

Haiti is different from my past work with Copenhagen Consensus programs. Then, the task was how to get the most per dollar in projects across the world; from health to food production to water, nutrients, and the environment; all within the constraints of a budget that makes prioritization essential.

It is still necessary to set priorities because people, organizations, governments, cannot do everything and we must choose. Benefit-cost (B/C) analysis is a useful tool in focusing attention on the elements that matter in considering alternative budget-constrained activities that might be promoted. In particular it enables the discovery of very high impact programs that cost very little. However, judgements are essential in evaluating these B/C inputs to the panel because of clustering interdependencies, sequential ordering, and other qualitative considerations that are an essential part of the deliberation process. Haiti's difference from my other Copenhagen Consensus projects is what makes it exciting. The task is to address the challenges of a country where projects have to pull together and lead to sustainable economic betterment for the country.

From Economic History we know the essential feature of success: it is possible only from within. Western economic development was a bootstrap process that coalesced new attitudes toward self-development and opportunity creation in bottom-up processes supported by a property rights framework that aligned the incentives of the individual with productive work opportunities for others, far beyond the individual. There was no external sources of AID to help or hinder that development. The over-riding lesson is that only Haitians can create a new Haitian trend line.

The task is formidable, but we know it must be an inside effort and be founded on the freedom of individuals and their associations to explore and develop new business opportunities to produce and work.

Haiti can take this path. The Curse of foreign AID is its focus on consumption and transfers, rather than the production and income that alone sustains consumption and grows its capacity. Foreign AID can help achieve this only if it is brought to bear on how to help people help themselves produce more; otherwise, AID can do more harm than good. AID money is gone tomorrow; only where it raises the level of health and productivity, the skills, the new learning, and new activity, will economic betterment con

Because our model must be based on the principle that only Haitians can be the agents of change, development and a new future, we have implemented that model in our study and evaluation protocols for *Haiti Priorise*: The Eminent panel, the advisory committee, and many of the scholarly position papers have been researched by outstanding Haitian economists identified elsewhere in this report.

On each of the solutions, I like to ask:

- How will the proposal help Haitians to help themselves?
- Will it promote the formation of new businesses?
- Does it use indigenous skills and products, or develop them for export?
- If it helps to feed, and to clothe, and to house, does it accomplish this through the growth of domestic industry to supply these products *or—equally important—does it help pay for them through increased exports?*
- What are the current impediments to starting new businesses? If I wanted to, could I start a new business? Will I be charged, taxed? Why?

Prioritization

My emphasis on the objective of helping Haitians help themselves economically, leads naturally to a discussion of priorities for Haiti under four headings: Property Rights; Business Opportunity for Haitians; Nutrition and health; Human Capital Formation

Property Rights and Business Opportunity for Haitians

Strengthening property rights is central to providing business opportunity for Haitians. Hence, I discuss these under a single interdependent heading.

For economic development it is essential that people have rights to choose and act in ways that are compatible with the generation of income and wealth for the society. If you and I trade it is because we both gain from non-fraudulent exchange. If we are each free to use that gain to specialize and increase our surplus above consumption, then all others benefit through increased business sales, work and investment.

There is no other means of growing economic betterment. Because the benefits from trade are mutual, the oft-heard phrase “give back” obscures the fact that both have already given in order to receive.

Two indicators of this property right basis for freedom-to-grow economically are (1) “Time required to start a business” and (2) how long it takes to register a land-property transfer.

For Haiti the news is not good, but there has been marked improvement:

According to the World Bank, 97 days were required to get registered approval for a new business in Haiti in 2016, down, however, from 260 days in 2003.¹ The number of start-up procedures to register a new business was 12 in 2016, while the world average is 7.²

The World Bank also reports that in Haiti the land administration is particularly cumbersome. “In Haiti, for example, completing a property transfer from one local entrepreneur to another takes more than 10 months and costs 7.1% of the property value. While projects are under way to modernize the land administration system, the country still lacks a geographic information system and a database to check for encumbrances.” (*Doing Business*, 2016, p 8)

The Haiti property law Working Group reports that the problems include:

- A procedure that is not easily understood, especially by low-income residents.
- Unaffordable fees and expenses that can add up to 25 percent of the value of the purchase.
- Inadequate documentation: a deed of sale is not legally accepted as a deed unless it is properly registered and transcribed with the Office of Land Registry, which is rare.

¹ World Bank. *Doing Business, 2016*, “Time required to start a business (days)”, <http://d.ata.worldbank.org/indicator/IC.REG.DURS>

² World Bank. *Doing Business, 2016*, “Start-up procedures to register a business (number)”, <http://data.worldbank.org/indicator/IC.REG.PROC>

- Even after being registered and transcribed the deed does not constitute ownership against the claims of others, because the DGI is legally required to register and transcribe all deeds brought before it.
- It is not uncommon that the party “selling” the land does not have legal title to the land.
- Finally, because of inheritance laws that grant rights to all offspring, even owners with clear, registered title can be pulled into a conflict over their land.³

These conditions create a low-consumption economy frozen in time with individual initiative dissipated in ongoing attempts to resolve a tangle of irreconcilable claims on assets that are walled off from the prospect of contributing to economic development. So long as these conditions prevail, all AID is a one-way transfer that fails to provide sustainable forms of endogenous growth, and perpetuates Haitian dependence on the compassion of others.

The good news is that the Haiti property law working group exists and efforts have been made to find a solution.

The above considerations account for my decision to rank four of the “property rights” solutions in the top 20:

(4) Electronic registration of birth certificate

We first of all have property in our own mind and body, and that means birth identity—the first step in human capital formation.

(5) Digitize government processes

³ Haiti Property Law Working Group. Haiti Land Transaction Manual Vol. 1, June 26, 2012, p VII. https://www.habitat.org/sites/default/files/haiti_english_manual-web.pdf

Citizens have the right to prompt service from government and, in this era, that means converting from paper to digital record processing.

(6) Electronic port custom system

The increased efficiency that comes from the digitization of the container handling system will both expedite exports and attract investors.

(16) digitize land records

Property rights being a first-order economic right, it is a necessary condition for the proper functioning of markets. The digitization of the registration of land transfers greatly reduces the processing time and facilitates the capitalization of this primary input.

(20) expand mobile broadband

There is broad consensus (and sufficient research evidence) that access to the internet improves economic productivity via more efficient communications.

The above solutions, plus those providing energy to the population, ranked lower in my ranking because of the urgency of some of the nutrition, health and education issues to be discussed below. Moreover, it should be noted that I consider these proposed solutions as being most directly related to providing increased career opportunity for young Haitians.

It is important to understand that without major leaps forward to deal with business and property transfer certification, the investments required in electric power and the internet will simply raise externally-financed Haitian consumption levels and perpetuate that dependence into the future.

Nutrition and Health

(1) wheat flour micronutrient fortification

Stunting, anemia, and are all direct consequences of malnutrition, and the research is convincing: Haitians are malnourished. This solution proposes to fortify bread, which is already widely eaten in Haiti.

(2) cholera 2 dose mass vaccination

Cholera being an unfortunate and unintended consequence of foreign assistance, the loss of human lives could not have been foreseen. Nevertheless, more resources should be diverted to a mass vaccination campaign.

(7) maternal and newborn health

With the highest maternal mortality rate in the region, Haiti needs to invest more in women's health.

(8) immunization for children 0- 1

Science has already solved the problem of basic communicable diseases with vaccines. A re-allocation of resources towards universal immunisation can improve odds that new-borns become healthy and productive citizens.

(9) calcium and micronutrients in pregnancy

Low birth weight children and maternal mortality could be greatly reduced with the provision of antenatal vitamins, which would in turn improve the quality of participation of women in society.

(10) Local child nutrition formula RUTF

(12) standard child nutrition formula RUTF

The advantage of the local formula is that it supports local production, and but both would reduce the moderate acute malnutrition with which 50% of children have been diagnosed.

(13) skilled assistance at delivery

The economic benefits stemming from reduced maternal mortality and infection include reduced absence from the workplace, increased productivity, and reduced household expenditures on health care

(14) micronutrient powder 1.5 - 2 years old

Because this period in a child's development is crucial to his academic performance and general health, I prioritized this proposed solution.

(19) train first responders

As with the other health interventions, there are severe economic ramifications associated with the absence of basic health services, which impact the country's development potential.

Human Capital Formation

(3) early childhood stimulation

As with the interventions on micronutrients and RUTF, human capital formation actually begins at birth and not at school age.

(11) girls' retention in school

For various social and economic reasons, girls in rural areas do not have the same access to secondary education.

(15) teaching children at the right level

In addition to access, solutions regarding the improvement in the quality of education are equally crucial to human capital formation.

(17) conditional cash transfers secondary school

Poverty continues to be a marker for access to education.

(18) vocational training

Entrepreneurship and hence employment can be directly stimulated by the supporting practical professional skills.

Final Thoughts

- The road (41) and Bridge (71) initiatives: Who will build them? Can authority be given to private entities to build the road/bridge in return for tolls collected? Road, bridge and similar infrastructure suffer everywhere from politicization, with high upfront initial-construction incentives, and poor downstream incentives for maintenance.
- Health and education are necessary to economic betterment in the modern world but they are not sufficient. Progress on these dimensions in the absence of major improvements in the capacity of the Haitian economy to provide opportunity for young people will constitute a failed overall development effort for the Haitian economy. Educated young people without opportunity at home will leave, seeking elsewhere the better life for which they have been prepared. Hence, health and education programs must be linked to major reforms in the current state of property rights and to reversing the unfavorable climate of business freedom and opportunity.