Haiti's New Industrial Park Hailed by Officials, Condemned by Local Activists

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As government officials, diplomats, and representatives of international finance institutions celebrated at a groundbreaking ceremony for a new industrial park in the north of the country, Haitian grassroots media organizations have published a report that casts serious doubt on the wisdom of the project.

The Caracol Industrial Park, about 24 km from the major northern city of Cap-Haïtien, is a joint project of the Haitian and US governments, the Inter-American Development Bank (IDB), and Sae-A Trading Co. Ltd.—South Korea’s leading garment manufacturer and a major supplier to U.S. retailers such as Wal-Mart Stores Inc, Target Corp, and Gap Inc. The Haitian government contributed the land for the industrial park, and Sae-A is investing US$78 million in the initial phase of the project. The US government is providing US$120 million for generating electricity, housing for the park’s managers, and improving the port in Cap-Haïtien. The IDB will provide US $50 million for building factory shells and infrastructure to serve the park.

Sae-A intends to start production in March and plans to employ around 20,000 Haitians in its garment-assembly plant. It is hoped that other foreign companies will set up business in the park once it becomes operational. International planners hope that the park will alleviate Haiti’s chronic unemployment problem and create a center of economic development outside the capital, Port-au-Prince.

Former US President Bill Clinton, the UN’s Special Envoy to Haiti, attending the groundbreaking ceremony with other potential investors, said, "The Caracol Industrial Park shows the positive impact foreign investment can have in building Haiti back better. It will bring tens of thousands of jobs to Haitians, and I am proud to be here for the groundbreaking of this important project."

Also attending the ceremony was IDB president Luis Alberto Moreno, who said, "Caracol can have a phenomenal multiplying effect in this region. Besides the thousands of factory jobs that will be created by large manufacturers, we will see many local entrepreneurs starting up small businesses, expanding the industrial park’s economic impact beyond its gates."

Haitian President Michel Martelly joined the chorus of approval, saying, "Today, here is the model of investment Haitians need from the friends of Haiti. This model of investment will allow Haitians to feel proud."

Civil-society questions whether industrial park will benefit Haitians

Leaders of the country’s vigorous civil-society organizations take a completely different view of the new industrial park, however, and have expressed their dismay. These organizations claim that garment assembly does little to help Haiti’s economic development because it is just that—assembly—with parts of clothes sent from abroad, sewn together in Haitian factories, and then re-exported.
The economist and activist Camille Chalmers, who heads the Plattom Ayisyen Pledwaye Pou Yon Developman Altenatif (PAPDA, Haitian Alternative Development Advocacy Platform), says, "Assembly factories don’t resolve the unemployment problem. They don’t resolve the production problem. They work with imported materials. They’re enclaves. They don’t have much effect on the economy."

PAPDA and other progressive organizations have repeatedly warned of the harm caused by a focus on assembly operations. Their concerns have been reinforced by a report on the Caracol Industrial Park project published by Ayiti Kale Je (Haiti Grassroots Watch), a collaboration between two well-known Haitian grassroots media organizations.

Ayiti Kale Je investigators spent months conducting more than three dozen interviews, visiting factory zones and workers in the north and in the capital, and reviewing dozens of academic papers and reports, including one leaked from Haiti’s Ministry of the Environment.

The report found that, typically, garment assembly workers use more than half the average daily wage for lunch and transportation to and from work, confirming doubts voiced about the ability of low-paid assembly-plant jobs to create knock-on effects on the wider Haitian economy. Given Haiti’s ever-increasing dependence on imported food and fuel, this means that assembly workers’ spending power has a minimal effect on the country's economic development.

**Environmental impact feared**

The new industrial park is also likely to have a serious detrimental impact on the country’s important agricultural sector and on the local environment as a whole. The Ayiti Kale Je investigators discovered that the park is being built in the middle of a fertile area for agricultural production and one of the country's major watersheds.

Pierre Renel, a farmer whose land has been swallowed up by the new industrial park, has joined with other displaced farmers to form the Association pour la défense des travailleurs Caracol (Caracol Workers Defense Association). He told Ayiti Kale Je, "The spot they picked for the industrial park is the most fertile part of the department. We grow a lot of plantains, beans, corn, and manioc. That’s how families raise their children, educate their children….It’s like our ‘treasury!’"

The site is only about 2 miles from a large bay, which is home to mangrove forests and the country’s longest uninterrupted coral reef. Caracol Bay has been the subject of international study for some years and is part of several plans to make the region into an environmentally sensitive park. The Trou du Nord river, which feeds into the bay, runs right past the industrial park. According to a study commissioned by Haiti’s Ministry of the Environment, the reason the site was chosen was precisely because the river "is capable of absorbing a large volume of treated water" from the industrial park.

The Caracol Industrial Park is expected to attract as many as 200,000 new inhabitants to the region who will come in the hope of finding work in or around the project. As the Ayiti Kale Je report concludes, the sudden arrival of so many people will have numerous negative impacts—the generation of human waste and pollution, uncontrolled use of water and trees (for cooking needs), and the construction of squatter settlements on farmland or environmentally fragile areas.