

AID THAT DOESN'T: GOOD INTENTIONS GONE AWRY FOLLOWING THE HAITI EARTHQUAKE

Interview with Daniel Jean-Louis of Port au Prince, Haiti

By: Jason Benedict

Jason: Daniel, I had the pleasure of meeting you recently at a Business as Mission event in Thailand. Thank you for this interview and sharing your message with our audience. To start out, tell us a little about yourself.

DJL: My name is Daniel Jean-Louis. I represent Partners Worldwide in Haiti. I was born and raised in Haiti, but left at the age of 21 to attend an university in the United States. After completing a Bachelor's degree in business, I returned and got involved in the marketplace in Haiti. I am a consultant; I teach entrepreneurship at a Haitian university, and I run a guest lodge in Port au Prince. In addition to finishing up a book entitled *Harmless Aid* that is based on my experiences following the 2010 earthquake in Haiti.

Jason: I want to spend our time talking about the concept of *Harmless Aid*, but first tell me a little more about your guest lodge.

DJL: Our guest lodge is named Trinity Guest Lodge (<http://www.trinitylodgehaiti.com/>). I am happy to say we are the #1 rated lodge (B&B, Inns category) in Port au Prince on TripAdvisor®. The Lodge is a for-profit business, and we like to say we give people a hotel stay for guest house pay.

Jason: That's great, Daniel. Talk to me a little about the January 2010 earthquake. You were there, weren't you?

DJL: Yes, I was in the country. I was returning from a consulting appointment when the earthquake hit. There was devastation everywhere. The windows exploded from the bus on the road in front of me, trees fell, and there were rock-slides. People were injured and crying for help, total chaos everywhere. I had to abandon my car, and find a place to spend the night because it would be dark soon. I wasn't even able to contact my family until the next day.

Jason: Our hearts were touched by the tragedy, how did the international community and the church respond to this disaster?

DJL: Two things struck me about the response. The generosity was incredible. First, there was a huge outpouring of generosity from churches, ministries, NGOs, and governments. The international community pledged \$13 billion in bilateral aid of which they delivered \$6 billion. There was another 6

billion in aid from churches, charities, and individuals. The second thing that struck me was the opportunity that was lost, and the unintended consequences of bad models.

Jason: Expand on that idea.

DJL:Well, of the \$12 billion in aid money spent on the Haiti disaster only 1% was actually spent in Haiti. There are now over 12,000 charities registered in Haiti. The money they spent was over 400% of the buying power of the Haitian government, but for all that money and effort Haiti actually took a step backwards in some ways.

The first responders prioritized food and shelter, as they should have, but by the second month following the earthquake local commerce was trying to rebuild. We had a food industry; we had a bottled water industry. However, the NGOs didn't change their strategy. They kept purchasing the food and water outside Haiti and shipping it in to distribute for free. This undermined local businesses that couldn't compete with the flow of free goods. Businesses were dissolved and jobs lost. For example one organization began shipping peanut butter in by the container loads. This was well intentioned, but our local peanut farmers and peanut butter manufacturers went out of business. A couple of decades ago we produced 80% of our own rice, now we import 80%.

Jason: You are saying the generosity isn't a bad thing, it's the way aid is done that can have unintended consequences.

DJL:Yes the generosity is wonderful. It's the models that need fixing. The 1% that was spent in Haiti buying local goods and services had an impact. We went from negative GDP numbers to 4.5% GDP growth in 2011. I'm saying what if just 25% of that 12 billion had been spent buying goods and services in Haiti? What if we worked with business and a free market economy instead of undermining it?

Jason: You told me you see this kind of thing with regards to your guest lodge as well.

DJL:Absolutely! I run a for-profit guest lodge. My main competition is mission guest houses that are registered with the government under a humanitarian, rather than a commercial, status but they don't just provide hospitality services to their staff and guests. They are open to all travelers, just like we are. This skews the market. Our customers pay a 10% sales tax, our business pays taxes, 31% corporate income, add payroll tax, add licenses and fees. Meanwhile, they pay no taxes. When I need capital I take out a loan and pay interest. They

fundraise. When things break down, I pay for maintenance and repairs. They have mission teams come in and do it for free. They have volunteers. I hire staff. They are operating in a tax loophole, but abusing the spirit of the law. Our Kingdom business values keep us from doing this.

Jason: Do you want them to close down?

DJL: Not at all, I'm just calling for them to register as businesses. My business is doing well. God is blessing us! I just think that there is an opportunity to build a hospitality industry together in Haiti. Let's render unto Caesar like the Bible teaches. Let the free market work.

Jason: Some might argue that we are better off if we don't pay taxes to a government that is less than transparent.

DJL: I say, if we don't pay taxes, how can we have a voice? If we owe taxes and we don't pay them, then who is stealing first? How can we take the splinter out of their eye if there is a log in ours? God holds us responsible to obey him. If He says, "render unto Caesar" then we should do so. These tax funds could help build infrastructure to benefit business and move Haiti away from the cycle of dependence.

Jason: What are you doing about all of this?

DJL: We started an initiative called *Buy Haitian, Restore Haiti* in partnership with the Peace Dividend Trust. Over a year and a half period of time, we held three conferences, where we invited major NGOs to meet with and partner with the local business community to fulfill their mission. During that time, 70% of the businesses involved experienced at least a 10% increase in sales, and some doubled their employment figures.

Out of this experience we launched a network called *100,000 Jobs in Haiti* (<http://www.100kjobshaiti.org>). The purpose of this network is to help the international aid community align their objectives with job creation and the marketplace. Aid is only bad when it is misaligned with the market economy. This is the message of my book as well.

We are not calling people to apathy, just to better strategies. The Haiti earthquake taught us that there is something worse than doing nothing, and that is doing the wrong thing. I believe that people's hearts are in the right place and that if they understand these principles, it can make a difference. We just need better models.

Jason: Daniel, thank you for your time and for the work you are doing in Haiti. We look forward to the release of your book.

Interview: 0516/13 11:30AM

If you are interested in contacting Partners Worldwide or 100,000 Jobs in Haiti you can learn more about them in our [directory](#). [Use his email danielj@partnersworldwide.org for the directory listing]