American Plan of Action: How America can Save the Haitians

Lasting only thirteen days, Hurricane Ike caused billions of dollars in damage to the city of Houston and the surrounding area. The first hurricane to strike a major US population center since Hurricane Katrina’s devastation in New Orleans, Ike seemed to many the reliving of a national nightmare. Despite the fury of Ike, massive preparation efforts saved many in Houston and the surrounding area. Not as lucky were many Caribbean nations, including Haiti, the hardest hit. After more than seventy deaths in Haiti from Ike, Haitians returned home to find that much of their hard work over the past year has been obliterated by a hurricane. Sadly, this only further complicates problems in this small Caribbean nation. Torn apart by economic troubles and political instability, Haiti is the poorest nation in the Western Hemisphere. As the world staggers due to the increasing cost of agricultural goods, Haiti, who has been struggling to feed its people for decades, is nearing economic collapse. Massive leaps in the cost of food caused riots in Haiti in April of 2008. The position of the United States as global leader puts the US at a moral and ethical responsibility to stabilize Haiti and work for its prosperity. However, our responsibility doesn’t end there. Because global and regional stability is based on the stability of its members, it becomes imperative the US maintains that stability in Haiti. In such a multi-faceted problem such as the position Haiti finds itself, it will take innovation and persistence to solve the dilemma. But it is of critical importance that the United States, working under the auspices of the United Nations and its member bodies along with many of the federal government’s own institutions, with the blessing of the international community, take three key steps in ending the crisis in Haiti by providing food security to that nation. Primarily, the United States needs to provide short-term relief to farmers by: a) lowering US agricultural tariffs and subsidies and b) providing food aid by buying food from local farmers and earmarking it for humanitarian use in Haiti. Additionally, America needs to prevent mid-term problems by: a) promoting the stability of Michele Duvivier Pierre-Louis’s government in Haiti and b) regulating agricultural speculation in domestic markets and exchanges. Finally, the US needs to work for long-term stability by: a) pressing for cheaper and better education, b) promoting foreign direct investment in Haiti by increasing tax incentives for outsourcing/offshoring jobs to Haiti and c) pushing for acceptance of lower agricultural subsidies globally at the World Trade Organization.

Why Haiti? While many similar dilemmas of food security exist in countries across the globe, Haiti’s position as poorest in the Western Hemisphere, the American backyard, warrant our attention to Haiti first. Additionally, Haiti’s proximity and relative amiability make Haiti a great starting point to developing global food security.

However, for any serious discussion on food security to begin, it is important to ensure that all parties understand what it is they are trying to achieve. Food security is realized when a population does not live in hunger or in fear of starvation. There are three key factors that play into food security: availability, or how much food there is and how reliable the supply; access, or how adequate transportation and distribution systems are at getting food where it is needed; and affordability, how available food is at prices that people can afford to pay, and in particular, whether low income consumers can afford enough nutritious food. Promoting Haitian food security requires attention to all three. However, it is important we realize the US does not work inside a vacuum or without constraints of time. Therefore, it becomes appropriate the US take steps to supplement relief to the crisis first, and to work for long-term solutions after a semblance of stability returns. With that, we turn to Haiti.

Haiti’s historical breadbasket is centered on the Artibonite River Valley, a few hours north of the capital, where rich soil and adequate water supplies have supported generations of farmers. Those farmers
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once raised most of the rice Haitians consumed but, in the late 1980s, government officials opened Haiti's ports to imported rice and food in response to shortages. The result was a flood of cheap imports that soon undercut Haiti's own farmers, who were unable to compete. With somewhere between four and five children, the average Haitian family lives on $60 a year, despite a per capita GDP of roughly $350 a year as about 1% of Haiti's population controls 40% of its wealth. A global price hike in food cost of Haitian staple foods of beans, corn, and rice has put many families in a tougher financial position. Children are unlikely to be educated, with 45% of the population illiterate. This family of six to seven is likely to farm a plot of roughly 1.7 hectares, or 4.2 acres, with less than half of that land having even moderately good soil. The Haitian farmer continues to cultivate traditional food crops such as: corn, rice, sweet potatoes, red beans, black beans, bananas and plantains, citrus fruit, thyme, oregano, black pepper, cinnamon and many others. Farmers also cultivate sugar, the major cash crop of the country.

With this in mind, the United States must now work to help the average Haitian farmer in two ways. First, the US must open its markets more to Haitian crops to provide Haitian farmers with a market to sell their crops. Second, the US must buy excess grains from Haitian markets and earmark this grain for humanitarian use in Haiti.

The first step to alleviating pressure on Haitian farmers is to find a market to sell their goods. While obviously many Haitians are going hungry, this is mainly due to a lack of funds. ‘‘Haiti has enough food in the marketplace to feed its populace, but prices have increased beyond the means of many of the urban poor to pay for it,’’ said Michael Hess, an administrator in the US Agency for International Development’s Bureau for Democracy, Conflict, and Humanitarian Assistance. ‘‘People are making two bucks a day,’’ he said, ‘‘and we’re seeing food prices go up around the world.’’ However, in developed markets, like the United States, while families are feeling the pressure of price hikes, foodstuffs are still within their reach. Thus, if Haitian farmers can sell their products in a market with consumers who can and are willing to buy them, it will net the farmers more income. Furthermore, because of standard of living and exchange differences, the Haitian farmer is likely to be able to provide the lowest cost product in the US market while still gaining a large profit. For example, if American Sugar Farmer A sells his sugar crop at 27 cents a pound, he will maintain a reasonable profit. However, Haitian Sugar Farmer B could easily sell his sugar at 25 cents a pound in the US, well above the global average of 10 cents per pound, and make a huge profit. Thus, if the United States selectively lowers its tariffs and trade barriers against Haiti, especially in the sugar industry, it will allow for higher incomes for farmers.

This strategy will meet with some resistance from American citizens, mainly those with a vested interest in the American sugar industry. For some time, American sugar farmers have worked to keep a corner on the US market by maintaining tariffs that allow them to sell their product at the lowest price. However, in the long run, this move will help the American economy, even if a short-term difficulty ensues, explains Thomas L. Friedman, three-time Pulitzer Prize winning columnist for the New York Times in his best-selling book, The World is Flat. If the US stabilizes an economy to a point where it can become an equal trading partner, the US is allowed to specialize further, increasing output and international trade. Thus, if the United States allows for a temporary flux in the market, it can help the US economy in the long run.

Another crucial aspect of the plan to relieve the impoverished in Haiti comes in the form of food assistance. In the past, the United States has used excess grain or staple foods from its own domestic production to fuel food aid. While this aids the hungry, it creates a devastating effect for local farmers who have their own production cut out from under them and, thus, become among the poor of the nation. In addition, because the US agricultural market is so isolated due to tariffs, aid dollars do less when goods are purchased from American producers, as current US aid protocol provides. In order to avoid this problem, the US must mirror European countries in their efforts to buy local food and earmark this food for the poor. Thus the United States will provide money to the farmer who produced the crop, while
allowing the poor of the country to regain a footing on financial and food security without worrying immensely on day-to-day costs of providing food for themselves and their children. If utilized in Haiti, this procedure will help eliminate the short-term problems facing Haiti and allow for the global community to focus more concretely on the interim phase of helping the country.

The next step in ensuring stability and food security in Haiti will be accomplished by avoiding mid-term problems. First, the United States needs to promote the stability of Michèle Pierre-Louis’s government in Haiti. Second, the US needs to avoid market shocks by regulating speculation in domestic agricultural markets and exchanges.

Since the onset of the recent global food crisis, Haiti has been woefully without leadership. Haiti’s prime minister, Jacques Edouard Alexis, lost his job on April 12th, the result of more than a week of unrest as protesters rioted in reaction to rising food prices. The acceptance of a new minister, Michèle Pierre-Louis, means Haitians are beginning to recover from the paralysis that has held their nation. In the next months, it will be the job of the new administration to begin stabilizing the country so recently rocked by violence. “Pierre-Louis, a member of Haiti’s privileged class, has risen above the country’s rigid caste system to become one of its most respected grass-roots advocates and popular international speakers. Part of her appeal is her unflinching ability to tackle challenges.” Her steps will encounter resistance, while Haiti’s gangs test the will of the new Prime Minister’s resolve. “Heavily armed U.N. troops have fought off-and-on street battles with gangs for months, hoping to bring order to slums where garbage piles up uncollected and canals serve as open sewers.” The survival of a stable democracy is key. In his book, Democracy as Freedom, Nobel Prize Winner Amartya Sen explains that no democracy has ruled over a famine in their country. Because ultimately, a democracy is responsible to the will of the people, elected officials will not risk losing their job if it is within their power to ease a market complication or a poor harvest season. Leaders will divert funds and foodstuffs to the necessary areas, ultimately preventing famine. The United States needs to support the fledgling administration before the crisis spins out of control. By encouraging and voicing our encouragement to Pierre-Louis’s government, to regional leaders and the Haitian people, we may be able to shore up her local and regional support. We can further work with Ms. Pierre-Louis on joint ventures to continue to provide food and monetary aid to Haiti. These efforts should create an environment where the new administration will be able to work effectively to stabilize the country.

Another aspect that may derail progress is speculation in domestic (United States) agricultural markets. “The impact of speculation in futures and commodities markets on food prices has also highlighted the importance of appropriate regulatory measures to ensure that on-going integration of financial markets provides the basis for increased benefits, rather than risks, for the poor.” Michael W. Masters, the managing partner of the hedge fund Masters Capital Management, says institutional investors like hedge funds and pension funds started pouring money into commodities futures markets in the early 2000s, pushing up futures contracts and, in turn, spot prices. In effect, if the United States leaves agricultural markets unregulated, the result might be a financial fallout akin to the global housing market but with farther reaching consequences that will harm food security of millions globally, including a vast majority of Haitians. Because of falling prices in food as a result of speculation mismanagement, the Haitian farmer will be forced to sell his crop for even less, thus preventing the farmers from achieving parity, or a profit equal to or greater than the expenses incurred during the cultivation. The loss of parity for Haitian farmers will force many into debt, some to the point of forgoing education for their children, or even selling their land. A financial fallout from speculation in markets could rock the financial stability of the Haitian farmer.

The United States will still have work to do in the long term to maintain gains in food security. The United States will need to push for cheaper and better education for the Haitian people. An increase
in foreign direct investment will be necessary to permanently stabilize Haiti. Further, the US will need to be willing to push and accept lower agricultural subsidies at the WTO.

One of the primary objectives in the long term for the United States should be to create a better education system for Haitians. Before the food crisis hit Haiti, education was already a luxury. Haitian schools are among the most expensive in the world when compared to per capita income, not including books or supplies.24 With the recent spike in global food prices, a significant drop in attendance at school has been recorded.25 Those who do still make it to school have trouble concentrating on classwork because of empty stomachs.26 Improving education in Haiti may allow for a diversification of the economy of Haiti away from agriculture toward technology or manufacturing. “Education is complementary, if not necessary, for success in all other sectors.”27 This move is likely to provide a more stable economy for Haiti, less affected by fluctuations in the agricultural market. This diversification of the job market in Haiti will create a more steady income for many Haitians. This steady income will, in turn, translate to more purchasing power for the average Haitian, leaving Haitian’s access to adequate food supplies. A better education and a cheaper education system can ultimately put Haiti on a level playing field with the rest of the world. And on this level playing field, Haiti will be more food secure.

The United States can also aid Haiti by promoting foreign direct investment in Haiti by increasing tax incentives for outsourcing or off-shoring jobs. Foreign investment has been a principal engine of global economic growth in recent years.28 Outsourcing has decreased global poverty significantly in the past two decades.29 This engine, however, has largely overlooked the under-developed world.30 For Haiti, this means a vast amount of potential capital for development is being diverted to other nations. Because prolonged development of Haiti will lead to better economic, political, and social stability, this pool of wealth is one that needs to be tapped. But it cannot be tapped alone. The United States already has a policy of tax incentives for corporations that outsource or offshore jobs.31 The major complication is that these jobs are going primarily to China, India, Mexico, and Eastern Europe.32 The way to divert these jobs (and thus the monetary value of the job) to Haiti is to tack on an additional incentive to corporations that move jobs to Haiti.

This will meet substantial resistance in the United States. Many people will fear competition in the labor market from individuals who are willing to work for far less.33 In the long run, these people will be better off, as specialization and the American education system move Americans to work in more high-tech environments.34 In the short-term, one will see displacement of some American jobs. But this displacement will do no more than dent the American economy. “Because the service sector encompasses some 70 to 80 percent of the U.S. economy, outsourcing can only impact a sliver of U.S. employment. Data from Forrester Research […] estimates that 400,000 U.S. jobs had moved abroad by 2003 and that the total would hit 3.3 million by 2015. That's just over 200,000 jobs lost each year to global outsourcing, a trivial problem in the context of the normal churn of the U.S. economy, where about 7 million jobs were gained and lost in each of the last four quarters.”35 Further, the comparative poverty and the eventual rebound for the American worker mean this move is a wise one for the United States to make overall.

The final piece of the puzzle the United States will need to set into place will be the reduction of global agricultural tariffs. The perfect venue for the US to accomplish this is at the World Trade Organization talks. The World Trade Organization, or WTO, is a forum for liberalizing trade.36 For the past seven years, the issue of agricultural subsidies and tariffs has stalled the Doha round of talks.37 The United States and the European Union have been at odds with the developing markets that want access to their agricultural markets.38 America and the EU have general subsidies for their farmers, which mean international goods are less competitive. If the United States compromises on this issue, it will help developing markets gain a footing on financial stability. For Haiti, this will hopefully mean an opening in European markets that will complement the openness the United States would have provided to Haiti. That will only amplify the agricultural stability in Haiti, leading to long-term food security.
Once again, this move will be unpopular with a number of people, mainly those who profit from the subsidies and tariffs the US uses. Sugar and cotton growers will be particularly unhappy, as will many corn farmers whose corn would go to producing ethanol, now potentially undercut by Brazilian ethanol.³⁹ The counter to this logic is that this will force the American producer to be more competitive, and competition is advantageous to consumers.⁴⁰ By making this move, the United States can benefit both its own citizens as well as the Haitian people in desperate need of help.

For Haiti, the issue of food security is a pressing concern. From one day to the next, thousands of people will eat nothing. The United States now has the ability to alleviate the suffering of these people. In the interest of regional stability, the United States must act to maintain a safe “neighborhood” where states that wish to do America harm will be isolated. Economic cooperation should cause momentum for America to aid Haiti, to help create a stronger trading partner on our own doorstep who can assist the United States in moving forward. Ethically, the United States must help the needy in the world, not only to save our global image, but because Americans feel it is the right thing to do. Thus, America must act. Primarily, the United States needs to provide short-term relief to farmers by: a) lowering United States agricultural tariffs and subsidies to open markets for Haitian farmers to sell their goods and b) providing food aid by buying food from local farmers and earmarking it for humanitarian use in Haiti to solve short-term hunger and prevent pitfalls of other aid packages. Additionally, America needs to prevent mid-term problems by: a) promoting the stability of Michèle Duvivier Pierre-Louis’s government in Haiti to promote an environment conducive to economic growth and b) regulating agricultural speculation in domestic markets and exchanges to prevent economic shocks and financial catastrophes. Finally, the United States needs to work for long-term stability by: a) pressing for cheaper and better education so as to help Haiti become more economically competitive b) promoting foreign direct investment in Haiti by increasing tax incentives for outsourcing or off-shoring jobs to Haiti to give cash to the nation to develop, and c) pushing for acceptance of lower agricultural subsidies globally at the World Trade Organization to open even more markets to Haitian farmers. After the devastation that Hurricane Ike caused in the Gulf of Mexico, thousands of American citizens mobilized to help survivors and victims of this natural disaster rebuild. Efforts to help survivors will take years. Rebuilding efforts are still underway in New Orleans. But as America unifies to help the now struggling Houston, it is important that American remember those outside our borders. We must not forget Haiti and the other Caribbean nations affected by the devastation wrought by Ike. Building a prospering nation from the ruins of Ike will not be easy. But the United States can. We can take on a Hurricane and we can help Haiti.
Works Cited


