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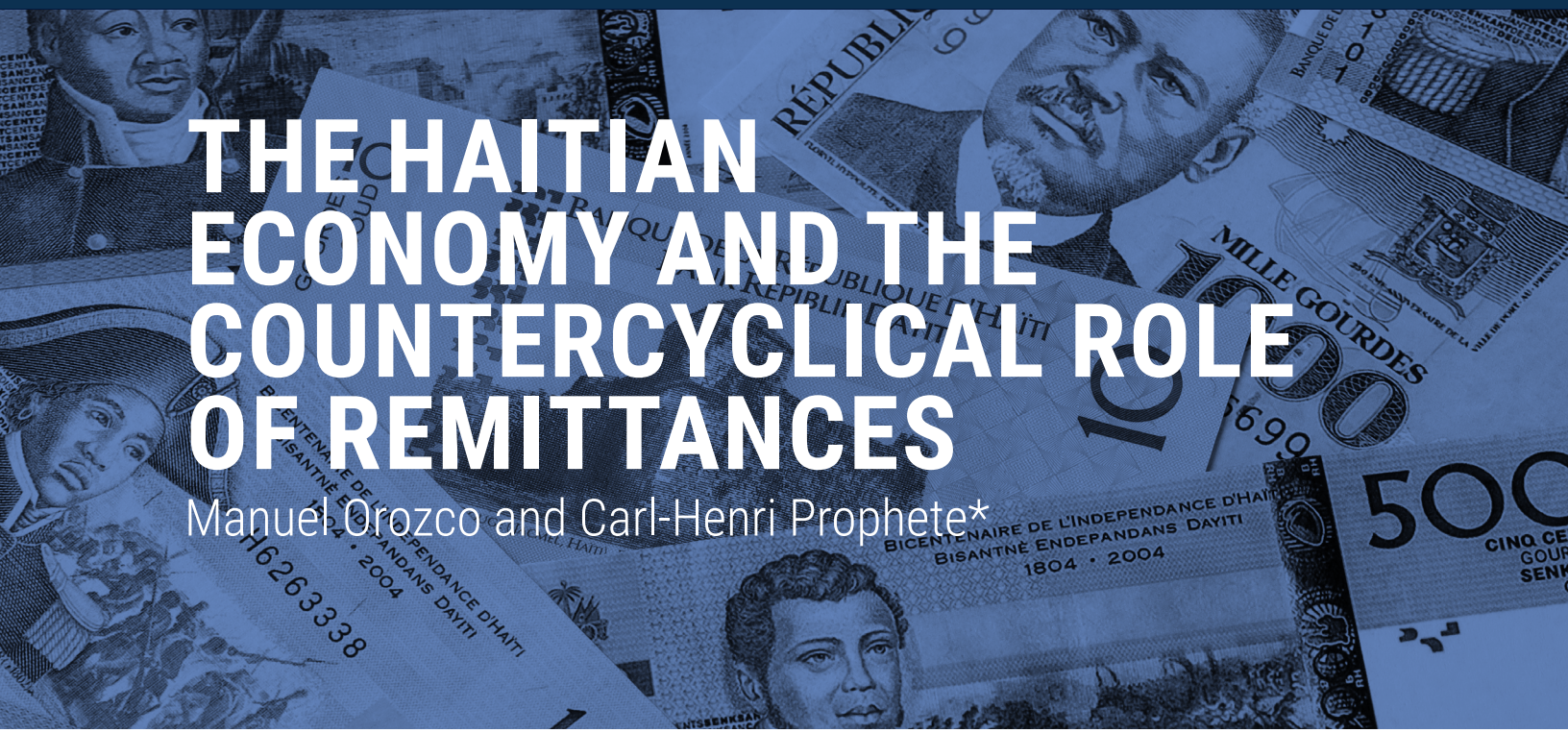

THE HAITIAN ECONOMY AND THE COUNTERCYCLICAL ROLE OF REMITTANCES

Manuel Orozco and Carl-Henri Prophete*

Introduction

Haiti's current economic crisis results from a buildup of adverse developments, including prolonged political instability, weak state capacity, widespread insecurity, and failure to translate economic development plans into productive investments.

This has been compounded by a series of natural disasters, corruption, and the instrumentalization of gangs by political and economic actors.

After accounting for inflation and exchange-rate effects, GDP per capita has declined by almost 8%.

During this unprecedented downturn, remittances have performed countercyclically, mitigating the wider impact on the country's frail economy.

This piece examines Haiti's current economic trajectory and the role of remittances.

A. The Current Economic Context in Haiti

Since 2018, Haiti's GDP has contracted consistently, losing 16.1% of its initial value over 7 years. Total GDP and GDP per capita in current dollars may appear to have increased sharply; however, this reflects only high inflation and less currency depreciation driven by remittance growth. After accounting for inflation and exchange-rate effects, GDP per capita has declined by almost 8%.

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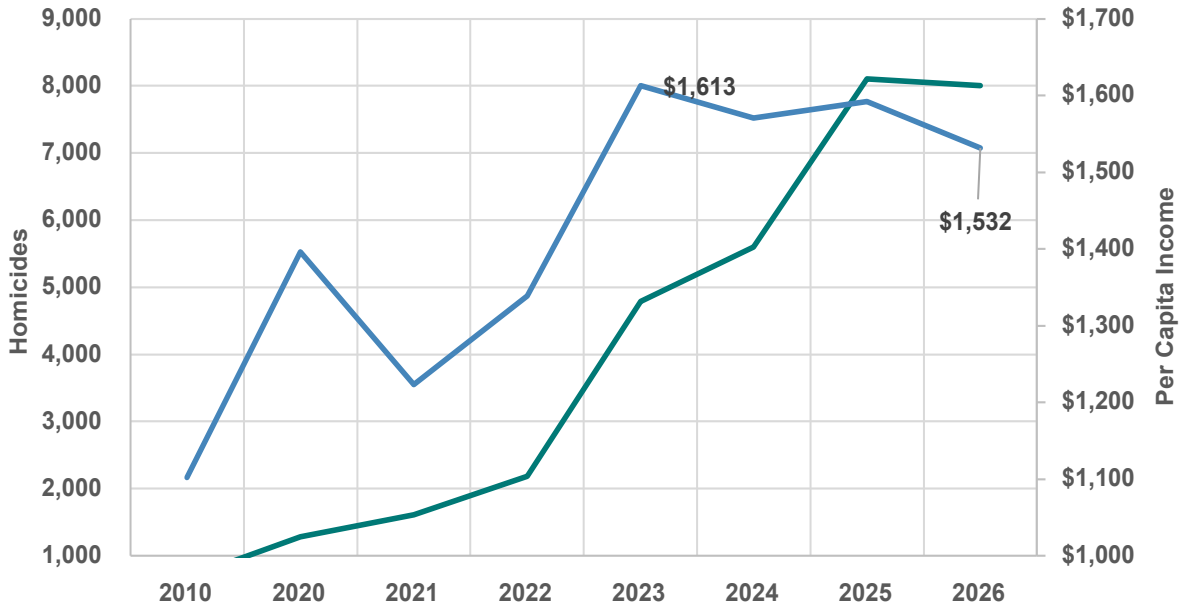
Front cover photo: Marharyta / Adobe Stock; Layout: Yifang Wang / Inter-American Dialogue

FIGURE 1: HOMICIDES AND GDP GROWTH IN HAITI

Sources: World Bank and news coverage.



While Haiti's economic issues have been longstanding, the current prolonged economic downturn can be traced back to a security crisis that started around 2018 and accelerated in 2021 with the president assassination. Beyond its terrible cost in human lives (around 23,000 violent deaths), the crisis came with a hefty economic price. For instance, the 2024 Rapid Crisis Impact Assessment, prepared jointly by the Haitian government and international donors, estimated damage to the road network at $235 million and $70 million to the road and sanitation sector. Also, while the gangs started in the Port-au-Prince metropolitan region, they spread to the countryside, in particular the fertile Artibonite valley, ransoming peasants and disrupting commercial circuits for agricultural produce and inputs.

FIGURE 2: HAITI'S PRIMARY ECONOMIC SECTOR

Sources: World Bank.

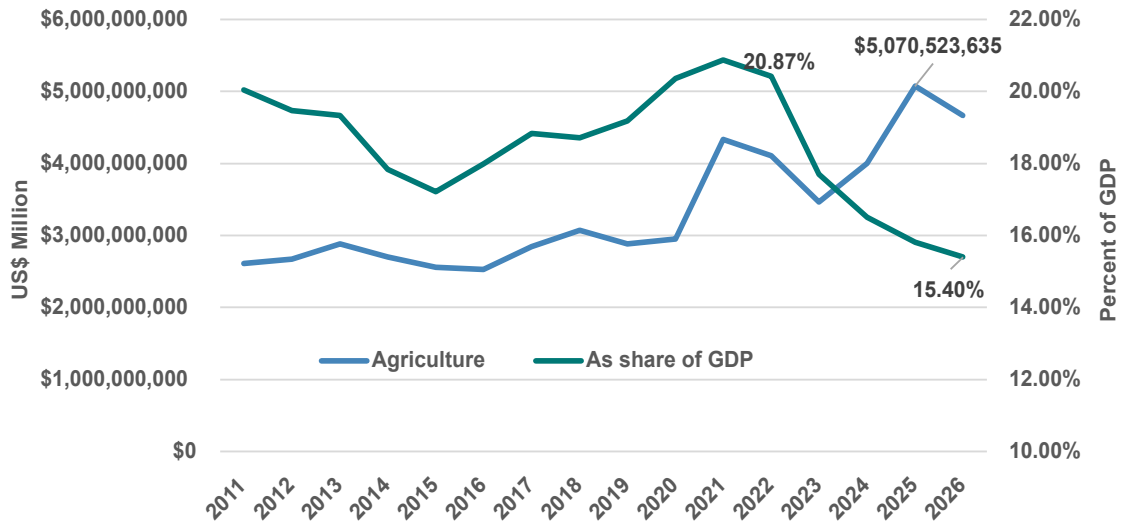
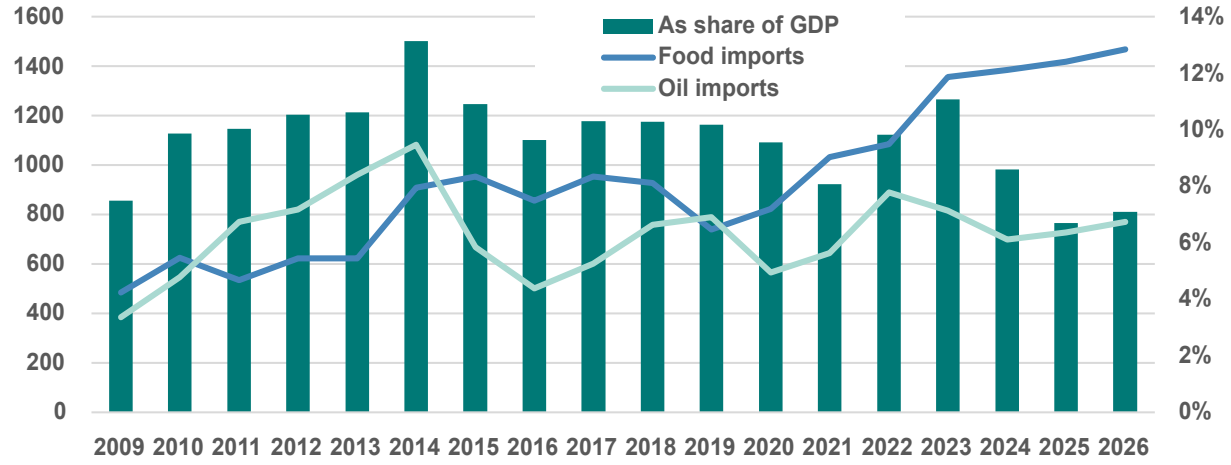


FIGURE 3: HAITIAN IMPORTS OF OIL AND FOOD (US$,000,000)

Sources: Central Bank of Haiti.



Difficulties of moving goods throughout the country, higher food import costs, and more expensive oil raised the general cost of living for Haitians. Government corruption and inefficiency, limited job opportunities, high economic informality, and declining foreign assistance compounded these pressures.

In 2021, an acute political crisis gave rise to gang incursions that further disrupted economic activity, particularly commerce.

Haitian exports have declined by more than 100% over five years, from just over US$1,700 billion in 2018 to half that amount in 2026 (falling 6% from 2025). Exports to the United States also declined; meanwhile, dependence on food commodity imports has increased.

Haiti's most productive economic sectors, including trade, foreign investment, tourism, and other unilateral transfers such as foreign assistance (altogether accounting for 40% of GDP in 2021), have also suffered.

FIGURE 4: TRADE INDICATORS FOR HAITI

Source: World Bank.

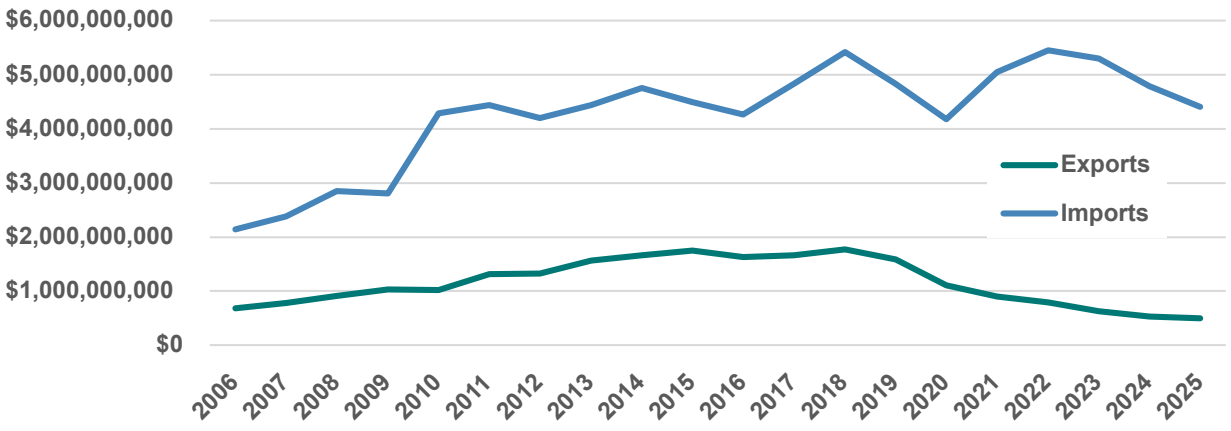


FIGURE 5: TRENDS IN U.S. TRADE WITH HAITI

Source: US Census Trade.

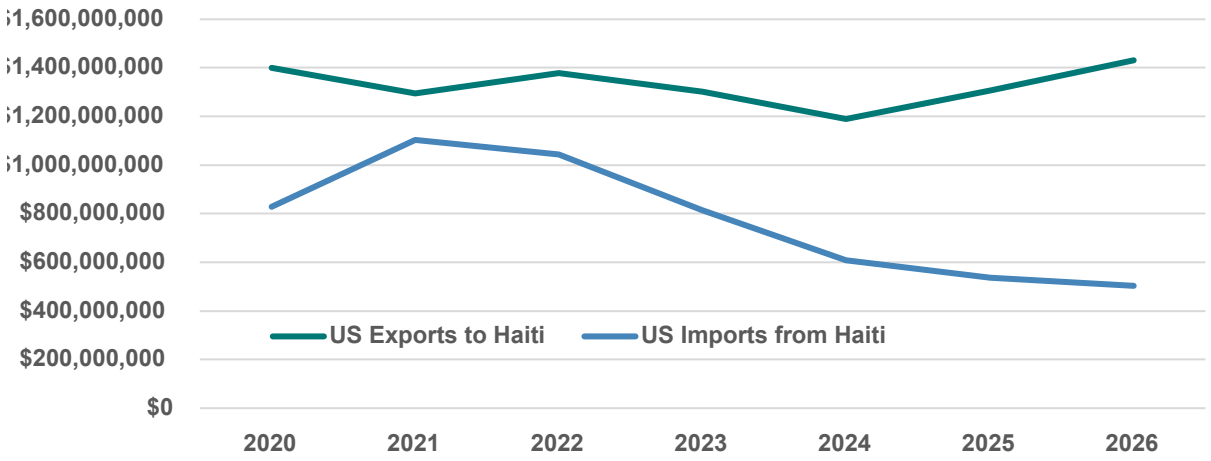
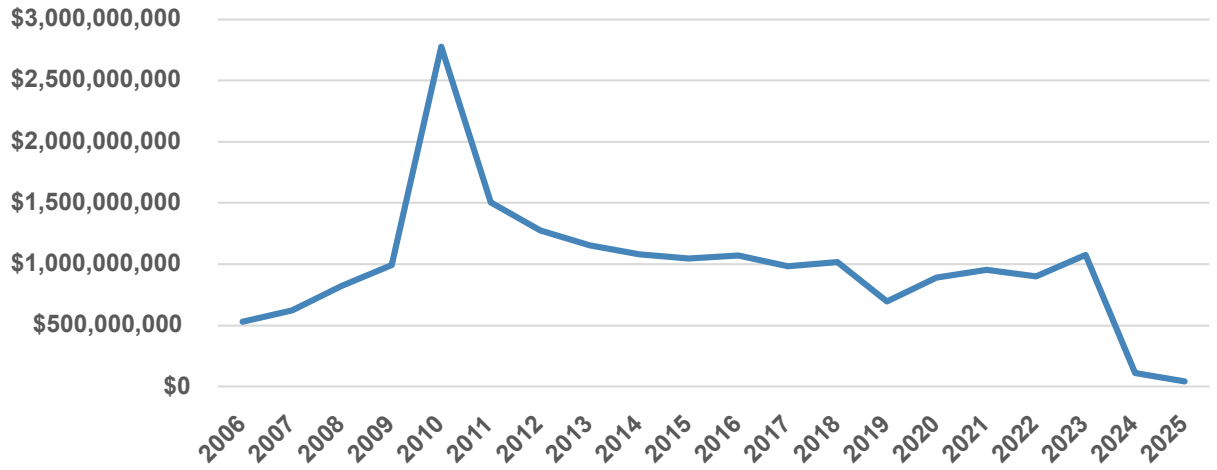


FIGURE 6: FLOWS OF OFFICIAL DEVELOPMENT ASSISTANCE TO HAITI

Source: World Bank.



B. The Countercyclical Trend of Family Remittances to Haiti

Over this period, remittances have been the only external macroeconomic indicator to increase. Both remittance volumes and person-to-person transactions continue to grow despite expectations of a potential decline from more restrictive U.S. migration policies.

This year, remittances will grow over 15% while the International Monetary Fund (IMF) projects GDP in Haiti to drop another 1.57%. Their impact on the local economy and foreign exchange is critically important at a time when all other sources of foreign savings are declining.

FIGURE 7: HAITI'S GDP GROWTH AND REMITTANCE VOLUMES

Source: World Bank.

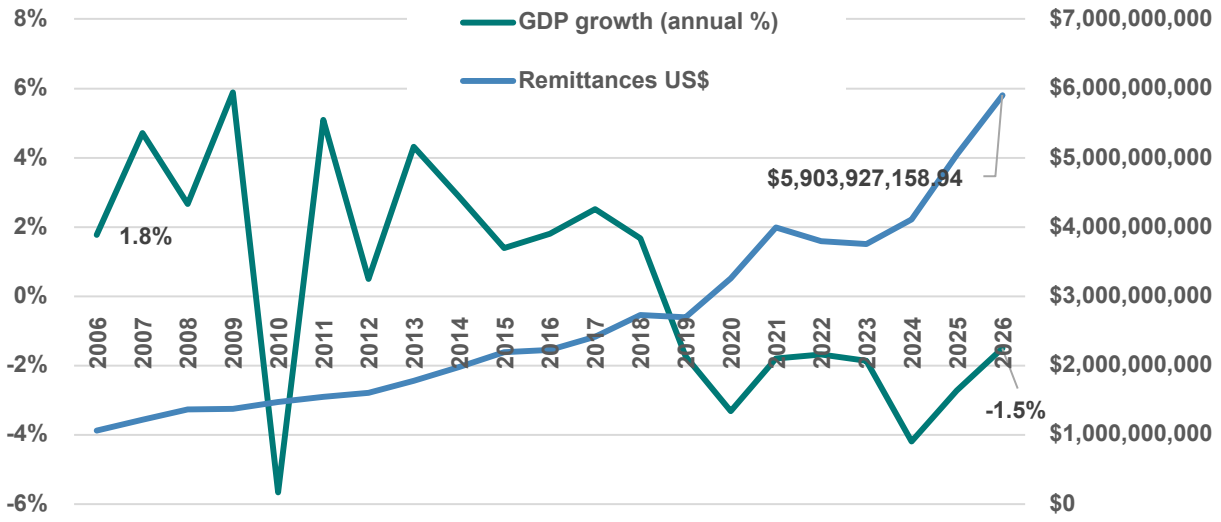
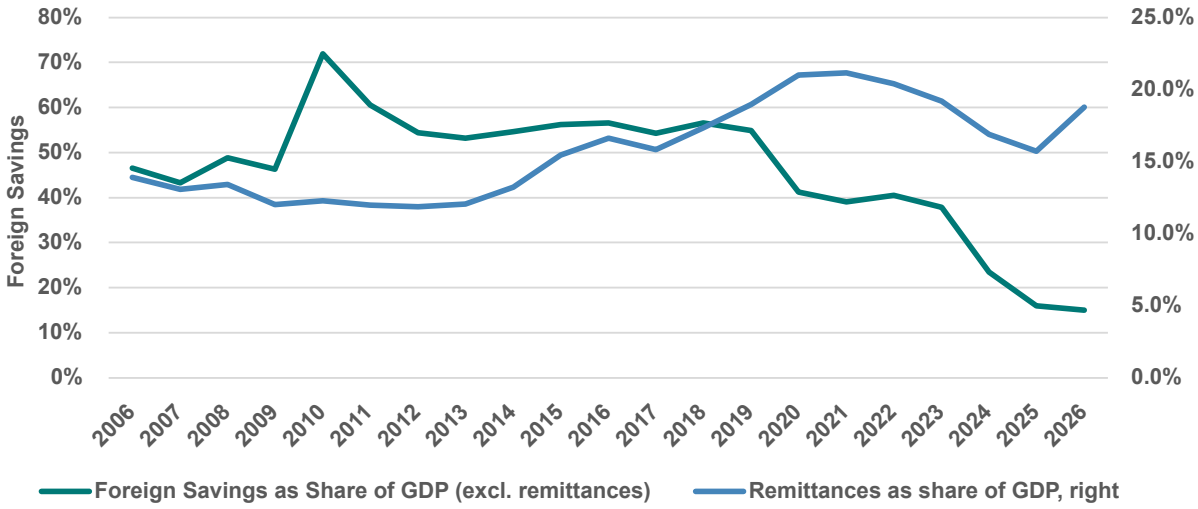


FIGURE 8: CONTRIBUTION OF FOREIGN SAVINGS AND REMITTANCES TO HAITIAN GDP

Source: World Bank.



Migration and Remittances to Haiti

Haiti has long been a migrant-sending country, with primary destinations being the U.S., the Dominican Republic, and Canada. However, after the 2010 earthquake and the ensuing political and security crisis, emigration spread to South America, reaching Brazil and Chile.

Migration to the United States increased after the expansion of Temporary Protected Status (2010-2026-) and Humanitarian Parole (2023-2025), with 330,000 and 230,000 Haitians covered by each program, respectively. Both programs also amplified remittance transfers to Haiti: volumes grew from $1.5 billion in 2010 to $6 billion in 2026.

TABLE 1: HAITIAN MIGRATION, 1990-2023

Source: United Nations Department of Economic and Social Affairs, Department of Homeland Security.

Destination Country	1990	2000	2010	2015	2023
Canada	38,271	53,390	80,100	92,911	101,555
Chile	36	45	90	39,825	182,925
Dominican Republic	187,210	228,652	311,969	475,084	500,833*
France	26,253	27,950	69,806	77,330	83,491
United States	225,393	429,964	570,290	682,521	1,100,000
Brazil					91,800
Other	51,710	65,429	91,504	101,462	102,000
WORLD	528,873	805,430	1,123,759	1,469,133	2,162,604

*These numbers do not include more than 500,000 Haitians deported from the Dominican Republic between 2024 and 2026.

These money transfers (which grew fivefold in 15 years) have helped prevent a full collapse of the Haitian economy in the face of stagnating GDP. Most of this money comes from the United States due to the number of Haitians that live there and their comparatively high purchasing power.

The Central Bank of Haiti reported an average of 2.36 million transfers per month in 2026, nearly 2 million of which originated in the United States. These transfers indicate that most Haitians remit to their families in Haiti almost twice a month. Moreover, the flow of transactions increased as the political crisis intensified, particularly following the assassination of President Moïse in July of 2021.

FIGURE 9: REMITTANCES TO HAITI BY COUNTRY OF ORIGINATION, 2026

Source: Central Bank of Haiti.

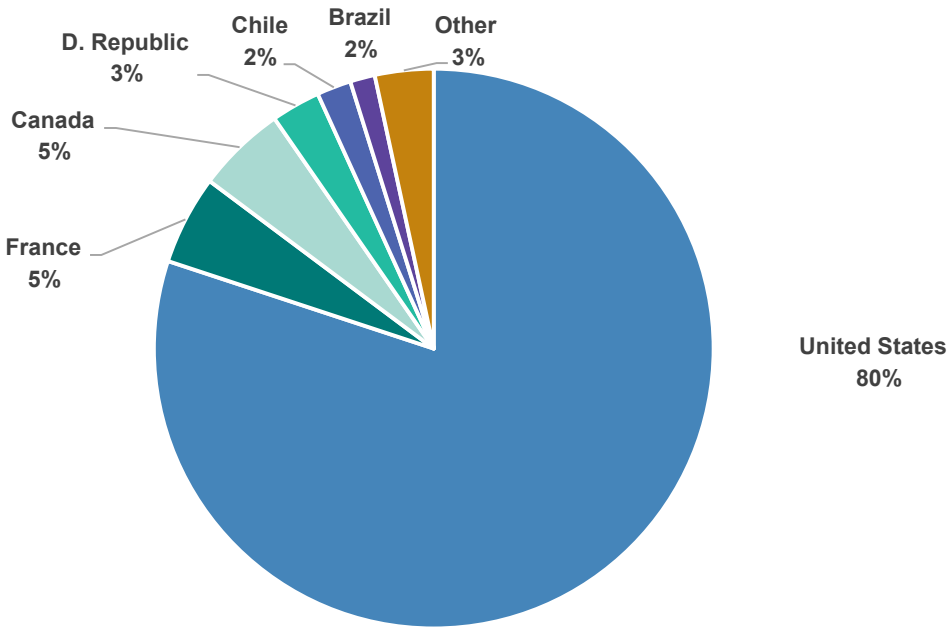


TABLE 2: HAITIAN TRANSACTIONS BY COUNTRY OF REMITTANCE ORIGINATION

Source: Central Bank of Haiti and author estimates.

	Total Transactions	United States	Chile	Dominican Republic	Other
2020	1,635,400	980,000			
2021	1,699,200	1,190,000			
2022	1,680,623	1,176,300			
2023	1,957,856	1,328,038	87,317	157,490	385,011
2024	2,279,557	1,671,875	80,079	131,687	395,916
2025	2,248,113	1,746,407	61,641	100,005	340,060
2026	2,363,119	1,920,231	61,430	105,568	275,889

Some of the increase in total remittance volumes also resulted from changes in the average amount remitted by Haitians in the United States. Data from the Central Bank of Haiti and various remittance service providers show increases in the principal amount remitted sent from the United States, while for the other main countries of origination, any differences are small adjustments.

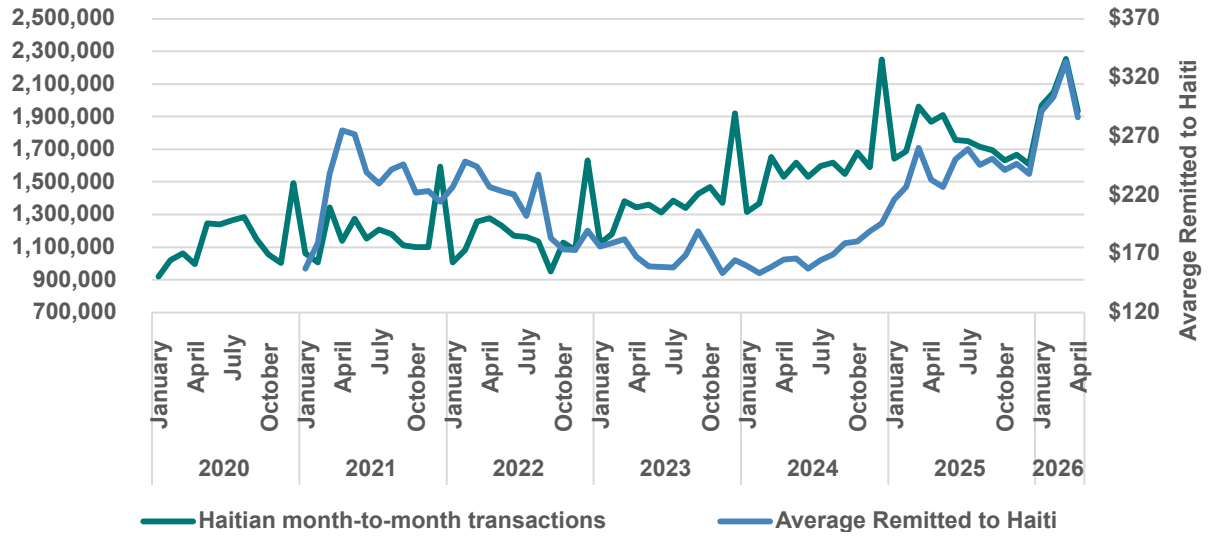
TABLE 3: AVERAGE AMOUNT REMITTED (USD)

Source: Central Bank of Haiti, remittance service providers, and author estimates.

	United States	Chile	Dominican Republic
2023	$165	$115	$93
2024	$196	$120	$101
2025	$227	$129	$109
2026	$278	$131	$112

FIGURE 10: TRANSACTIONS TO HAITI AND U.S. PRINCIPAL REMITTED

Source: Central Bank of Haiti.



C. Remittances and the Haitian Economy Moving Forward

Since 2010, a series of calamities, not a single event, has shaped Haiti's economic performance, undermined an already weak economy, and family remittances have responded countercyclically.

Even with current U.S. immigration policies in effect,[1] remittances and other financial commitments from the Haitian diaspora will remain important to the country's economic stability. Currently, close to 40% of Haiti's 2.8 million households depend directly on remittances. This money provides basic access to food and, particularly, imported goods from the U.S. For instance, Haiti is currently the second-largest market for U.S. rice (behind Japan and ahead of Mexico).

Given the upward trend in remittances to Haiti, one important question is whether Haiti can use diaspora financial flows to finance investment that will create jobs, stimulate much needed exports and generate broad based economic growth. And if so, how?

The Haitian diaspora in the U.S. and Canada can remit more than they currently do. Haitian workers earn more than $42,000 a year on average but remit only about 10% of their annual salary (compared to 18% remitted by migrants of other Latin American and Caribbean nationalities). The Haitian migrant community has also shown its commitment to helping its home country but lacks guidance on how to do so.

FIGURE 11: REMITTANCES FROM THE U.S. AND U.S. EXPORTS TO HAITI, JAN 2023-MAY 2026

Source: US Trade Census and Central Bank of Haiti.

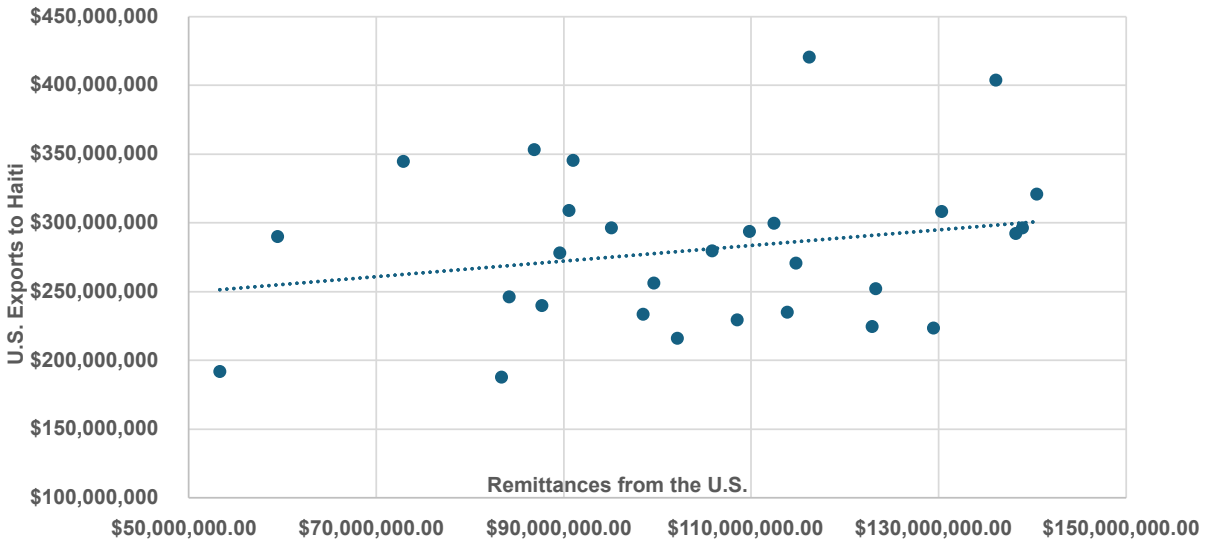


TABLE 4: SOCIOECONOMIC CHARACTERISTICS OF MIGRANTS IN THE U.S.

Source: surveys on remittance practices, Inter-American Dialogue, 2026.

Characteristics	Colombians	Nicaraguans	Dominicans	Haitians	Guatemalans	Hondurans	Mexicans
Median age	35	33	37	36	31	32	36
Proportion of migrants under 30	36%	50%	30%	35%	57%	55%	33%
Income	$39,823	$41,218	$41,662	42,800	$52,350	$38,000	$39,000
Annual amount sent	$10,251	$8,974	$5,400	$4,200	$10,329	$7,950	$8,000
Number of transfers per year	18	20	15	16	17	17.5	14
Annual Remittance/ Annual Income	26%	22%	13%	10%	20%	21%	17%

1 Data on deportation points to a strong positive correlation between people on deportation orders and people actually being deported. Haitian deportation orders are much lower than those of other nationalities, suggesting that the risk of deportation will be lower (see Tables A1 and A2 in the Appendix).

Offering purpose-driven financial incentives may motivate Haitians living abroad to contribute to Haitian development. Haiti's banking system is highly liquid and may finance investment. However, diaspora incentives should target both short- and long-term capital needed to stabilize the economy and invest in productive infrastructure such as power plants, irrigation canals, or roads. This approach would boost domestic productivity, create jobs, and foster opportunities to nearshore labor-intensive goods for the U.S. market.

Suitable incentives for the diaspora could include, for example, increasing the share of each remittance deposited directly into savings, donating funds to efficient entities that can offer Cash for Work programs, and investing in local housing efforts, including home improvements. Other efforts would include diaspora financing flows to sectors such as agriculture or electricity generation and distribution and address key supply-side bottlenecks of the economy

These options can occur, but they carry risks, including potential impacts of remittances on the exchange rate and inflation. Such strategies are also vulnerable to declining remittance flows resulting from the deportation of Haitians currently residing in the U.S. Current flows and their countercyclical trend are key considerations for assessing viability.

FIGURE 12: REMITTANCES TO AND INFLATION IN HAITI

Source: Central Bank of Haiti.

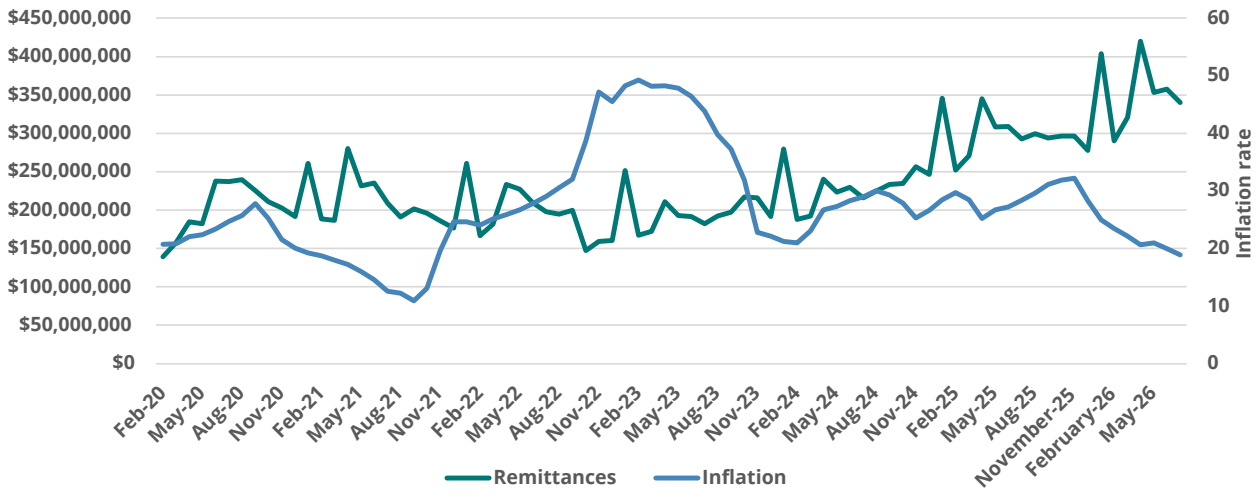
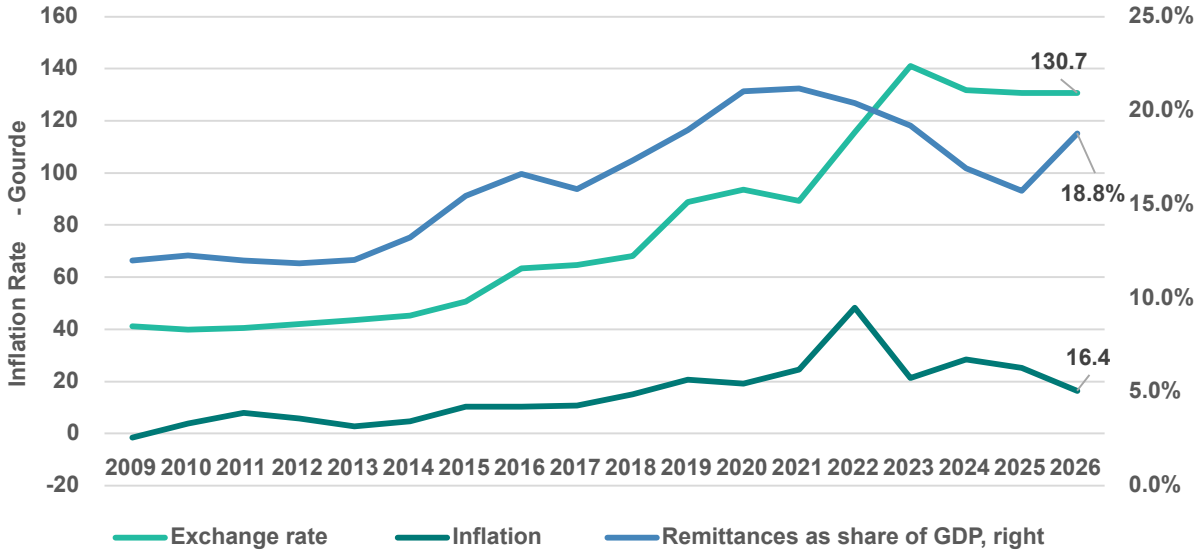


FIGURE 13: HAITIAN REMITTANCES, INFLATION AND EXCHANGE RATES

Source: Central Bank of Haiti.



ANNEX:

FIGURE A: HAITI'S ECONOMIC DEPENDENCE ON THE US

Source: World Bank.

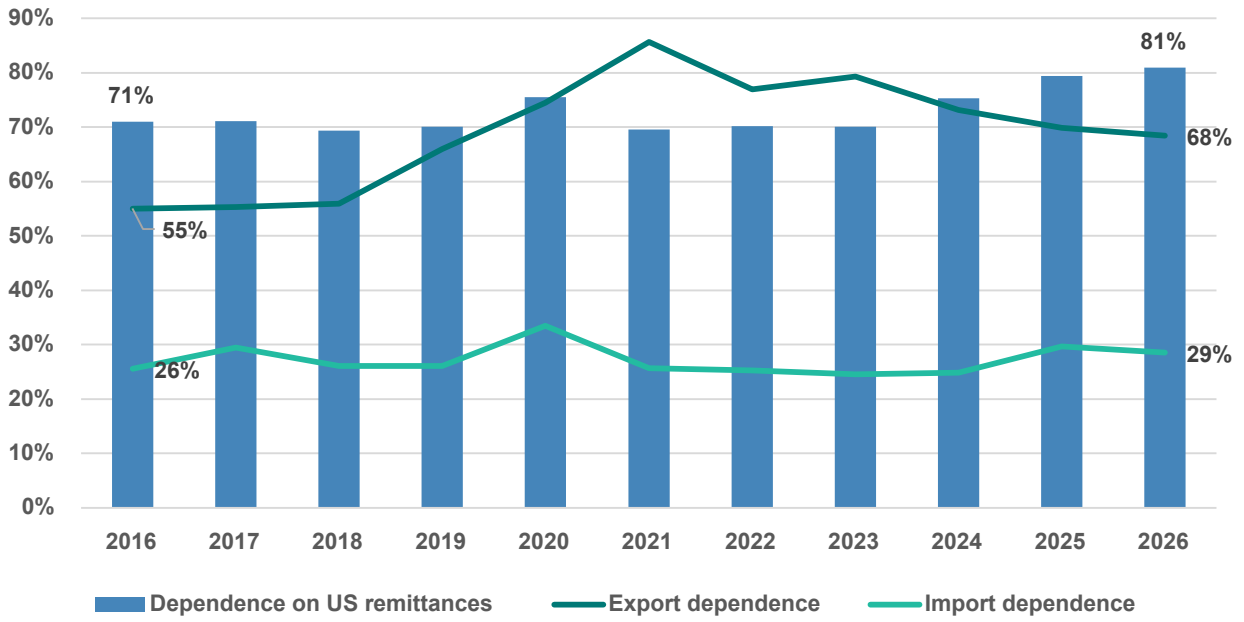


TABLE A1: MIGRANTS WITH DEPORTATION ORDERS AND VOLUNTARY DEPARTURES

Source: Deportation Data Project, news reports in each country.

	2025			2026		
	Deportation Order	Deported	Ratio	Deportation Order	Likely to be Deported	Ratio
COLOMBIA	31,000	40,000	129%	57,328	40,850	71%
EL SALVADOR	23,617	16,051	68%	42,172	23,650	56%
GUATEMALA	70,227	55,000	78%	101,035	68,155	55%
HAITI	5,348	1,091	20%	12,504	1,290	10%
HONDURAS	72,517	42,928	59%	106,668	50,353	40%
MEXICO	106,508	160,192	150%	179,746	155,400	104%
NICARAGUA	33,023	13,647	24%	34,282	12,900	31%
VENEZUELA	40,674	18,000	44%	101,996	21,500	21%

TABLE A2. MIGRANTS WITH DEPORTATION ORDERS

Source: Deportation Project; Trac Immigration.

Period	1998-2010 (1,815,035)	2011-2017 (655,574)	2018-2024 (1,209,063)	2025-2026 (1,561,534)	All Orders	All Orders (%)
Guatemala	140,698	87,809	319,811	171,262	719,580	24%
Honduras	167,797	77,184	316,081	179,185	740,247	24%
Mexico	790,837	284,835	302,113	286,254	1,664,039	17%
El Salvador	187,125	66,510	131,830	65,789	451,254	15%
Nicaragua	15,579	3,749	93,898	67,305	180,531	37%
Colombia	36,637	4,807	70,392	88,328	200,164	44%
Venezuela	6,174	1,469	74,024	142,670	224,337	64%
Cuba	23,088	8,405	24,653	25,737	81,883	31%
Haiti	42,211	6,490	20,752	17,852	87,305	20%
China	45,584	13,760	16,465	14,145	89,954	16%
Other	359,306	100,556	300,009	503,006	300,009	168%
All Nationalities	1,815,036	655,574	1,471,865	1,561,534	4,739,303	33%

TABLE A3: HAITIANS IN THE U.S.

Source: TRAC, DHS, author estimates.

	2010	2020	2021	2022	2023	2024	2025	2026
Immigrant visa	15,706	2,427	3,799	5,123	10,783	3,175	2,400	2,000
TPS		54,365	53,558	110,638	204,759	200,005	-	-
Humanitarian parole	6,800	281	297		83,939	144,687	-	-
Non-immigrant visa (overstay calc.)	410				123	150	130	
Border encounters	1,732	5,089	57,262	64,839	207,897	182,750	2514	672
Border encounters (estimate of released pop.)		3,562	40,083	45,387	145,528	155,337	-	-
Asylum granted	168	54	30	122	227	84	90	
Haitian migrant pop. estimate (ACS + DHS)	587,149	705,000	696,982	730,780	887,091	1,045,603	1,048,003	1,050,003
Remittance senders in the US	499,077	599,250	592,435	548,085	665,318	784,202	786,002	787,502
Remittances sent	797,315,271	2,470,209,884	2,543,681,878	2,328,528,777	2,410,875,346	$2,829,842,307	$3,645,139,264	$4,188,265,014
Haitian migrant population in the DR Estimate (remittances)	313,363	496,112	703,892	759,328	941,567	1,066,634	853,307.32	785,042.73
Haitian population	9,803,000	11,243,848	11,370,000	11,500,000	11,637,398	11,772,557	11,906,095	12,048,968
Haitians in the US and the DR (as percent of pop.)	8%	10%	11%	11%	14%	16%	14%	13%
Homicides	677	1,281	1,615	2,183	4,789	5,600	8,100	6,500
Economic growth	-5%	-3%	-2%	-2%	-2%	-4%	-3%	-2%
Per capita Income	$1,317	$1,332	$1,293	$1,257	$1,219	$1,155	$1,111	$1,090

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