

## **A manufacturer's debt to Haiti**

*Richard Sandomir*

Nearly 20 years ago, Rawlings Sporting Goods closed its baseball assembly plant in Port-au-Prince, Haiti, and completed a move to its other factory in Costa Rica. Rawlings cited Haiti's political instability for idling about 1,000 workers.

Now, almost a month after the earthquake that caused innumerable deaths and widespread suffering and devastation, does Rawlings have a duty to send some business back to Haiti?

Major League Baseball should prod Rawlings, its official baseball supplier since 1977, to consider such a move as one way to try to help Haiti. But Bud Selig & Company can no more demand that Rawlings heads back to Haiti than the company can tell M.L.B. whom to sell the Texas Rangers to.

And although there would be public relations value to returning to Haiti, there are great challenges. Companies willing to invest there know it will take substantial time to rebuild the infrastructure, institutions and housing needed to make major investments pay off in a country plagued by extreme poverty and sky-high unemployment.

"Do they have an obligation?" Josh DeWind, a co-author of "Aiding Migration: The Impact of International Development Assistance on Haiti," said Tuesday in a telephone interview, referring to Rawlings. "I suppose they did quite well in Haiti, so, yes, in a humanitarian sense, it would be morally right to go back and help out, given that they benefited from Haiti."

He added that the despot Jean-Claude Duvalier helped foster the low-cost business environment "by making sure there were no independent unions." DeWind said Rawlings was not alone in paying its workers "what the World Bank called less than the minimum daily amount to support a family."

Duvalier fled Haiti in 1986 and, in the chaotic years afterward, Rawlings and other companies left.

Rawlings found peace at its baseball factory in Turrialba, Costa Rica. A small division within the Jarden Corporation, a conglomerate in Rye, N.Y., Rawlings is a licensee that pays royalties to baseball and provides teams with 110 dozen free baseballs each season. Teams pay a discounted price for additional balls, with teams buying 2,500 dozen to 3,500 dozen more per season.

Bob DuPuy, the president of M.L.B., which contributed \$1 million to Haitian relief, declined to say whether he would push Rawlings to relocate any baseball production.

"This is the time for humanitarian concern, concerns about the victims and life support, and dealing with the horrific trauma that's been caused," he said.

But DuPuy indicated that a conversation with Rawlings about Haiti might occur after "some form of normalcy takes over."

Mark Schneider, a senior vice president of the International Crisis Group, said that incentives like no tariffs on apparel made in Haiti and exported to the United States helped make the country attractive to companies.

Before the earthquake, he said, there were positive economic developments: employment in apparel factories was rising; Royal Caribbean Cruises announced a \$55 million investment in

the northern port of Labadee; and the investor George Soros announced a plan to invest in a partnership to build a new free-trade zone.

In October, hundreds of company executives, bankers and officials of nongovernmental organizations attended a two-day investment conference in Port-au-Prince that was organized by the Inter-American Development Bank and former President Bill Clinton. A survey by the bank, which provides grants to Haiti, found that the gathering had yielded plans for more than 10 projects worth over \$5 million, said a spokesman, Pablo Bachelet.

Schneider would not say if a company like Rawlings would find Haiti, after the relief effort ahead, more attractive than Costa Rica. But, he added, "What you can say is that there are distinct advantages that will make it attractive for a company to consider, for example, expanding production to Haiti."

No executive of Jarden would speak for the record. Evan Goetz, a spokesman for the company, said, "There is no plan to relocate production facilities to Haiti."

No one should expect a firm plan from Rawlings right now. But it should study the issue.

Julie T. Katzman, general manager of a microfinancing fund at the Inter-American Development Bank, said companies like Rawlings could not be expected to invest solely out of moral obligation.

"It's important that a company do something not only out of a social responsibility but how it fits its core enterprise," she said. "Certainly, you go into Haiti now and there's a certain amount of dislocation. It takes a commitment, but in the medium and long term, it should be a sustainable place for manufacturing."

She suggested that if Rawlings did not want to produce baseballs in Haiti again, it could make apparel.

Still, Steven J. Puig, the bank's vice president for private sector operations, said there was a good-deed side to investing in Haiti, the poorest country in the Western Hemisphere.

"Going forward," he said, "just the seal on any product that says 'Made in Haiti' will have a different connotation, which will reflect that a company is contributing to a better world."

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