstrating pro-poor development.

Mean years of schooling, female (years)	4.3
Population with at least some secondary education, female (% ages 25 and older)	26.9
Child marriage, women married by age 18 (% of women ages 20–24 years who are married or in union)	18
Estimated gross national income per capita, female (2011 PPP \$)	1,400
Gender Inequality Index (GII)	0.601
Share of employment in nonagriculture, female (% of total employment in nonagriculture)	58.5
Share of seats in parliament (% held by women)	2.7
Total unemployment rate (female to male ratio)	1.29
Unmet need for family planning (% of married or in-union women of reproductive age, 15–49 years)	38.0
Violence against women ever experienced, intimate partner (% of female population ages 15 and older)	20.0

Violence against women ever experienced, nonintimate partner (% of female population ages 15 and older)	2.0
Women with account at financial institution or with mobile money-service provider (% of female population ages 15 and older)	30.0
Labour force participation rate (% ages 15 and older), female	63.8

GENDER POLICY

The mechanisms for the advancement of women are at a high level in Haiti. Below is Haiti's national development plans that mainstream a gender perspective.

Year	Name of the Plan	Responsible Entity
2030	Strategic Development Plan for Haiti as an Emerging Country in 2030	Ministry of Planning and External Cooperation

Apart from job creation and access to employment, improvement of housing conditions, food security, land management, and risk management, achieving gender equality is one of the main objectives of Haiti's development plan.

Since 2012, Haiti enforces 30% women to be present at all levels of the public sector and political parties, ensuring women are in decision making and leadership positions. Women receive 12 weeks of paid maternity leave, and 20 days each year to care for dependents.

CHALLENGES

The two main challenges faced by Haitian women to engage in entrepreneurship are cultural and societal factors, and access to training and funding. The hierarchical distribution of family roles in the Haitian culture at times put women at a disadvantage. They have to engage in household tasks, while earning income outside the home. Girls help their mothers and end up not attending school, resulting in high female dropout rate. Most married women in Haiti do not have the power to take economic decisions such as starting and running a high growth enterprise. On the other hand, even the successful women entrepreneurs face cultural biases that are ingrained in the Haitian society.

Lack of access to training and business education results in an obstacle to obtain loans for many women entrepreneurs in Haiti. Hence, these entrepreneurs resort to tontine mechanism (a form of "rotating saving and credit association", ROSCA) for funding. Despite the high percentage of women entrepreneurs in Haiti's informal sector, they are underrepresented in board of directors of formal businesses. Most women remain active in businesses with almost no funding. The microfinance institutions that are the source of funding haven't been able to economically empower the women entrepreneurs.



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