

their refining capacity and private investment in those areas permitted by law; 3) the party leader who does not oppose the participation of private investment but does not promote it either; and 4) old-school PRIistas who oppose private investment in refining and the management of pipelines. As the debate unfolds and the deliberation of the bill approaches, the PRI will have to declare its position.

Obviously, as they go back to the negotiating table, all parties will be attentive to what the polls say. To date, Mexicans seem to be torn about the bill: 29 per cent were in favour of Calderón's proposal, 27 against, and 44 were undecided (Ipsos Bimsa, *El Universal*, May 12, 2008).

Meanwhile, the debate about the reform of PEMEX broadcast live on TV until July promises to be an interesting prelude to the deliberations of the bill in Congress. 🌐

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Will Millions More People in Poverty Really Change Agricultural Policies? Focus on Haiti

Amélie Gauthier

Robert Zoellick, President of the World Bank, recently published an article in *Le Monde* on the world food crisis stating that it was an opportunity for progress – rather an optimistic way of looking at millions more people sinking into poverty.

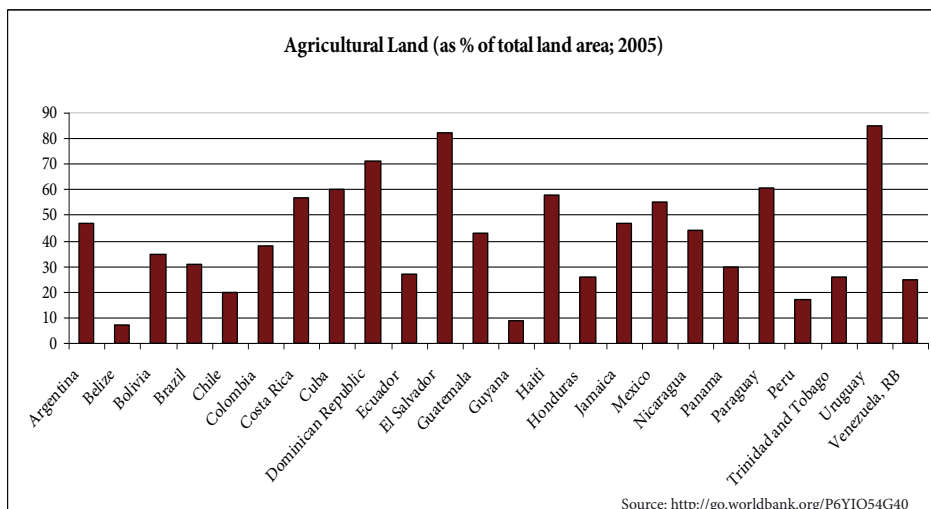
One thing is clear: a report by the OECD-FAO predicts that prices will remain high and volatile for the next decade. The crisis is massive, with short and long-term effects. The international community seems to have grasped the extent of the crisis, with wide-ranging responses. But will the plight of Haiti and many other countries have a real effect on agricultural policies? Can we expect promotion of food sovereignty, subsidies of seeds and fertilizers, new uses of energy, and developing countries that are net importers to become net exporters?

Haiti is one the many countries to have suffered severely from the rise

in the cost of staple foods. Demonstrations in major cities have turned into violent riots, and gunshot victims and protests against the United Nations peacekeeping operation are only a few of the immediate effects of the crisis. The government has been paralysed since the removal from office of Prime Minister Jacques Edouard Alexis, with still no new elected candidate at the time of writing. While President Préval and other politicians are in consultations about a new nominee, the government is unable to address the current crisis, and political instability is thus deepening.

Global phenomena have particular effects in countries such as Haiti, depending on the degree of national production, dependency on world markets, and imports. Unfortunately, Haiti has very low national production levels: it barely meets 20 per cent of internal demand for rice. Haiti spends 25 to 30 per cent of the national budget on food imports because it needs to buy more than 50 per cent of its food from foreign markets.

The country's food deficiency is not new. Structural Adjustment Programmes imposed by the World Bank and the International Monetary Fund in the 1990s forced market liberalization on Haiti and other countries. Coupled with bad financial management, this has had disastrous consequences for the domestic economy. Cheap imported rice from



highly subsidized production in the United States has destroyed the local economy. Haiti imports 200,000 tons of rice per year from the U.S., more than half of its annual consumption. It is the fourth largest recipient of U.S. rice exports, after Japan, Mexico and Canada.

This situation probably explains why there have been no incentives to boost the agricultural sector in recent years. Instead, the United States Congress has just signed the Haitian Hemispheric Opportunity Through Partnership Encouragement Act (HOPE) which allows duty-free entry for certain Haitian products. In reality, it aims to take advantage of low cost labour in the garment industry.

The future is grim. More and more Haitians are eating mud cookies three times a day to survive. The thousands of jobs promised by the controversial HOPE Act are raising no eyebrows; Haitians know well it will probably not materialize, or if it does, that it will come at a price. There have been numerous responses to the food price crisis, notably the creation of a high-level United Nations task force. Individual governments are funding different bilateral and multilateral instruments, all aimed at addressing different aspects of the crisis and long-term food production.

What is clear in Haiti is that there has finally been a much-needed shift in the political discourse. Boosting agriculture and creating jobs are at last taking centre stage. After initial delays in responding to the food riots, Préval's first measure was to subsidize by 15 per cent the price of rice bags in collaboration with the rice importers. The president recently announced that development will

be his priority in the second half of his mandate, focusing on infrastructure, aid to farmers, and increasing cultivable land.

International organizations and the countries of the Group of Friends of Haiti are responding through different measures, from job creation programmes and paid salaries by USAID in Les Cayes, to distribution of fertilizers, budget support, and funding for the World Food Program to facilitate doubling its meal distribution.

The National Strategy Document for Growth and Poverty Reduction that was elaborated jointly by the government of Haiti and the international community, mainly under the auspices of the World Bank, is the "road map" for economic and human development to, ideally, pull the country out of poverty. However, over the next three years, the plan would require \$3.9 billion to implement the four pillars it contemplates.

Agriculture and rural development is the second priority in terms of resource assignment to the growth factors pillar. However, only 10 per cent of the total budget is allocated to agriculture and rural development.

Following the crisis, the Haitian authorities might want to review and make sure sufficient funds are allocated to agriculture. Sixty per cent of the population depends on agriculture and it represents only 33 per cent of the GDP. The inefficiency of this sector will require a large amount of resources and political support.

Haitian civil society needs to remain active. University students in agriculture and peasant organizations have already warned the govern-

ment that they will monitor its actions.

Haiti needs a coherent plan for food security, the use of natural resources, and managing international aid. Focusing solely on agriculture and energy security is not enough. A long-term strategy to integrate Haiti into the regional and international systems is absolutely essential for this country if it is to avoid remaining an aid-dependent state forever.

The food crisis is a major concern for many countries and is still making the headlines in the media months after the demonstrations. Are the measures only a quick fix? Will the measures help Haiti and other countries become food exporters? Is there political interest in helping countries like Haiti become self-sufficient? As the Haitian Ambassador and ECOSOC president Léo Mérorès said in a statement, countries agree on the need for policies that can turn "a threatening situation into an agricultural renaissance."

This contradictory idea of the President of the World Bank, that a new deal for global food policies will contribute to sustainable and largely shared development, will also need to address the powerful economic and trade structures of the international economy.

Haiti does not need more free market formulas. It needs time to strengthen a minimum level of productivity that will provide food, basic goods and, increasingly, national employment. 🌍

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