3

ENTREPRENEURSHIP, DEVELOPMENT AND ECONOMIC POLICY IN HAITI

Andrés Marroquín

The French colony of St. Domingo [now Haiti] was established by pirates and free-booters, who, for a long time, neither required the protection, nor acknowledged the authority of France; and when that race of banditti became so far citizens as to acknowledge this authority, it was for a long time necessary to exercise it with very great gentleness. During this period the population and improvement of this colony increased very fast. Even the oppression of the exclusive company, to which it was for some time subjected, with all the other colonies of France, though it no doubt retarded, had not been able to stop its progress altogether. The course of its prosperity returned as soon as it was relieved from that oppression. It is now the most important of the sugar colonies of the West Indies, and its produce is said to be greater than that of all the English sugar colonies put together. The other sugar colonies of France are in general all very thriving.

Adam Smith ([1776] 1904)

Introduction

Entrepreneurship plays a key role in economic development and growth (Baumol and Strom, 2008). Innovation and creativity are its main features. Economic historians such as Ashton (1964) and Mokyr (2004) have examined the transformation of the industrial revolution and stressed the causal effect of invention and creativity on economic growth. Entrepreneurs create jobs, and they also produce goods and services and find new combinations of products and new sources of raw materials. Schumpeter (1982) wrote about a dynamic economy where new products displaced existing products from the market. He called this a process of ‘creation-destruction’.

On the one hand, therefore, we have the ‘Schumpeterian entrepreneur’ – the individual who innovates, creates, and in the process, destroys. On the other hand, there is the ‘Kirzenian entrepreneur’ (after Kirzner, 1978) who is alert to opportunities in the market and takes advantage of disequilibria to make profits. Entrepreneurs matter not only for innovation and market satisfaction, but also because they pay taxes that are essential for the provision of basic public goods and services, given the presence of a government that manages resources with some level of efficiency and economic rationality. In the extreme hypothetical case of a
country without entrepreneurs, the treasury is empty and the government has to borrow to
provide public goods and services, innovation is nil, jobs depend entirely on the government,
and long-term economic growth is zero or negative.

This chapter describes entrepreneurship in Haiti and links it to economic development
from two points of view: first, a comparative economics perspective, which presents different
indicators and variables of Haiti and contrasts them with those of other countries in the
region and the world, and second, an anthropological perspective, which looks at qualitative
research and informal institutions in the country.

Haiti: a brief history

Haiti has a unique history. It was the richest colony in the western hemisphere and now
is often called the poorest country in the same region (Marroquín, 2005). Slaves brought
from Africa to work in the sugar plantations initially populated Haiti and to some extent
spoke different languages. Campos (2010: 7) argues:

The boom in the importation of slaves from Africa along the 18th century shows
that about 20,000 slaves lived in Saint-Domingue in 1701. In 1753, this number
surpassed 165,000 and in 1791, there were more than 600,000 slaves sustaining the
whole process behind Saint-Domingue’s sugarcane production. At this time, almost
half of all sugar produced in the world was produced in the French colony of
Saint-Domingue, one of the wealthiest in the Caribbean.

One of the few connections with Africa were religious institutions such as Voodoo. Voodoo
was a new religion which helped unify the diversity of beliefs and has its origins among the
slaves (Michel, 1996). Labour was exploited in an unimaginable way. Haiti became independ-
ent in 1804 and became the ‘second new nation in the New World, after the USA’ (Crist,
1952: 107). After that, political conflicts led to numerous coups, social unrest and various
changes of constitution – around 23 different constitutions since 1804 (Marroquín, 2005: 75).
Post-independence Haiti started as a society of peasant cultivators (Murray, 1980).

Haiti has been severely affected by natural disasters and strong government centralization
in Port-Au-Prince. The official language in Haiti is French, which hardly 20 per cent of
people speak. The prevalent language is Creole, which is not spoken by any of the neighbour-

Entrepreneurship in Haiti: a comparative economics perspective

Haiti is a low-income country with a population of approximately 10.3 million people. The
GDP per capita in current US$ is 820. The Haitian economy mainly exports textiles: knit
t-shirts (39 per cent of GDP), knit sweaters (24 per cent), non-knit men’s suits (13 per cent),
scrap iron (3.8 per cent), and non-knit men’s shirts (2.3 per cent). The top five imported
products are rice (8.2 per cent), heavy pure woven cotton (5.5 per cent), knit t-shirts
(5.5 per cent), raw sugar (3.1 per cent), and poultry meat (2.8 per cent). The country ranks
Entrepreneurship in Haiti

123rd out of 144 in the Index of Economic Complexity. The infant mortality rate per 1,000 live births in 2010 was 70.4. About 10.6 per cent of Haitians have access to the internet.

Given the structure of the Haitian economy, most entrepreneurs operate in the agricultural and trade sectors, rather than manufacturing industry (see, for example, Nedje et al., 2013). Based on his study of a village in eastern Haiti, Murray (1980: 303) argues that males were gardeners and that most women were traders. The family economy however was mainly based on gardening. Table 3.1 presents where Haiti ranks in different categories of the World Bank Doing Business report among the 189 countries included.

According to the World Bank (2015) Doing Business Report, Haiti is ranked 188 out of 189 countries in the ‘Starting a business’ category. Only Myanmar has an inferior performance (see Table 3.2).

The 2014 Index of Economic Freedom reports, moreover, that ‘completing licensing requirements takes over 1,000 days’. Therefore, there are significant institutional constraints on starting a legitimate business in Haiti.

### Barriers to entrepreneurship in Haiti

There are several barriers to entrepreneurship in Haiti that in turn, affect one another. For example, political instability affects the investment climate and weakens economic institutions. In this section, these barriers are reviewed.

<table>
<thead>
<tr>
<th>Topic</th>
<th>DB 2015 Rank</th>
<th>DB 2014 Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Starting a business</td>
<td>188</td>
<td>187</td>
</tr>
<tr>
<td>Dealing with construction permits</td>
<td>132</td>
<td>188</td>
</tr>
<tr>
<td>Getting electricity</td>
<td>94</td>
<td>95</td>
</tr>
<tr>
<td>Registering property</td>
<td>175</td>
<td>176</td>
</tr>
<tr>
<td>Getting credit</td>
<td>171</td>
<td>169</td>
</tr>
<tr>
<td>Paying taxes</td>
<td>142</td>
<td>137</td>
</tr>
<tr>
<td>Trading across borders</td>
<td>142</td>
<td>147</td>
</tr>
<tr>
<td>Enforcing contracts</td>
<td>89</td>
<td>89</td>
</tr>
<tr>
<td>Resolving insolvency</td>
<td>189</td>
<td>189</td>
</tr>
</tbody>
</table>

†Doing Business: http://goo.gl/gW19TG.

Table 3.1 Haiti in the Doing Business Ranking†

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Haiti</th>
<th>Latin America &amp; Caribbean</th>
<th>OECD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procedures (number)</td>
<td>12</td>
<td>8.3</td>
<td>4.8</td>
</tr>
<tr>
<td>Time (days)</td>
<td>97</td>
<td>30.1</td>
<td>9.2</td>
</tr>
<tr>
<td>Cost (percent of income per capita)</td>
<td>246.7</td>
<td>31.1</td>
<td>3.4</td>
</tr>
<tr>
<td>Paid-in min. capital (percent of income per capita)</td>
<td>17.6</td>
<td>3.2</td>
<td>8.8</td>
</tr>
</tbody>
</table>

†Doing Business: http://goo.gl/gW19TG.

123rd out of 144 in the Index of Economic Complexity. The infant mortality rate per 1,000 live births in 2010 was 70.4. About 10.6 per cent of Haitians have access to the internet.
Problems with electricity

The lack of reliable electricity is the source of problems in many parts of Haiti. It impedes refrigeration. People cannot store food and as a consequence, they make more trips to shops that have generators. More importantly, Haitians have to cook every meal. As a result, they use charcoal intensely, which is the main cause of forest depletion.

The lack of electricity also increases the costs of doing business in Jérémie. Some entrepreneurs use several sources of energy: generators, batteries, solar panels and others, which can be very expensive. The 2014 Index of Economic Freedom indicates: ‘The state-owned and -subsidized electrical utility consumes 12 percent of the national budget but serves only 25 percent of the population.’

Unreliable electricity also affects education. The use of computers in schools is limited. Students cannot study at home at night. In fact, the main study area at night in several towns is the central park. At around seven and eight at night, many students gather under the solar-powered lamps to read their books and notebooks. It is a charming sight but also a sad one.

The lack of electricity has other hidden costs that might not be obvious but do affect productivity. The heat is dry and intense. During the high temperatures in the day, say from eleven to five in the afternoon, the heat is tiring. No matter what one is doing, the heat slows things down. One could say that Haitians have lived in these temperatures for hundreds of years. But they complain often about the heat.

Weak institutions

Institutions are the rules of the game that dictate how social life is organized (North, 1990). They can be formal (written in the legal codes) or informal (common practices that are not written in the legal codes). Institutions can facilitate conflict resolution and the respect for property rights is conducive to entrepreneurial activity and economic development (Harper, 2007).

In Haiti, formal institutions to solve conflicts do not work properly. The courts can be very slow, if they work at all. Entrepreneurs have scant legal mechanisms available when others do not comply with business agreements. This is one of the reasons why the credit market is limited. Formal contracts are scarce. Due to political reasons, the limited resources of the state are unevenly distributed across the country, being overrepresented in the capital, Port-au-Prince (Gros, 2011).

The 2014 Index of Economic Freedom points out: ‘Most commercial disputes are settled out of court if at all. There is no comprehensive civil registry. Bona fide and undisputed property titles are virtually nonexistent.’ In both dimensions of the rule of law (property rights and freedom from corruption), Haiti ranks as a ‘repressed’ country. Haiti scores 19 out of 100 in the Corruption Perceptions Index (CPI), and it ranks 161 out of 175 countries (7 per cent percentile rank).

Weak institutions are a cause and effect of what Marroquín (2005: 75–76) calls the political economy of dictatorship in Haiti. He argues:

During the almost 200 years of its existence, the Haitian Republic has witnessed the swearing-in of 42 chiefs of State. Out of these 42, 7 remained in power for more than 10 years, 9 declared themselves presidents for life, 11 remained in power for less than one year, and 29 were either assassinated or forced to seek exile. Paraphrasing Gordon Tullock the relevant question is ‘why so much instability?’ As suggested by
Tullock (1974), successions in dictatorial regimes are particularly violent, and this has been the case in Haiti. Almost every dictator has been a ‘selfish dictator’ (including the Duvaliers—‘Papa Doc’ and ‘Baby Doc’) all with the purpose of maximizing benefits in the short run paying the costs of less security in the long run.

Marroquín (2005) argues that institutions in Haiti are weak because the supply and the demand of institutions are low (or relatively low). The supply of institutions comes in part from the government (e.g., institutional enforcement). The problem, however, is that Haiti’s history has been plagued with political instability and conflict for power between political incumbents and various opposition groups. Without peace, as Adam Smith rightly said, there is no basis for prosperity. The demand for good institutions comes in part also from civil society. However, the level of education in Haiti is low and their knowledge of what good institutions look like is somewhat limited, hence the demand of good institutions is also low. As a result, the interaction of the supply and the demand of good institutions in Haiti is much lower than other countries in the region. Sparse entrepreneurial activity is an important result.

Secure property rights is one of the main components of an institutional arrangement. Property rights are linked to other aspects of the economy such as credit, investment, and of course, entrepreneurship. The land tenure in Haiti is characterized by three arrangements: (1) land fragmentation, which takes place after successive inheritance across generations, (2) sharecropping, which happens when several people, besides the owner, work the land, and (3) renting (Dolisca, 2003). Sharecropping and renting are different in the sense that renters have ownership over the harvest, and they have to pay the rent. Sharecroppers usually do not pay rent but they have to share the harvest with the owner (Dolisca, 2003: 23).

In his study of a forest located in southern Haiti Dolisca (ibid.) argues:

residents in Forêt des Pins Reserve who depend on government land to reside, farm and graze perceive that they do not have secure rights on that land. As such, they hesitate to make long-term investment of planting trees and management. Insecure and ill defined land rights will prevent farmers to get credit because they cannot use insecure land as guarantee to acquire low interest and long-term institutional credit. As a result, households may not be able to make long-term investments such as ecosystem management.

Lack of credit

Institutional weakness has negative consequences in other markets, such as the loanable funds market. Indeed, the lack of clearly defined property rights limits the capacity of land and other tangible assets to serve as a guarantee for formal credit in the financial sector (De Soto, 2003). In Haiti, property rights are not clearly defined (Marroquín, 2005), there are tensions over land ownership and in general there is no certainty of who owns what. Kushner (2015: 3) describes the current situation:

The tension [over land control] played out over the past two centuries with governments often bequeathing parcels of land to various groups, only sometimes to take them back later, subsequent disputes over territory, and little regard for formal title throughout. Peasants in rural Haiti generally worked the land under an informal system of tenancy, in which they established de-facto ownership over small plots of land, then joined their plots with their neighbors’, usually members of their extended
families, and farmed the land collectively. The land would typically remain under
the name of just one family member—but no records of these arrangements were
provided to the state.

Many people have sometimes claimed to own the same parcel of land, while other plots of
land had no identifiable owner. Cases in which title could be established are rare. A 1997
study, conducted by the U.N. Food and Agriculture Organization and Haiti’s agriculture
ministry, estimated that 95 per cent of all land sales in rural Haiti had been conducted
without going through legal formalities.

In their assessment of women’s entrepreneurship in Haiti, Nedjé et al. (2013: 64) argue:

Financing businesses is one of the biggest issues for entrepreneurs in Haiti. Thus,
many women, existing or aspiring entrepreneurs, affirm that the lack of credit is the
major problem for developing small and medium enterprises (SME) in the develop-
ment stage. There are not many types of credit at the commercial banks that are
available to small businesses.

The credit gap has been partially covered by microfinance organizations. Microcredit,
however, goes to retail and not production. About 74 per cent of microcredit goes to women
(Nedjé et al., 2013, 65). Low financial education and skills to prepare business plans are an
important barrier to get credit. To the barriers mentioned above, we should add a complicated
tax system, high transaction costs, and lack of trust.

A non-traditional anthropological view of entrepreneurship in Haiti

In this section, we go beyond the numbers and see what entrepreneurs do on the ground
and how the economy works in very harsh circumstances – at least for the external observer.
The situation in Haiti is difficult, but we have to remember that for the ‘typical’ Haitian,
Haiti is the only country s/he has lived in. The only standard of comparison is his/her
society. Given the circumstances, people do the best they can. In fact, even in difficult and
unstable socioeconomic, political and environmental circumstances people do what is within
their means to become innovative entrepreneurs in Haiti (Campos, 2010).

With Haitian history in mind, we should resist the desire to compare Haiti with other
countries. It would be like comparing apples and oranges. To understand Haiti and the
Haitian entrepreneurs, what we can do is the following:

1. Measure the socioeconomic performance of Haiti in relation to itself.
2. Measure the entrepreneurial success with a different scale. A successful entrepreneur
   in Haiti might be considered an average, or below average, entrepreneur in another
country.
3. Informal economy and informal interactions dominate in Haiti – according to one
   estimate 95 per cent of businesses are informal (Barrau, 2013) and Marroquín (2005: 67)
   indicates ‘Nearly 75 per cent of the Haitian labor force is engaged in small-scale subs-
   stance farming’, and other sources claim ‘60 percent of households depend on farming
   for their livelihood’ (Trade in Haiti, 2013). Therefore we should concentrate on the
   informal mechanisms available to people to make a living in Haiti.
4. The starting point of an individual in Haiti is very different from the starting point of a
   person in many, or most, countries. Just by being born in Haiti, the person is in relative
Entrepreneurship in Haiti

disadvantage. Their 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.

5. The state in Haiti is very weak and weaker than in almost any other country in Latin America (Gros, 2011). This means that most of the socioeconomic transactions happen outside the realm of the state. The informal mechanisms are the only means to navigate society, its economic and social environment.

6. The level of entrepreneurship in Haiti should be higher, but given the factors already mentioned, what exists now is probably the most efficient level of entrepreneurship.

Case examples of entrepreneurship in Haiti

There has been an effort to promote entrepreneurship in Haiti. Some of the initiatives come from the private sector. For example, Digicel, the largest foreign investor in the country and a phone company with headquarters in Jamaica and operations in the Caribbean, Central America and Oceania gives the ‘entrepreneur of the year’ award. The 2013 winner was the founder of health care centres that provide micro-health insurance for a cost of US$ 10 a month to around 400,000 clients. Other successful entrepreneurs have businesses in the apparel industry, which is the main exporter in Haiti, and mango processing (Fairbanks, 2010).

Some successful entrepreneurs have established insurance businesses. Such is the case of Alternative Insurance Company which targets high-income individuals, families and businesses (Fairbanks, 2010; The Power Of Insurance, 2013). The company has 102,000 clients and creates 102 direct jobs. GaMa is another successful business that sells computer hardware and internet services (Loten, 2010). Its founder, Mathias Pierre, has been featured in several newspapers and magazines as someone who overcame the obstacles of poverty and became a millionaire businessperson. He tells his story in the book, The Power of a Dream: One Man’s Determination to Pursue his Ideals (Pierre, 2011). More recently Pierre started a business, KayTek, which offers affordable housing in Haiti (Moloney, 2012).

Another successful start-up is the information technology company Solutions, SA. They support other companies with information technology (IT) solutions. The company has received many awards and the founder, Kurt Jean-Charles, creates software applications for over a million cell phone subscribers in Haiti (Fairbanks, 2010).

Most of the larger entrepreneurs run their operations from Port-au-Prince. For the sake of balance, I also include below some brief entrepreneurship cases from the city of Jérémie in southwest Haiti. Most of the businesses in Jérémie are intermediaries who buy and sell consumption goods. Agriculture is the main production activity. The province of the Grand’Anse is located in a part of Haiti where there are forests. Some argue that in Haiti only 2 per cent of the territory has tree cover and this is located in the Grand’Anse. The presence of an intense rainy season makes production of goods and vegetables possible. Mangos, bananas, pineapples, as well as several vegetables are available in the market.

The religious entrepreneur

The entrepreneur is a Catholic Priest who runs several shops that sell grains, cereals, vegetables, and much more to people in the rural areas. He sees himself as a manager, and tries to run the shops in the most efficient way possible without affecting the mission of service. ‘A manager is hired to solve problems,’ he says, ‘which I have to do without blaming those
who were before me and caused the problems. The past is gone and one has to perform without looking back.’ He says that self-discipline made him accomplish his goals.

The intermediary of consumption goods

An entrepreneur who imports consumption goods received us in his apartment. His business is located by the main road that enters the city. It is a busy area of Jérémie, and a bit chaotic during the day. His apartment is on the upper floor of one of the houses by the main street. The serene atmosphere inside the apartment was in striking contrast with the loud and hectic outside. He told us that one of the main challenges of doing business in Jérémie was the difficulty of finding people he can trust, and people who can accomplish what is needed.

He started off with a small amount of capital when he was in his twenties. Nowadays he has several stores and storage facilities, and his family owns a boat that he uses to transport merchandise from Port-au-Prince, Jamaica and other places. In the storage facilities downstairs he had oil, rice, sodas and juices. In the back room there were a few bags of cement; they were part of a large lot he had imported from Jamaica, most of which had been sold. He stressed that he imports large quantities. For example, he imports containers of 400 boxes of soda. He is not interested in importing small amounts. In a few days he is out of products and has to import more.

The senior entrepreneur

We interviewed the oldest entrepreneur in town. He owns a hotel and a convenience store. He is over 90 years old, and came to Jérémie from Port-au-Prince without much money. He was a founder member of the first association of entrepreneurs in town, and proudly showed us the ‘Annales de la Ville de Jérémie’.

The entrepreneur returnee

Another entrepreneur had returned from Montreal and started a pizza business in Port-au-Prince. Crime in the capital was high and he decided to come to Jérémie, his home-town, where he saw business opportunities and found a more relaxing way of life. He is making repairs to his big restaurant that will have a bar and a dancing floor. He also owns a gas station.

The bank manager

We also interviewed the director of a large Haitian bank. He said that currently the bank is not offering credit in Jérémie. He was exploring the market to start loan operations in the town, but it sounded uncertain. In other parts of Haiti the bank gives credit but only to owners of existing businesses. The bank does not take the risk of lending to start-ups. This might be due to the failure rate being high and credit warrantees being scarce. In all of Haiti, land tenure is unclear. This is an area where more research is needed.

The ice cream entrepreneur

Another entrepreneur owns the only ice cream shop in Jérémie. He brings the ice cream from Port-au-Prince by boat. He has developed a way for the ice cream to last the three-day
trip without melting; this technology is the key to his success he said. The lack of electricity is his main problem. In his shop he keeps the ice cream from melting using a gasoline-powered generator and batteries. To the question of what he thought about Jérémie having 4G communications technology but not electricity and water, he said: ‘this is Haiti, anything is possible.’

The computer intermediary

We interviewed the owner of a hardware and software store. He sells computers, printers, USBs, etc. He obtained a B.A. in agriculture in the US, but during his studies he became interested in computer sciences. He went back to Haiti and started working for an international NGO in the agriculture sector. After some time he decided that he wanted to do something on his own. He noticed that no computer or repair shops existed in Jérémie and decided to import computers and equipment from the US, and started repairing computers as well. In some cases, he takes them to the US for repair. He also noticed the need for more training on computing and software and opened an academy. He started with very few students, now he has over one hundred. He said that the lack of electricity is the main difficulty. In fact, at the beginning he lost some computers due to high fluctuation in the electricity supply. He had to buy electric generators. Like the ice cream vendor, he said that the best way to solve the electricity problem is to let the private companies offer the service.

Micro-entrepreneurs

There are countless micro-entrepreneurs in town. We interviewed several micro-entrepreneurs who had a relatively little working capital – more than US$ 100 but less than US$ 500. For example there are several motowashes. In Jérémie the main means of transportation is the mototaxis. Most of the motorcycles are imported from China, at a small fraction of the price of a Japanese one. Some of the roads are unpaved, and they can get muddy, especially in the area where the farmers’ market is located; therefore the need for a motowash.

Another unique business is letting people watch a soccer game for a price. By the time of my fieldwork in 2012, energy was available in the town only from 7:00 PM to 9:00 or 10:00 PM, or two or three hours per day. Even though many people have TVs in Jérémie, many cannot watch it during the day. A ‘tv-theater’ responds to the high demand of watching soccer and the low supply of broadcasting due to lack of electricity. By the time we were in Jérémie, the European Cup of Nations was in full swing, and the advertisement for the TV games appeared in a green board in one of the busiest streets.

The micro-entrepreneurs argued that their business provides for daily subsistence but not more. One of them said that he used to be a schoolteacher, and then he retired and opened his business selling consumption goods such as oil and rice.

Conclusions: informal institutions

Given the weak Haitian state, there are certain institutions that have more influence on the economic life of the individuals. One of them is religion. Like any religion and set of beliefs, Voodoo changes and evolves, and throughout its evolution it has affected the economy in different ways. According to Murray (1980), with the population pressure of the late twentieth century, Voodoo fosters the circulation of land within members of the community, as families are pressed by other members of society to sell their land to pay for rituals such
as funerals and burials. These pressures persist today. In fact, the largest insurance company in the country, namely Alternative Insurance Company – AIC, offers funeral insurance, and describes the product as: ‘[F]or mainly freeing the family from the economic burden of organizing funeral arrangements after an accident or natural death of the insured, by relying on an extensive network of high quality funeral service providers all over the country.’

Michel (1996: 281) argues that ‘Vodou became not only the means for revitalization through ancestral traditions but also the channel par excellence to organization and to resistance.’ Murray (1980) similarly asserts that Voodoo ceremonies played a central role in the early stage of the revolution that led to independence of the country. To some extent Voodoo and Catholicism merged. Historically, the followers of the spirit as Voodoo have been persecuted, so as a protection strategy many of them adopted Catholicism (Michel, 1996). Michel describes Voodoo as a religion that in terms of its organization is decentralized, bottom-up and without a hierarchy. Michel (1996: 282) writes:

Voodoo is more than rituals of the cult, temple, and family. As a comprehensive religious system, it ties together the visible and invisible, material and spiritual, secular and sacred. It is a philosophy, a way of life for the majority in Haiti that permeates and sustains their entire being and brings coherence where there might otherwise be chaos.

While Haitian Voodoo offers sorcery as one of its ritual options, by no means is it a cult exclusively (or even principally) for ritual violence. The rather abundant literature on Haitian Voodoo (see Murray, 1980) clearly signals that this is a folk-religion or folk-cult, involving beliefs in a pantheon of spirits, rituals performed to influence and interact with these spirits, and specialists who are turned to for theological consultations and certain types of ritual leadership. The contexts in which interaction among believer, specialist and spirit occur ordinarily have little or nothing to do with the black magic of the type symbolized by the pin-riddled doll.

As Murray (1980) asserts, the word ‘voodoo’ elicits images of a doll riddled with pins, and this identification of voodoo with illness-or death-inflicting sorcery has even made its way into the anthropological literature in discussions of magically induced sickness or death. However, Murray (1980: 302) argues regarding the burial places of people in the village he studied in Eastern Haiti: ‘What is more impressive, however, is the quality of the burial monuments. The tombs where many peasants are buried literally cost more to construct than the wattle-doub cottages in which they spend their lives.’ He asserts that stonemasons who build the tombs are paid from US$ 200 to 400 (Murray, 1980: 315). In fact, in his study of land tenure, cropping and land ‘circulation’ in Haiti, Murray concludes that most (75 per cent) of the land is traded due to ritual reasons, such as paying for burials and healing sicknesses, which are directly or indirectly related to Voodoo.

This, however, is not exclusive to Haiti. Comparative research of the extreme poor shows that they often spend money on religious festivals (Banerjee and Duflo, 2007: 146). Financing rituals is a priority over entrepreneurial investment, especially in rural areas.

Thus, evidently, there are many obstacles for entrepreneurs in Haiti. These involve on the one hand, weak formal institutions. Lack of electricity, for example, is a key problem. Therefore a discussion on the possibility of opening the electricity market for private provision is worthwhile. It is puzzling to see some parts of Haiti with 4G Internet but no electricity. Lack of credit exists as well. Banks are reluctant to lend to start-ups. The reason for this could
be that property rights on land are not clearly defined. Providing training on financial literacy is one way to support the local entrepreneurial community, as well as offering seminars on the role of the entrepreneurs in society regarding innovation and creativity. On the other hand, informal institutions also represent a constraint. Building trust is a key to promoting entrepreneurial activity. One of the best ways to do this is perhaps to promote the creation of clubs and voluntary associations. Akin to elsewhere, therefore, it is important not only to focus upon developing the formal institutions conducive to entrepreneurship but also to ensure that the informal institutions are in place that foster entrepreneurial endeavour.

Notes
1 This chapter draws upon the unpublished working paper, ‘Entrepreneurship and Economic Development in Jérémie, Haiti’ by the author. Available at http://goo.gl/C3EPRc, accessed 30 December 2014. The chapter is based on a two-month stay in the city of Jérémie in 2012, where the author taught a class on entrepreneurship and economic development at the University of the Nouvelle Grand’Anse (UNOGA), http://universitynouvellegrandanse.org, accessed 10 April 2015.
4 Ibid.
8 Ibid.
9 Ibid.
10 Ibid.

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