

Strategies to Support High-Growth Enterprises in Haiti

Innovations Case Commentary:
Appropriate Infrastructure Development Group

For every person who is engaged with organizations working in Haiti, Catherine Lainé's narrative of the moments following the earthquake of January 12, 2010, will be a poignant reminder of the shock and the sense of uselessness we all felt as we watched the CNN reports live from Port-au-Prince. I was still watching in Dublin in the early hours of January 13, as we attempted to make contact with our colleagues and Haitian friends. AIDG's response to that emergency was mirrored by other similar organizations, as they cleverly applied their capabilities to suddenly revised priorities and did their best to respond to the new, more urgent, and more extreme needs of the people they served. By applying its skills and connections, AIDG found a way to participate in the immediate emergency response in a highly effective manner. Its support of Shelter2Home illustrates how a business development organization can use its expertise to help provide a response to a real and dire social need.

Nature has set some high barriers to the development of Haiti with the risk of hurricanes, tsunamis, and earthquakes, but it is the man-made barriers highlighted in this case that deserve the most attention. While Haiti could be better prepared for and respond more effectively to the inevitable natural disasters, the Haitian leadership, supported by the international community, can and must take steps to remove many of the man-made barriers.

One crucial short-term need identified by AIDG is for skilled masons and builders. The devastation in Port-au-Prince was a direct result of low building standards and workers' poor construction skills. As highlighted in this case, there is a real need to produce more skilled workers as the rebuilding process commences. Building back better will demand stronger construction skills and higher building standards.

The case also highlights the gap in support for small and mid-size enterprises (SMEs), a vital sector of Haiti's future economic success. Many of the current

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schemes seem to focus on the two poles of micro-businesses and large corporations, leaving a gap in the middle. Lainé highlights the potential impact of creating employment through a thriving SME sector, but warns that the dearth of support leaves these post-earthquake businesses in grave danger.

The AIDG response to these needs is highly focused, applying innovative solutions to establish local employment opportunities. Its business plan competition helps to identify firms worthy of investment, and the investments AIDG has made

to date have clearly allowed budding firms to prosper. However, Lainé openly shares her frustration with the limited scale of the impact and its narrow focus on green infrastructure. The needs in the areas identified are so great, yet the scale of response is so limited, and Lainé emotionally highlights the “absurd irrationality” of the failure of larger, better resourced organizations to join AIDG and others in their efforts. While the initiatives outlined in the case are solid examples of what could be done with more resources, they are just a drop in the ocean of need.

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The message in this case highlights the great opportunity facing Haiti in the coming years. If international business can be encouraged to play its full role and to work closely with the indigenous community of business leaders, then Haiti's future economic outlook can be bright. The private sector has a vital role to play in establishing sustainable, profitable businesses that provide local jobs and create wealth for the nation.

There are, I believe, two potentially significant responses required in Haiti today. First, there is a need at a macro level to establish an environment in which enterprise can flourish. This calls for the removal of the man-made barriers that have restricted Haiti's economic development, including addressing land tenure issues, systematically providing assistance and guidance for foreign direct investment, identifying and endorsing local Haitian entrepreneurs as potential partners, and defining and promoting a positive international image of Haiti as a place to do business. These macro issues can be addressed by strong Haitian leadership and by using the skills and resources of the international community. The AIDG business plan competition can play a role in that response. The potential for Haitian busi-

ness leaders and well-trained returning Haitians, such as the two who started ENERSA, is limitless if these macro issues are resolved.

The second response required is at a micro level, to address the development needs of individual companies. International entrepreneurs have shown a real interest in engaging with or investing in Haiti. The success of Digicel is an outstanding example of the potential for foreign direct investment. Other new investors will follow, and as they aim to establish sustainable, profitable firms, many will partner with local Haitian entrepreneurs. As those micro barriers fall, great opportunities will emerge for the international business community to engage with individual businesses in Haiti.

My experience with Haitian entrepreneurs has introduced me to highly capable professional business leaders who have established and built their organizations despite the many barriers that exist in Haiti. To borrow from a well-known song, if they can make it there, they can make it anywhere. Entrepreneurship has been defined as creating something with limited and restricted resources, and many Haitian entrepreneurs have proven themselves capable in the most difficult environments. Matching entrepreneurs from developed countries as investors or mentors with these high-growth potential, and highly resilient, Haitian enterprises is, I believe, a recipe for real and sustainable success. With the added energy and investment of international entrepreneurs, Haitian businesses will be able to build their skills base, gain access to new customers, and create more and better local jobs.

The opportunity for international businesses and entrepreneurs to invest in Haiti is a real and exciting prospect, particularly for those seeking to build an enterprise while also making a major, positive social impact. That social impact will be greater if those opportunities are pursued in partnership with a local entrepreneur. In my experience in Haiti, the international investor has much to learn from Haitian partners as they apply their entrepreneurial flair and unquestionable resilience.

I hope AIDG's efforts in Haiti will be an inspiration to others. Through its efforts, the needs in Haiti are now more clearly defined; the appropriate resources now must be allocated. A real need exists for smaller organizations like AIDG to collaborate with other likeminded groups, and to build on the connections made on the ground in Haiti or with other members of the Clinton Global Initiative who share their aims and dreams for a better Haiti.