

# Formalization of Micro, Small and Medium Enterprises (MSME) in HAITI



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# INTRODUCTION

**In 2010, after the earthquake a survey from the Haitian Statistic Institute indicates that informal sector generates more than 57.7% of employment in Haiti.**

**Furthermore, informality of MSME's is a complex and multidimensional phenomenon which impact the economy of Haiti.**

**Formalizing businesses has been a central policy objective of the Haitian government for the past ten years.**



# Problems, obstacles and challenges

- *Inadequacy and obsolescence of Haitian laws;*
- *Complexity of procedures;*
- *Long and non-standardized registration process ;*
- *High cost of starting a business;*
- *No one-stop shop;*
- *Lack of the Ministry staff capacity;*
- *Lack of incentives and support to encourage formalization.*



# Initiatives and efforts of the Haitian Government

- Conducted a formalization study and define appropriate strategy to address the issues;
- Designed and implemented a series of program (young, women) and instruments to support technically, financially ( entrepreneur training, credit guarantees fund), and facilitate the transition to formality.
  - Set up the Center for Development of enterprises and entrepreneurship(incubator)
- Set up a physical one-stop shop;
- simplification of the registration process (ID digital);
- capacity building (staff training, equipment);
- Awareness campaign(workshops and public events) throughout the country;
- Tax reduction for new businesses.



# CONCLUSION

The efforts and initiatives coordinated by the Ministry of trade and manufacturing of Haiti have a rapid and direct impact on the number of MSME's registered during the last three years. These activities have also helped to change perceptions that informality is and should be normal.

Therefore, in order to advance towards MSME's formalization integrated public policies and long term strategies are required that simultaneously should address the multiple causes of informality.





# RECOMMENDATIONS

Without pretending to be exhaustive, the following main actions are needed to encourage the creation and formalization of MSME,s in Haiti:

- **Institutional reforms ( standardization of procedures, electronic one-stop show).**
- **Legal reforms ( revision of legal framework**
- **Redefinition of the role of actors in creation and registration process ( Notary, lawyer, taxe payer office etc.)**
- **Incentives and promotionnal activities.**





**THANK YOU!!!**

