After the Earthquake
Recovery and Sovereignty in Haiti

by Alex Dupuy | Wesleyan University | adupuy@wesleyan.edu

Testifying before the U.S. Senate Foreign Relations Committee on March 10, 2010, former president Bill Clinton, who is now serving as Special Envoy to Haiti for the United Nations, said that the trade liberalization policies he pushed in the 1990s that compelled Haiti to remove tariffs on imported rice from the United States "may have been good for some of my farmers in Arkansas, but it has not worked. It was a mistake… I had to live everyday with the consequences of the loss of capacity to produce a rice crop in Haiti to feed those people because of what I did, nobody else."[1] Two weeks later, Haitian Prime Minister Jean-Max Bellerive appeared in front of the Haitian Senate to present the government's post-earthquake recovery plan known as the Action Plan for the Reconstruction and National Development of Haiti. The Action Plan called for the creation of an Interim Haiti Recovery Commission (IHRC) charged with formulating and implementing the programs and projects for the reconstruction of Haiti for 18 months after its ratification by the Haitian Parliament. The idea of the IHRC, however, had been conceived earlier by the U.S. State Department, not the Haitian Government. The IHRC is comprised of seventeen voting members, ten of whom are representatives of the international community (one each from the main international financial institutions [IFIs]: the World Bank, the International Monetary Fund, and the Inter-American Development Bank; one each from the major donor countries: Brazil, Canada, France, and the United States; one from the CARICOM, and one each from other private donors). Former president Clinton, who will co-chair the Commission with Prime Minister Bellerive, is the tenth voting member. Seven members will be from Haiti (three nominated by the executive [Bellerive], judiciary, and local authorities; one each from the Senate and Chamber of Deputies, one from the business community, and one from the trade unions). Haitian President René Préval retains veto power over its decisions.

When questioned by members of the Haitian Senate as to whether Haiti, in effect, had surrendered its sovereignty to the IHRC, Prime Minister Bellerive responded candidly, "I hope you sense the dependency in this document. If you don't sense it, you should tear it up. I am optimistic that in 18 months… we will be autonomous in our decisions. But right now I have to assume, as prime minister, that we are not."[2] Following a rancorous debate on April 15, the Senate voted narrowly to ratify the creation of the IHRC after the Chamber of Deputies had done so the week before by a larger majority.

These two rare admissions by high-ranking public officials representing the two sides of the international community-Haiti partnership express succinctly the dilemma that Haiti faces in rebuilding its shattered economy in the wake of the earthquake. Recent estimates put the number of dead at 300,000. Around 80 percent of the capital city of Port-au-Prince and surrounding towns and villages have been destroyed, and more than 1.2 million people have been left homeless. Reconstruction costs are estimated to reach $11.5 billion.

As accurate as the prime minister's statement is about Haiti's dependence on and subordination to the international community, that state of affairs did not originate with the creation of the IHRC. Rather than recounting the long history of foreign domination in Haiti, we can consider the 1970s as having marked a major turning point in understanding the factors that created the conditions that existed on the eve of the earthquake and contributed to its devastating impact.

In return for military and economic aid from the United States and other core countries (notably Canada and France), the regime of Jean-Claude Duvalier—which succeeded that of his father (1957-1971)—turned over the formulation of economic policy for Haiti to the IFIs. These institutions henceforth pursued a twofold strategy that succeeded, on the one hand, in turning Haiti into a supplier of the cheapest labor in the Western Hemisphere—mostly for the export assembly industries established by both foreign and domestic investors—and, on the other hand, one of the largest importers of U.S.-produced food in the Caribbean Basin. These outcomes were achieved through a series of "structural adjustment" policies that maintained low wages, dismantled all obstacles to free trade, removed tariffs and quantitative restrictions on imports, offered tax incentives to the manufacturing industries on their profits and exports, privatized public enterprises, reduced public-sector employment, and curbed social spending to reduce fiscal deficits.

By the end of the 1980s and early 1990s however, the IFIs came to realize that the export assembly strategy they advocated, despite all the advantages it may have had, did not create the conditions for a more sustainable development of the Haitian economy.[3] Even at the height of its operation in the mid-1980s, the assembly industry never employed more than seven percent of the total labor force and did not contribute significantly to the reduction of the underestimated 38 percent rate of unemployment of the active urban labor force. The industry had at best a neutral effect on income distribution, but a negative effect on the balance of trade because it encouraged more imports of consumer goods. The industry also contributed little to government revenues because of the tax exemptions on profits and other fiscal incentives, which, along with the subsidized

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costs of public services and utilities, represented a transfer of wealth to the foreign investors and the Haitian entrepreneurs who subcontracted with them for the operation of the assembly industries.

The other side of this strategy pushed by Washington and the IFIs was to dismantle Haiti's trade barriers and open its economy to food imports, principally from the United States. As we have seen, the Duvalier dictatorship embraced the assembly industry strategy based on Haiti's comparatively low labor costs. But it resisted demands to remove the 50 percent tariffs on food, especially rice imports, thereby enabling Haitian farmers to continue to produce all the rice consumed in Haiti and limiting other food imports to about 19 percent. All that changed after Jean-Claude Duvalier was overthrown in February 1986. To gain U.S. support, the military governments that succeeded the Duvalier regime reduced subsidies to domestic agriculture, liberalized trade, privatized public industries, and maintained low wages. The election of the left-of-center government of Jean-Bertrand Aristide in 1990 and again in 2000 did not change these policies.[4]

These policies had drastic consequences for the agricultural sector and for Haitian farmers. Whereas in the 1970s Haiti imported about 19 percent of its food needs, currently it imports 51 percent. It went from being self-sufficient in the production of rice, sugar, poultry, and pork to becoming the world's fourth-largest importer of subsidized U.S. rice and the largest Caribbean importer of foodstuffs from the United States. Eighty percent of all the rice consumed in Haiti is now imported. Trade liberalization, then, essentially meant transferring wealth from Haitian to U.S. rice farmers, and to those Haitian firms that resell rice—quite profitably—on the domestic market.

The trade liberalization policies that exacerbated the decline of agriculture and the dispossession of farmers, combined with the location of the assembly industries primarily in Port-au-Prince, propelled migration from the rural areas to the capital city and its spreading squalor. Port-au-Prince grew from a city of 150,000 inhabitants in 1950, to 732,000 in the early 1980s, and to approximately 3 million in 2008—nearly one-third of Haiti's population of 9.8 million. Those who could not find employment in the assembly industries swelled the ranks of the unemployed and the informal sector, which became the largest source of employment for the urban population. Since the 1970s, migration to the neighboring Dominican Republic, other Caribbean countries, and North America increased dramatically to the point that Haiti is now heavily dependent on remittances from its emigrants, which in 2008 represented 19 percent of Haiti's gross domestic product.

The development strategy devised by the IFIs exacerbated Haiti's underdevelopment and poverty as well as the disparities between the wealthy elites and the subordinate classes. Along with Bolivia, Haiti has the largest income inequality in the hemisphere. In 2007, the richest 10 percent of the population received 47 percent of national income, and 2 percent controlled 26 percent of the nation's wealth. By contrast, the poorest 20 percent received 1.1 percent of national income; 76 percent of the population lived on less than US$2/day, and more than half lived on less than US$1/day.

This, then, brings us back to Clinton's statement at the beginning of this essay. If the former president really believed that the neoliberal policies he forced on Haiti (and elsewhere) were wrong, then he would be advocating for their repeal and encouraging Haiti to reintroduce its protectionist policies to rebuild its agriculture and achieve once again its self-sufficiency in the production of rice and other crops. Such is not the case, however. On the contrary, Clinton is now spearheading the very same failed strategies that have been repackaged in the Post-Disaster Needs Assessment (PDNA) document prepared by the Haitian government with the assistance of the IFIs. What's more, that repackaged strategy had been spelled out well before the earthquake in a report "Haiti: From Natural Catastrophe to Economic Security: A Report for the Secretary-General of the United Nations" (2009) written by Paul Collier, a former World Bank economist and now Professor of Economics at Oxford University.

Ignoring the evidence of the past four decades, the report lays out the same dual strategies advocated by the IFIs and Washington since the 1970s. The only difference is that it calls for expanding the export zones for garment production beyond the two that currently exist in Port-au-Prince and Ouanaminthe, located near the border with the Dominican Republic, and similar zones for the production and export of selected agricultural crops such as mangoes. For Collier the reason for this dual strategy is straightforward. To be competitive, he argues, Haiti needs to take advantage of the Haitian-Hemispheric Opportunity through Partnership Encouragement Act of 2008 (HOPE II), enacted by the U.S. Congress in 2008, that grants Haiti and the Dominican Republic duty-free access to the U.S. market for up to 70 million square meter equivalents (SME) each of knit and woven apparel in addition to other goods such as brassieres, luggage, and sleepwear. The key to Haiti's competitiveness, of course, is its abundant and low-wage, but high-quality labor force, which rivals that of China.

Collier's report argues that the establishment of these zones of garment production, given the numerous jobs they would create, would reduce the percentage of the population that lives off the land. Haitian agriculture could then switch to more land intensive production amenable to more inputs and much greater output. In addition to increasing food production for the national market, the report argues, Haiti needs to establish zones for the production of export crops such as mangoes. Mangoes are important not only for their own sake, but because the trees are large enough to have a substantial root network that could decrease soil erosion and contribute to the process of reforestation.

As mentioned, former President Clinton fully endorses that strategy. In remarks he made after he and former President George W. Bush visited Haiti in March, Clinton said he would like to see the "ceiling [on textile and apparel exports] lifted [from 70 to 250 million SMEs] so that then we can get bigger investments here."[5] On May 5, the U.S. House of Representatives voted overwhelmingly for the "Haiti Economic Lift Program (HELP) Act," and will send it to the Senate where approval is also certain, and then to President Obama for his signature. The bill waives tariffs on knit and woven fabrics imported from Haiti and raises the production quotas to 200 million SMEs each until 2020, 50 million SMEs less than what Clinton had hoped for. Moreover, responding to questions from reporters after the international donors conference in New York City on March 31, Clinton elaborated on the neoliberal policies he once championed and admitted that they had

> failed everywhere [they have] been tried… [Y]ou just can't take the food chain out of production… and go straight into an industrial era. [I]t also undermines a lot of the culture, the fabric of life, the sense of self-determination. And we made this devil's bargain on rice [but] it wasn't the right thing to do. We should have continued to… help them be self-sufficient in agriculture. And that's a lot of what we're doing now. We're thinking about how can we get the coffee production up, how we can get… the mango production up…the avocados, and lots of other things.[6]

It must be noted, however, that neither Clinton, the Collier Report, nor the Action Plan explain how Haiti is to regain self-sufficiency in rice or food production generally when none of them is calling for the repeal of the trade liberalization policies Clinton decried. Neither is it explained how the expectations of hundreds of thousands of jobs in the garment industry will pan out in Haiti when the combined share of the U.S. market for the garment export industry in the countries of the Dominican Republic-Central America Free Trade Agreement has declined from 13.3 percent in 2004 to 9.8 percent in 2008, causing the layoff of tens of thousand of workers. As David Wilson put it succinctly, the whole plan to expand the garment industry in Haiti is a "race to the bottom. [It] isn't really about creating jobs; it's about relocating them… [W]hen the professors and politicians say they will help Haitian workers by giving them jobs, what they really mean is that they plan to take the jobs away from Dominican, Mexican, and Central American workers—and pay the Haitians even less for doing the same work."[7]

Not surprisingly, popular and grassroots organizations in Haiti have fiercely resisted these plans. They propose prioritizing the rebuilding and expansion of Haiti's infrastructure, communication, transportation, public schools, public health, and public housing; promoting Haiti's food security and sovereignty by launching an agrarian reform and subsidizing production for the local market as well as for export; subsidizing the development of industries that use domestic inputs to produce consumer and durable goods; and protecting the rights of workers to form trade unions and to strike, and providing a living wage to all workers, including those in the export assembly industries. It will be an uphill struggle, contingent on the election of a government capable of renegotiating Haiti's relations with the international community.

Endnotes

[*A different version of this article appears in* NACLA Report on the Americas*, Vol. 43, No. 4, July/August, 2010*.]

1 Cited in Jonathan M. Katz, "With cheap food imports, Haiti can't feed itself," *The Associated Press*, March 20, 2010.

2 Cited in Martin Kaste, "After Quake in Haiti, Who's the Boss?" National Public Radio Morning Edition, March 31, 2010.

3 For those interested in a fuller analysis of the effects of the policies of the IFIs on Haiti, see my "Globalization, the World Bank, and the Haitian Economy." In *Contemporary Caribbean Cultures and Societies in a Global Context*, ed. Franklin W. Knight and Teresita Martinez-Vergne (Chapel Hill: The University of North Carolina Press, 2005), 43-70.

4 Aristide was elected in November 1990 and assumed office in February 1991. The Haitian army toppled him in September 1991 and sent him into exile for three years in the United States. In October 1994, the United States, under President Clinton led a multinational force to remove the junta from power and return Aristide to office. Aristide then agreed to lower tariffs on imports, especially rice and other foodstuffs to 3 percent, and they have remained at that level since. Aristide won re-election in 2000, took office in February 2001 but was overthrown again in 2004 and sent into exile to South Africa where he still lives.

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5 Quoted in Pascal Fletcher, "Improved U.S. terms for Haiti textile imports sought," *Reuters*, March 22, 2010.

6 Cited in Kim Ives, "International Donors' Conference at the UN: For $10 Billion of Promises, Haiti Surrenders Its Sovereignty," *Haiti Liberté*, March 31-April 6, 2010, Vol. 3, No. 37.

7 David L. Wilson, "'Rebuilding Haiti'—the Sweatshop Hoax," *MRZine*, April 3, 2010 <mrzine.monthlyreview.org/2010/wilson040310.html>. ■

DEBATES

Earthquake, Humanitarianism and Intervention in Haiti

by Charles Vorbe | l'Université d'Etat d'Haïti | cbvor@yahoo.com

Haiti's January 12 earthquake, with its death toll of about 300,000 people, was one of the greatest humanitarian catastrophes the planet has ever known. It gave rise to an unprecedented mobilization of humanitarian aid, with countries, multilateral institutions, non-governmental organizations (there are more than 10,000 in Haiti), charitable institutions, evangelical missions, associations of every kind, celebrities from music, film, sports, and every stripe of what could be called "the charity business sector," all bustling about and rushing to the aid of the disaster victims. For everyone, there was but one certainty: nothing short of a massive humanitarian aid effort was necessary for Haiti.[1]

President Obama dispatched an emblematic pair of ex-presidents, Bill Clinton and George W. Bush, to emphasize the bipartisan nature of the U.S. rescue effort, and to remind us of this ethical imperative: aid should transcend everything today, including and especially political divisions. As they set off for Haiti, Clinton—who, since 2009, has been United Nations Special Envoy to Haiti—remarked that the cataclysm "reminds us of our common humanity. It reminds us that needs go beyond ephemeral discords," while Bush protested against those who sought to politicize the aid to Haiti and plead for an ad hoc apoliticism: "Now is not the time to concentrate on politics."

Let us suppose that we take them at their word: the fact remains that their humanist pronouncements were not meant to reassure the victims. Their intended audience was elsewhere. When Clinton pleaded the Haitian cause at the World Economic Forum in Davos last January, he did not skimp on his arguments to the heads of the planet's multinational companies. The Haitians are "workers and creators" he said, and the climate prevailing in the country was very favorable for business. Pressing the businessmen not to miss this opportunity to do business under a government favorable to foreign investors, Clinton invited them to become part of the "adventure."

Whether or Haiti is a good investment for Davos attendees, and whether or not we ought to leave "politics" behind, there is one word whose lack of clear meaning is almost as striking as the world's generous reaction to January 12—"humanitarianism." To get to its essence in today's Haiti, and, indeed, in today's world one must avoid, *hic et nunc*, the pitfall of evidentiary truths, of sentiments that reassure, of received, convenient, acritical and non-subversive ideas in order to question, in all objectivity, certain current mystified and mystifying representations of reality.

To do so, all the semantic enchantment of the words like "solidarity," "charity," "rescue," "pity," and "aid," and the noble sentiments that they evoke, must also be left behind so that the concrete representations of humanitarianism in today's Haiti can be examined in the harsh light of day.

The "Social" Nature of the Humanitarian Disaster

The prevailing rescue sentiment and the underlying evocation of compassion for the victims are neither as neutral nor as innocent as the notion of humanitarianism might lead one to believe. On the contrary, the ideology related to the current representation of humanitarianism contributes to our disregard of the social nature of January's catastrophe. For in fact, the consequences of the natural disaster were exponentially amplified by a form of historically constituted social organization—neocolonialism—that incessantly generates and renews the domination, exploitation,