# NON-GOVERNMENTAL ORGANIZATIONS AND LOCAL ECONOMIC DEVELOPMENT IN HAITI

A Dissertation Presented

by

Alix Cantave

Submitted to the Office of Graduate Studies, University of Massachusetts Boston, in partial fulfillment of the requirements for the degree of

DOCTOR OF PHILOSOPHY

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Public Policy Program

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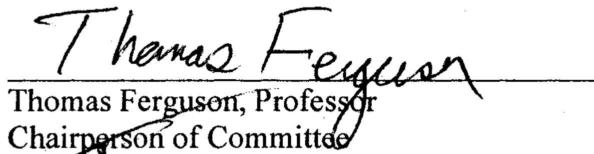

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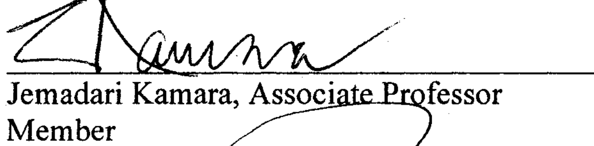

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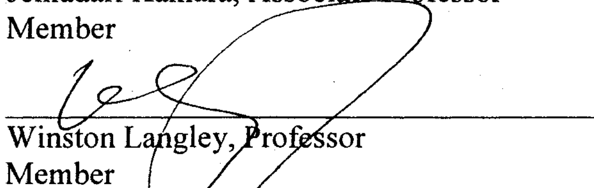

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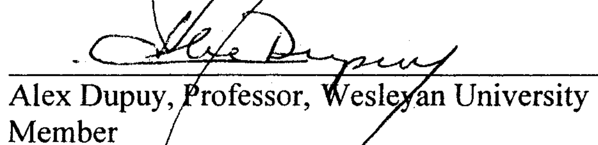

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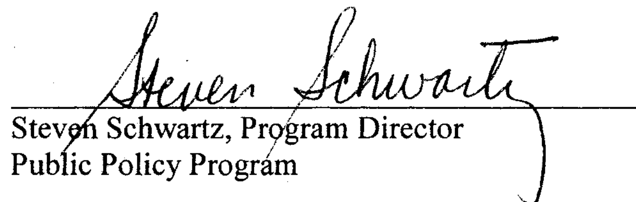

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## ABSTRACT

NON-GOVERNMENTAL ORGANIZATIONS AND

LOCAL ECONOMIC DEVELOPMENT IN HAITI

December 2006

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This dissertation analyzes the significant growth in the number of non-governmental organizations (NGOs) in Haiti after the fall of the Duvalier regime in 1986. It addresses two fundamental issues: 1) the factors contributing to the growth of the NGO sector in Haiti; and 2) the role that NGOs are playing in local economic development in Haiti. These issues were addressed within the context of Haiti's political economy. I argue that the growth in the number of NGOs coincides with a general openness in the Haitian political system caused by the demise of the Duvalier regime and the increased level of foreign aid channeled directly through them, and that they do not effectively support and promote long-term and sustainable local economic development activities in Haiti. In fact, international and large local NGOs are an integral component of the foreign aid delivery system in Haiti and they function primarily as foreign aid contractors that are not locally grounded or participatory. They are poorly regulated and are virtually unaccountable to any institutions in Haiti. NGOs are perceived in Haiti as extensions of the international community with no long-term interest in the development of the



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country. Small grassroots and community-based organizations, although they are locally grounded and more participatory, lack the financial and human resources and organizational capacity to play an effective role in local economic development in Haiti. In addition, I argue that Haiti is a non-developmental state that lacks the necessary public policy and bureaucratic infrastructure to support and sustain local economic development and that NGOs function within that context and to a larger degree profit from it. In order to facilitate and create a climate conducive to local economic development, I propose certain basic systemic changes in the structure of the Haitian state and in the manner in which NGOs operate and foreign aid is allocated.



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I am also indebted to Louise Bowditch and Chavanne Jean-Baptiste, who through SEED/the Haitian Development Loan Fund introduced me to the world of the Haitian peasant. The peasants that I met during my several trips to Haiti as member of the board



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of SEED and later as its President provided me with new insights into the Haitian peasantry and the potentials for local economic development. Finally, I want to acknowledge my debt and gratitude to Bernadette Quessa Cantave, my wife and friend, for putting up with me, supporting me, and caring for Fadil and Hamadi while I was doing research in Haiti or in Washington.

I dedicate this dissertation to Bernadette, Fadil and Hamadi for their love and support.



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## LIST OF ABBREVIATIONS

| | |
|---|---|
| ACP | Africa, Caribbean and Pacific States |
| AEDC | American Economic Development Council |
| ADRA | Adventist Development and Relief Agency |
| ASEK | Asanble Seksyon Kominal (Haitian Municipal Assembly) |
| BRAC | Bangladesh Rural Advancement Committee |
| CARE | Cooperative for Assistance and Relief Everywhere, |
| CBI | Caribbean Basin Initiative |
| CBO | Community Based Organization |
| CDC | Community Development Corporation |
| CDS | Center for Health and Development (Haiti) |
| CECI | Centre Canadian d'Étude et de Cooperation International |
| CEPD | Council for Economic Planning and Development (Taiwan) |
| CHDV | Haitian Committee for Development |
| CIDA | Canadian International Development Agency |
| CIPE | Center for International Private Enterprise |
| CLED | Center for Free Enterprise and Democracy (Haiti) |
| CNG | National Governing Council (Haiti 1986-1988) |
| COCOG | Coordination des Groupements et Organization Communautaire (Haiti) |
| CRS | Catholic Relief Services |
| CWF | Commonwealth Foundation |
| CWS | Church World Services |



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| | |
|---|---|
| DA | Development Assistance |
| ECOSOC | UN Economic and Social Council |
| EERP | Emergency Economic Recovery Program |
| EPB | Korean Economic Planning Board |
| EU | European Union |
| FFW | Food for Work |
| FONDEV | Funds for Rural Development |
| GDRC | Global Development Research Center |
| GRI | Grassroots International |
| GRO | Grassroots Organization |
| HAVA | Haitian American Association of Voluntary Agencies |
| HDI | Human Development Index |
| IAIC | Inter American Institute for Cooperation |
| ICDNGO | International Classification of Development NGOs |
| ICNPO | International Classification of Nonprofit Organizations |
| IDA | International Development Agency |
| IDB | Inter American Development Bank |
| IEDC | International Economic Development Council |
| IFI | International Financial Institution |
| IICA | Inter American Institute for Cooperation on Agriculture |
| ILD | Institute for Liberty and Democracy (Peru) |
| IMF | International Monetary Fund |



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| | |
|---|---|
| INGO | International Non-Governmental Organization |
| IOM | International Office of Migration |
| KOPA | Kooperativ Peyzan (Peasant Cooperative) |
| LISC | Local Initiatives Support Corporation |
| MCH | Mother and Child Health |
| MITI | Japan Ministry of International Trade and Industry |
| MPEC | Haitian Ministry of Planning and External Cooperation |
| MPP | Mouvman Peyizan Papay ( Papay Peasant Movement) |
| MPNKP | National Peasant Movement Papay Congress |
| MPTR | Mouvman Peyzan Tèrye Rouj (Peasant Movement of Terrier Rouge) |
| MST | Landless Workers Movement in Brazil |
| NDA | National Development Agency |
| NGO | Non-Governmental Organization |
| NIC | Newly Industrialized Country |
| ODA | Official Development Agency |
| OPL | Organization Politique Lavalas (Lavalas Political Organization) the name was changed in 1997 to Organization du Peuple en Lutte (Organization of People in Struggle) |
| PADF | Pan American Development Foundation |
| PAPDA | Haitian Platform for Alternative Development |
| PIH | Partners in Health |
| PVO | Private Voluntary Organization |



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| | |
|---|---|
| RDA | Regional Development Agency |
| RDZ | Regional Development Zone |
| SEED | Haitian Development Loan Fund |
| SF | School Feeding |
| SOFA | Haitian Women Solidarity |
| SOPHIDES | Société Financière Haitienne de Développement |
| SSER | Strategy for Social and Economic Reconstruction |
| TAICH | Technical Assistance Information Clearing House |
| UCAONG | NGO Coordinating Unit at the Haitian Ministry of Planning and External Cooperation |
| UIA | Union of International Associations |
| UNDP | United Nations Development Program |
| USAID | United States Agency for International Development |
| WCS | World Church Services |
| WRI | World Resources Institute |
| WTO | World Trade Organization |



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# CHAPTER 1

# INTRODUCTION

After the demise of the Duvalier regime in 1986, the number of non-governmental organizations (NGOs) in Haiti increases significantly and they become important players in the delivery of social, health, education and other human services. They grow into an integral part of the foreign aid network and receive contracts and funding to implement a variety of development assistant programs. This dissertation analyses the growth of the NGO sector in Haiti between 1986 and 2001 and whether they are playing an important role in local economic development. It looks at the governmental structure, the public policy infrastructure and the availability of private capital investment to support local economic development activities. Equally important in the analysis are the factors that influence the programmatic directions of NGOs and whether the conditions exist in Haiti to facilitate and promote local economic development. I argue that the growth in the number of NGOs coincides with the increased level of international development assistance that is channeled directly through them and to the opening in the Haitian political space caused by the collapse of the Duvalier regime. Furthermore, Haiti does not have the necessary private capital and public policy infrastructure dedicated to local economic development and lacks of collaboration between key actors and stakeholders that could support it. NGOs are also not involved in the kind transforming activities that have resulted in development elsewhere. Funding and service contracts from international financial institutions and foreign aid agencies are not sufficient to transform NGOs in



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Haiti into effective local development organizations. Non-profit organizations that are effective in promoting and supporting local development benefit from local or constituent support and participation, organizational capacity building supports, as well as public and private financing infrastructure and favorable public policy (Bingham and Mier 1993). Local economic development activities require a private and public infrastructure that is conducive to the creation of community wealth, assets and economic growth and which can facilitate job creation, social justice, legal protection, and protection from environmental economic, social, and political harms. As illustrated by several papers in Richard Bingham and Robert Mier's *Theories of Local Economic Development* and Peter Evans' work, local development is achieved through government activism and collaboration between key public and private actors.

Peter Evans, in his analysis of states and industrial transformation, argues that an activist government that prioritizes development is a prerequisite to create a climate conducive to economic development. Such a climate is the result of purposeful policy and strategies (Evans 1995) that the private and public sectors support, promote, and facilitate. Alex Dupuy, Robert Fatton and Michel Rolph Trouillot, in their respective analyses of the Haitian state and its history, demonstrate that successive governmental regimes, since the formation of the state, have not implemented consistent policies and programs designed to steer the country toward the path of development (Dupuy 1989 & 1997; Fatton 2002; Trouillot 1990). In that regard, Haiti has been a non-developmental (as opposed to a developmental) state based on Evans' definition. Evans defines the



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developmental states as those states that not only have presided over economic transformation but also can be argued to have played a role in making it happen (Evans 1995). Governments played a lead role in all of the states in Asia and Latin America that Evans argues to have experienced economic development. In most cases, there were private and public partnerships that stimulated the development process. Evans' argument is consistent with dominant theories of local economic development, which emphasize that local economic development requires an appropriate financial and public policy infrastructure that involves government and the private sector (Bingham and Mier 1993; Evans 1995, Stiglitz 2002, Lalta & Freckleton 1993). Additionally, the work of a small social investment fund called SEED/Haiti Development Loan Fund (Semans in Haiti)[1] indicates that local development in Haiti is not sustainable without adequate macro and micro economic development policies, legal protection and long-term financial commitments.

**Local Economic Development**

In 1984, the American Economic Development Council (AEDC), now the International Economic Development Council (IEDC), defined economic development "as the process of creating wealth through the mobilization of human, financial, capital, physical, and natural resources to generate marketable goods and services" (Bingham and Mier, 1993: vii). Community development practices in the US since the 1970s

---

[1] SEED is community development loan fund whose objective is to support and promote community economic development projects in Haiti by working with peasant cooperatives. SEED raises investment capital and grants from socially responsible investors in the US and foundations to provide investment capital to peasant-based projects in Haiti.



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demonstrate that economic development also includes economic growth, job creation, and investment in people and in technology—a general improvement in the standard of living.[2] Local or community economic develop is the creation of wealth, job, income, community assets, investment in people and technology for the benefit of the locality or community—the improvement of the standard of living of and quality of life of the local residents. A primary role of government as Evans, Bingham and Mier argue is to promote local economic development and to assure that it serves the interest of the broad population and that under-served, under-represented and disenfranchised populations benefit from it.

For the marginalized Haitian population, local economic development means more. As Chavannes Jean-Baptiste, the leader of the *Mouvman Peyzan Papay* (MPP)[3] explains "economic development for the Haitian peasant is the capacity for them to control their own destiny, generate wealth, have access to quality agricultural land and investment capital. It is the ability to reverse the alarming environmental decline, participate in the political process, and be protected from social, political and economic exploitation.[4]" In the Haitian context, economic development must also address issues of

---

[2] Mitchell A. Seligson and John T. Passé-Smith in *Development and Underdevelopment: The Political Economy of Inequality* present different perspectives and explanations of the gap that exits between rich and poor countries as well as the gap between a small affluent minority and vast majority of the poor in less developed countries. The chapters explore the causes of underdevelopment and why it persists. The text includes a chapter by Michael Lipton derived from *Why Poor People Stay Poor: A Study of Urban Biases in World Development.* Lipton generally argues that the most important conflict in less developed countries.

[3] MPP is the largest peasant organization in Haiti. It also consists of the largest grouping of peasant in the country.

[4] Quote is form an interview with Chavannes Jean-Baptiste in Terrier Rouge in January 2001.



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social justice and structural inequalities. This view is consistent with John Clark's notion of "just development," which goes to the core causes of poverty (Clark 1990). He argues that equity, democracy, and social justice should be central in economic development strategies alongside traditional objectives such as economic growth. Just development, as Clark describes it, includes development of infrastructure, economic growth, poverty alleviation, equity, natural resource base protection, democracy, and social justice. As De Soto (2000) and MacDonald and Gastmann (2001) illustrate, legal protection, the ability to reinforce contracts, and ownership formalization are also important elements in economic development. Proper ownership recording and legal protection facilitate the conversion of fixed assets into capital, reinforce contractual agreements and allow for the repayment of debt. A society with a weak legal system where contractual agreements are unenforceable is limited in its abilities to forge an environment conducive to economic development and the creation of capital (De Soto 2000). A peasant cooperative in the Central Plateau suffered the inadequacy of the Haitian legal system when it lost several thousand of dollars due to breach of a contract it had with a wholesaler.

KOPA Marmont, a peasant cooperative in the town of Marmont in the Central Plateau, signed a contract with a mango exporter from Port-au-Prince for several tons of mangoes. The co-op purchased the mango farm with a $40,000 loan from Semans[5]. Proceeds from selling the mangos were the repayment source of the Semans loan. After the members of the co-op packed the mangos in cases to be picked-up, the buyer

[5] Semans is SEED's affiliate or operation in Haiti. SEED lends funds to peasant cooperatives in Haiti through Semans.



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informed them that he could no longer purchase the mangos. It was too late for the co-op to make arrangements to sell the fruits at the local markets or find another wholesaler. As a result, the co-op lost thousands of dollars in revenue and had no real legal recourse against the buyer. Additionally, the co-op was unable to meet its financial obligation to the loan fund. The impact is not only the loss of income to the members of the co-op, but also the loss of potential capital which could have been available for investing in other projects. A climate that does not enforce contractual agreements discourages investments and makes it very difficult to raise capital to support local economic development activities in Haiti.

Private and public partnership is another critical element in the development process. Alexander von Hoffman and Paul Grogan, in their respective analyses of community development in depressed urban neighborhoods in the US, demonstrate that local economic development is more effective when there is a partnership between the private sector, government and nonprofits including community-based organizations, foundations and intermediaries. The partnerships that Grogan and von Hoffman analyzed benefited from a supportive public policy infrastructure that encouraged community investment and a philanthropic community that contributed to community development intermediaries such as the Local Initiatives Support Corporation (LISC) and the Enterprise Foundation (Grogan and Proscio 2000; Von Hoffman 2003). Although the partnerships operated within the existing social, political and economic framework, they were formed out of challenges and community pressure to address obvious government



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and market failures. Such challenges included inadequate public services and investment in poor neighborhoods, substandard housing, and lack of essential services such as banking, supermarket and pharmacy. The private sector was and is still unable to produce housing for low and moderate-income households in high value real estate markets without public subsidies and participation. Governments, businesses and foundations were challenged to create new tools to reverse urban decline, increase the production of quality affordable housing for low- and moderate-income households and facilitate investments in the inner city and stop undesirable development in poor neighborhoods. Community development corporations (CDCs) emerged in the 70s and 80s as a response to these issues. Among them were the Bedford Stuyvessant Restoration Corporation in Brooklyn, the Mid-Bronx Desperadoes Community Housing Corporation in the Bronx, Urban Edge Housing Corporation and Madison Park Development Corporation in Boston. Unlike large and international NGOs, CDCs had grassroots origins and sprang out of local realities and processes to address specific community-based challenges. Consequently, they were locally based and grounded and accountable to local residents, other organizations, civic leaders, local governments, elected officials and funders.

In addition to the legal and investment capital issues raised above, there are four primary theories that explain the local economic development process and the transition from agriculture to industrial. The four theoretical frameworks are as follows: 1) location and space theories; 2) space-based strategies; 3) labor and capital theories; and 4) political and social theories. These theories borrow from development economics,



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business administration, regional science, planning, political science, sociology and more. They provide a framework to analyze local economic development in depressed communities in the US as well as in less developed societies such as Haiti. They presume a governmental infrastructure and a private sector with the capacity to invest in and stimulate the development process. As result, some of the theories emphasize redirection of political and financial resources given existing infrastructure and not the creation of the kind public and private structures that are required to support local economic development in a non-developmental state such as Haiti. They also explain some of the factors that led to development in some communities.

Local economic development theories emphasize production of goods and services as the primary local economic development factor. A key issue is what determines or influences the location of firms and businesses. Location theory posits that firms tend to locate in areas that minimize production costs. Some of the determinant factors are transportation cost, market size, proximity to market, access to material inputs, technology, availability and cost of labor (Blair and Premus in Bingham and Mier 1993). There are variations to location theory that look at entire regions. Regional development theory is one such variation.

Arthur Nelson defines regional development as:

> ...Change in regional productivity as measured by population, employment, income, and manufacture value added. It also means social development such as quality of public health and welfare, environmental quality, and creativity. (Nelson in Bingham and Mier 1993: 27)



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Nelson identifies three kinds of external relationships that are critical for regional development; 1) trade; 2) migration of people in their capacity of both consumers and workers; and 3) migration of other factors such as capital. As such, regional development could be driven from above or the core economic centers and trickle down to subordinate regions or periphery. Regions could also determine their own development path or pursue development from below. The same principles could be applied to local communities. One example is the tendency of City governments to facilitate development of downtowns and central business districts at the expense of neighborhoods. A community development strategy is to emphasize neighborhood revitalization through residential and non-residential real estate development, business development, and local job creation. There is also what Michael Lipton calls the "urban bias," or the tendency to channel development and resources to urban centers at the expense of rural communities and hinterlands (Lipton 1977).

Location theories focus on development patterns by answering why firms and businesses or production activities take place in particular areas or regions. Space-based strategies focus on how and what causes development. Central place theory is one such approach. Marie Howland uses this theoretical framework to argue that many American rural towns evolved as service centers for agriculture-based economies due to the tendency of development to occur in clusters (Howland in Bingham and Mier 1993.) As a sector grows, it attracts investments and business in related activities, which leads to



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increased employment, income, population and businesses in general. This leads to what Gunnar Myrdal calls circular and cumulative causation or the tendency of market forces to self-perpetuate instead of self-correct (Myrdal 1957). In other words, growth in a key sector would lead to more growth and expansion, while decline in a key sector would lead to further decline. Factors that lead to cumulative causation could be from the demand or supply side.

Howland explains that "demand-side theories hypothesize that regional growth is determined by external demand for the goods produced in a region" (Howland in Bingham and Mier 1993: 70). The thrust of the demand-side argument is that export activities induce regional growth and local development through increased production and income and employment generation. Supply-side theories, on the other hand, attribute regional and local growth to increased production due to increased local inputs and investment. Supply-siders would call for significant investment in infrastructure and in the productive capacity of a locality or region. De Soto's argument that legalization or formalization of ownership rights would lead to the creation of investment capital is a variation of the supply side regional growth model. It implies that vast assets owned by the poor in less developed countries can be converted to investment capital if they have proper titles. He suggests that these assets be used as input for the production of capital. In fact, De Soto's Institute for Liberty and Development (ILD) collaborated with the Center for Free Enterprise and Democracy (CLED) in Haiti on a study of the property



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value of informal human settlement in four Haitian cities (Port-au-prince, Cap Haitien, Gonaives and les Cayes).

Labor and capital theories focus on the role of education, training, and maintaining a good business climate in economic development (Fitzgerald in Bingham and Mier 1993). Education and development models emphasize issues such as skills and job mismatch, workforce development, training, and basic education. This becomes more significant as the world is shifting to a knowledge-based economy characterized by the rapid pace of information and communication technologies. Essentially, localities or regions with low human capital in terms of employment skills and education will be less competitive and unable to attract businesses and as a result, will experience little or no growth thus remaining underdeveloped.

Variations of the development theories have been used to explain persistent underdevelopment in Haiti. In his 1979 study of Haiti—*Peasant and Poverty: A Study of Haiti*--Mats Lundahl uses the circular cumulative causation model and argues that population growth is the decisive force behind the downward spiral of the Haitian economy. He argues that population growth led to an increase in the agricultural labor force, which resulted in an expansion of subsistence farming, increased soil destruction, faster construction of the supply of land and export contraction. Thus real income per capita dropped (Lundahl 1979). The Haitian sociologist Gerard Pierre-Charles in *L'économie haitienne et sa voie de développement* argues that low investment is the



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critical factor behind the declining process of circular cumulative causation in Haiti (Pierre-Charles 1967). These theories provide a framework to analyze patterns of local, regional and national development without explicitly identifying public policy, public investment, and institutional decision-making as major factors. Policy and investment decisions are not driven only by market forces but also by a host of other factors such as political representation, power structure, governmental structures, political regime, strength of key institutions, and interest of key actors.

Institutional choices and decision-making were key factors in the development takeoff in many of the newly industrialized countries in Southeast Asia and Latin America. After the Second World War, the Ministry of International Trade and Industry (MITI) played a major role in the development of Japan. Evans states that the MITI and other Japanese institutions including the postal saving system and the Japan Development Bank provided critical investment capital that helped fuel Japan's industrial development. MITI presided over the industrial transformation of Japan. The Economic Planning Board (EPB) played a similar role in Korea. It was responsible for coordinating Korea's economic policy. Taiwan followed a similar pattern. Evans' argument is that regional and local development is a conscious policy choice of key private, public and non-profit institution and actors.

An emerging theoretical framework in the field of urban development recognizes the role that institutions and key actors play in the local and regional development



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process. It takes a political economy and institutional approach to urban development. According to C. Scott Holupka and Anne Shlay, this new perspective underlines how behaviors of key institutions and actors influence the development of urban areas (Holupka and Shlay in Bingham and Mier 1993). This approach could help determine how interventions of key institutions and actors, or lack thereof, foster or hinder the process in less developed societies. As Holupka and Shlay point out.

> Applying a political economy perspective is not a linear process but requires a clear recognition of the political dynamics and structures of power that are central to the way development occurs (Holupka and Shlay 1993: 176).

Implicit in the political economic approach is the role of power relations in institutional choices. Decisions to invest in specific projects, build infrastructure or to undertake particular economic development activities reflect these power relations. Interventions to foster local development require readiness and capacity to engage in political struggle with dominant actors, institutions and organizations whose interests could be in conflict.

Theories and practices show that local economic development is a public-purpose activity that is guided by public policy, supported by public and private investment and reflects certain public objectives and priorities. Primary actors in the process include government, businesses, residents, civic institutions, non-profit organizations, and community-based organizations. Development priorities are influenced by a number of factors including key actors. Communities can and have mobilized and organized to



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assure that development priorities reflect their interests. This requires a certain degree of governmental accountability and responsiveness. Public investment and essential infrastructures such as transportation, utilities and communication are critical components in the development process. Haitian governments have not created a climate conducive to development in which NGOs can play a more effective role and have an impact. NGOs in Haiti are not engaged in the kind of activities that could lead to long-term development and sustainability.

**Haitian Governmental Structure and Local Development**

The 1987 Haitian constitution laid the framework for a decentralized governmental structure where one of several forms of local government could be charged with local economic development. The constitution envisions 707 local government bodies and one central government representing nine (9) departments, 133 communes and 565 communal sections. The number does not include the 41 arrondissements that are represented by vice delegates named by the central government and working under the departmental delegate (see Appendix 2.) The regional governments depend to large extent on a communal assembly or *asanble seksyon kominal* (ASEK). Each of the government levels is responsible for formulating and implementing development policies for its respective locality. In reality, the local governments are non-existent or dysfunctional at best. The communes are organized at the executive level and have no financial autonomy or the capacity to formulate and implement policies. The ASEKs are not fully functional, therefore paralyzing the entire regional system. The central



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government in Port-au-Prince continues to dictate national, regional and local policies to the extent that they exist at all. Haiti remains a highly centralized state where all decisions are made at the national level and local governments are completely irrelevant. A local government becomes important only if it serves the purpose of the central government, more specifically the head of state. The effect is that government is less visible outside of the capital city and absent in the rural areas. Consequently, there is a political void at the local level, and most fundamental and basic issues are neglected. Development policies and activities are no exception.

Additionally, Haiti has experienced one crisis after another since 1986. In 15 years, the country has witnessed ten governments, five military coup d'états, one military intervention, two free elections, and one contested election. For the past 15 years, governmental officials have been primarily managing crises, which left many other public functions unattended. The responses of the international community, particularly the US, Canada and EU, to the crises vary. International aid is one tool that the international community uses to pressure Haitian governments. One form of pressure is to freeze international aid to the government and channel funds directly to NGOs. In fact since 1986 a large proportion of aids to Haiti has been allocated directly to NGOs. This creates a situation whereby IFIs and ODAs establish direct relationships with NGOs in Haiti and circumvent the government. As a result, NGOs and foreign governments through IFIs and ODAs have become independent actors in the local economic development process in Haiti.



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## Local Development Actors in Haiti

Governmental voids, the lack of private capital investment, the increasing reliance of Haiti on foreign aid, and international intervention in Haitian affairs have led NGOs and foreign governments through IFIs and ODAs to become important actors in local economic development in Haiti. Local economic development actors are those institutions or individuals that directly or indirectly influence the local development process through allocation of financial, capital, and political resources. They also influence development directions as well as decisions for implementing development programs. For example in 1999 the European Union provided Haiti with $28.6 million, of which $24.2 million went to rural development and agricultural production in three of Haiti's nine departments -- the South, the Central Plateau and Grand Anse. Part of the EU strategy was to increase the country's sugar production by supporting large sugarcane plantations. European NGOs were central to that strategy since much of the EU's support was funneled through NGOs (Costello 1997). The strategy was consistent with the Lomé Conventions[6] and it intended to support private sector agricultural development.

[6] Between 1975-1999 relations between the Africa, Caribbean and Pacific (ACP) states and the EC were governed by the Lomé Conventions, which focused on two key elements: economic and commercial cooperation, and development cooperation. Lomé IV was the last Lomé Convention. It was signed in 1989 for a duration of 10 years and introduced many new ideas including the promotion of human rights, a respect for democracy, enhancing the position of women and environmental protection. The Cotonou Agreement, signed in Cotonou Benin in Febraury 2000, succeeds the Lomé Conventions. The Cotonou Agreement calls for new trade agreements compatible with the WTO rules will be negotiated. The Agreement remains in force until 2008 at the latest.



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USAID and the IMF have been more direct in determining development directions and priorities in Haiti. In its six-year (1999-2004) strategic plan for Haiti, USAID states that:

> The goal for 1993-1997 strategy was to help establish the conditions for the majority of Haitians to improve the quality of their lives. Our new strategy emphasizes poverty reduction in a democratic society through activities which mitigate the effects of poverty, address poverty's underlying causes--high fertility, poor education and environmental degradation—and create opportunities to increase income (USAID 1998).

Between 1997 and 2000, the US allocated an estimated $395 million in foreign assistance to Haiti through USAID of which $290 was for various forms of development assistance. One of USAID's strategic objectives was "sustainable increased income for the poor," in order to induce growth at the farm and microenterprise levels and in the formal sector (USAID 2000). USAID identifies four major factors that are essential to achieving this strategic objective and which in effect become the agency's development strategy for Haiti.

> ...1) Increased environmentally sustainable agricultural productivity through increased planting and improved production, processing/storage, and marketing of multipurpose trees, coffee, cocoa, and other high value crops using appropriate soil conservation practices; 2) Small and micro-entrepreneurs economically empowered by establishing a financial network of institutions lending to the working poor and an integrated support system providing technical assistance for both production and business management for the small- and micro-entrepreneurs; 3) Investment climate improved through appropriate banking regulation, urban property titling, and support to both Parliament and civil society allowing them to effectively advocate for economic reform and improved services; 4) Strengthened zones of high potential growth (beginning in FY 1999) through a municipal development fund which will support market-driven solutions to public sector issues such as energy, potable water, solid waste collection, and community management of



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> infrastructure such as the rehabilitation of roads linking secondary cities to areas of great tourist and agricultural potential and the supply of electricity .(USAID 2000)

Major funding partners for this strategy include the EU, the Canadian Government, the IDB, the World Bank and UNDP. Principal contractors and grantees for the program are Development Alternatives Inc., *Société Financière Haitienne de Développement* (SOFIHDES), CLED and ILD Southeast Consortium for International Development, CARE, Pan American Development Foundation (PADF), and Inter-American Institute for Cooperation on Agriculture (IICA). The two Haitian organizations were supported under the Program for the Recovery of Economy in Transition that includes effort to formalize informal urban property rights. CLED and ILD were responsible for a study that determines the value of informal property and homes in Port-au-Prince and in the next three largest cities. The US NGOs are responsible for the development programs.

Grassroots financial institutions such as Semans, the Lanbi Fund and Fonkoze support alternative economic development models in Haiti. They work with small merchants, the organized poor and peasant cooperatives. They support projects that are conceived, developed and implemented locally. These institutions have no established or formal relationship with the NGOs that are responsible for implementing the IFI and ODA funded development projects. These institutions are also influencing local economic development directions. While they don't have the resources of the IFI and the ODA, they are entrenched in the rural and urban communities and have established



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institutional relationships with poor. Semans for instance works with MPNKP, the largest peasant organization in the country.

Haitian financial institutions such as Promo Bank and Soge Bank have facilitated discussions about broader local economic development strategies. They have held seminars in Port-au-prince and Washington, DC on local economic development strategies. Their primary targets tend to be potential investors and the business community in Haiti and in the Haitian Diaspora. There is, however, no evidence of local economic development strategies that have emerged from the Haitian financial institutions or private sector. Like the government, the Haitian private sector is counted among the development actors not by its accomplishments but by virtue of its role and position in the society.

The following institutional players directly or indirectly influence local economic development decisions and directions in Haiti.

a. The Haitian government
b. The Haitian private sector
c. Foreign governments (US, EU and Canada) through their development agencies
d. IFIs (IDB, World Bank, IMF, UNDP)
e. Community-based financial institutions
f. NGOs
g. Grassroots and community-based organizations including peasant cooperatives



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The Haitian government is an official actor in the development process by virtue of its constitutional or statutory authorities to make and enforce policies that could influence the process. Businesses are sources of capital investment and their decisions impact the development process. NGOs are in an ambiguous position, although they regulated by the government, they function independently of it and are sometimes in competition with it. They are also the intermediaries through which foreign governments and IFIs support development programs. Some NGOs function more like proxies for IFIs and ODAs. The larger NGOs are internationally based and are not very accountable to Haitian authorities. The smaller and local NGOs are for the most part weak, marginalized and lack the organizational capacity and financial resources to conceptualize, develop and implement projects. They are also not connected to the international aid network. Not all international NGOs in Haiti that are engaged in development work are part of the international aid network or completely disconnected from the grassroots sector.

**Non-Governmental Organizations**

NGOs are part of the growing nonprofit sector that is playing a critical socio-economic role throughout the world. Nonprofits provide important community development, housing, health, education, and social services to low and moderate-income persons and in some cases to the most vulnerable population in many developed and less developed countries. They have always played a critical role in providing essential relief services to many countries in emergency situations. For instance CARE, one of the world



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largest NGOs, was founded in 1945 to provide relief services to survivors of World War II (CARE 2000). CRS also started during World War II (1943). Its original mission was the resettlement of war refugees in Europe. NGOs were first established as relief or humanitarian organizations to address very specific crises and major human disasters. The mission of these organizations expanded to include other humanitarian activities and to provide direct aid to the poor. There are probably more than 200,000 organizations in Africa, Asia, and Latin America that are classified as NGOs (Fisher 1998). The primary mission of NGOs expands to incorporate services to the poor when government and market negate that responsibility. Such services include amelioration of the social and economic conditions of the poor. The general perception is that in the past 25 years NGOs have assumed that responsibility globally. John Clark asserts that activities of NGOs moved from primarily relief to development and social services (Clark 1990). Julie Fisher concurs that NGOs are generally involved in development, broadly defined (Fisher 1998).

The label NGOs is used widely to refer to a variety of non-profit organizations in less developed countries. For instance the organizations that protested at the World Trade organization meeting in Seattle in December 1999 and a few months later at the IMF/World Bank meeting in Washington, DC were labeled NGOs although they were diverse in scope, mission and function. In reality, NGOs are a subset of the non-profit sector, which according to the International Classification of Nonprofit Organizations (ICNPO) consists of 11 groups of and some 155 specific types of nonprofit organizations



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(Salamon and Anheier 1996). The over generalization of the name NGO has led to many definitions. One definition suggests that "every organization in society which is not part of government, and which operates in civil society is a non-governmental organization (Commonwealth Foundation 1995: 18). Another definition denotes that NGOs are a specific type of organization working in the field of development and working with people to help them improve their social and economic situation and prospects (ibid). To further distinguish between different types of NGOs, the British-based Commonwealth Foundation defines them as "organizations which possess four defining characteristics which enable them to be distinguished from other organizations in civil society: they are voluntary, independent, not-for-profit, and not self-serving in aims and related values (Commonwealth Foundation 1995:18-20)[7]."

The Commonwealth Foundation's definition distinguishes between NGOs and other nonprofit organizations. It classifies NGOs as a group of nonprofits whose primary mission is to serve and ameliorate the condition of the poor. This is what Judith Tendler calls "the NGO article of faith" due to the perception that these organizations are better at reaching and serving the poor, more effective than government and that they are community-based and have local accountability (Tendler 1982). This is often used as the

[7] The four characteristics are described as follows: 1) voluntary—they are formed voluntarily. There is nothing in the legal statutory framework of any country which requires them to be formed or prevents them from being formed. There will be an element of voluntary participation in the organization whether in the form of small number board members or large number of members or beneficiaries giving their time voluntarily. 2) Independent—within the laws of society, they are controlled by those who have formed them or by board of management. 3) Not-for-profit—they are not for personal private profit or gain. 4) Not self-serving—the aim of NGOs is to improve the circumstances and prospects of disadvantage people who are unable to realize their potential or achieve their full rights in society, through direct or indirect forms of action.



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justification for financial support that they received and for the role that they are playing in foreign aid delivery.

In 1996, 434 NGOs (world-wide) that registered with the USAID received $7.3 billion in total support and revenues. USAID support to these organizations during that year accounted for 19 percent or $1.4 billion of the total amount (USAID-Voluntary Foreign Aid Programs 1996). In 1997, 417 such organizations registered with USAID. Total support and revenue to these organizations amounted to $7.2 billion of which $1.4 billion was from USAID. In 2001 the number of NGOs registered with USAID increased to 436 and they received a total of $13.1 billion in support. USAID contributed $1.7 billion to the total amount of support that US-based NGOs received in 2001. Part of the rationale for increasing supports to NGOs is the view that they are an effective response to government failure and that they are agents of community development. A US State Department official stated that, "When the government of Haiti acts stupid, we (the US) channel all of our funds to NGOs." This view ignores two critical factors. First, NGOs are influenced by political, social and economic environment in which they operate. Second, their programmatic directions are influenced by their funders. Furthermore, Edward Berman shows that there is a direct relationship between US foreign policy interest and non-profits operating overseas (Berman 1983).



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### NGOs In Haiti

Sauveur Pierre Etienne (1997), Alliette Mathurin et al (1989), and Alice Morton (1997) have identified five general types of NGOs in Haiti.

Type I—Base-level organizations

Type II—Intermediate NGOs

Type III—Large NGOs

Type IV—Foundations

Type V—Umbrella organizations

They define base-level organizations as peasant associations, neighborhood groups and church-based movements. The number of organizations classified as type I multiplied after the demise of the Duvalier regime. The base-level organizations focus on creating alternative political and economic structures to replace or challenge the remnant of the traditional economic and political power structure. These organizations formed the popular core of the Lavalas movement that brought Aristide to power in 1991. They presented themselves as the only legitimate voices of the Haitian masses.

There are no exact counts of the number of small, informal and unregistered organizations that fit the description of type I. In a 1997 study for the World Bank, Alice Morton estimated the number of base-level organizations to be between 2,000 and 12,000. Organizations such as Peasant Movement of Papay (MPP), Haitian Platform to



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Advocate Alternative Development (PAPDA), Haitian Women Solidarity (SOFA), and Tet Kole, which fit the type I criteria, evolved as champions of economic, social and political rights for the Haitian poor. They have also undertaken a variety of small local economic development projects. The majority of the organizations in the type I category are community or neighborhood associations that do not meet the general definition of NGOs.

Morton defined the type II organizations as intermediate NGOs. She divided them into four sub-categories. 1) Organizations that originated in Haiti, although they may have non-Haitian members, have a formal structure and are registered with the MPCE. They receive external funding, and serve as brokers between some of the organizations in the type I category, particularly, community based organizations (CBOs) and large national and international NGOs. 2) Those that are created by international NGOs with an emphasis toward shifting to Haitian staffing and decentralization from the parent organizations. 3) Value-based advocacy and research NGOs that seek to institute changes in Haiti's development agenda. 4) Haitian or expatriate organizations that act primarily as brokers or clearing houses (Morton 1997). Morton estimated about 400 such organizations in 1997.

The type III organizations are large national and international NGOs. They are involved in projects such as food aid, public works, environmental protection, health, infrastructure construction and rehabilitation, justice reform, and agricultural services



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(Morton 1997). The types IV and V organizations are foundations and umbrella organization.

The classification that Maturin et al developed and Pierre Etienne and Morton modified is very broad, and an organization could belong in one or more categories. For instance an organization like PAPDA could be classified as a type I, type II or type V organization. There are several other organizations that are base-level organizations but that also function like intermediaries and umbrella organizations. I simplify the type of NGOs in Haiti into three general categories: 1) community-based or grassroots organization (CB/GRO); 2) national NGOs; and 3) international NGOs. The community-based or grassroots organizations are generally small, not legally recognized, and have limited access to financial and human resources. CB/GROs operate in a single geographic area, which is typically a town, village or neighborhood. These organizations include peasant cooperatives, regional development associations and other locally based organizations. They are generally not registered with Haitian authorities. For instance there are some 15,000 groups that belong to the MPNKP network and many of them are cooperatives that are engaged in variety of agricultural and small enterprise projects. Between 1999 and 2001, Semans invested more than $1 million in 26 peasant cooperatives for small community-based development projects.

The National NGOs are larger Haitian-based organizations whose service area includes multiple towns, large geographic regions including departments or are national



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in scope. These organizations are more likely to be registered and duly instituted. In 1999, 266 NGOs were either registered with the Ministry of Planning and External Cooperation (MPEC) or listed in the HAVA Directory of NGOs. A total of 67 percent of these organizations were Haitian based organizations including national NGOs.

The international NGOs have better access to financial and human resources and are more stable than their Haitian counterparts. The larger international NGOs such as CARE, ADRA, CRS, PADF are primarily ODA contractors. International NGOs such as Oxfam, and Protos tend to be more community oriented and more connected with CB/GROs. The International NGOs are for the most part service contractors. Their programs are generally consistent with foreign aid directives of major donor countries and IFIs.

NGOs receive a large portion of the foreign aid to Haiti to implement development projects. As a program staff explained, NGOs projects are inconsistent due to the continuously changing nature of ODA contracts. Community development stakeholders interviewed for this dissertation view NGOs projects as relief activities that are not durable or sustainable and have not resulted in any feasible changes in the lives of the people they are supposed to benefit. A member of a peasant cooperative in a village called *Grand Bassin,* located in the commune of *Terier Rouge*[8], illustrated this view when he said that:

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[8] Terrier Rouge is located in the Northeast Department near Ouanaminthe.



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> I was born under President Vincent (1930-41) and my family has been working the land as long as I can remember. Our conditions seem to get worse every year. I joined the co-op because my family does not have any more land to work. Every day people are telling us that our conditions will change. Will I ever see the day when our lives change. (Notes from site visit January 2002)

NGOs received contracts from IFIs and ODAs to deliver specific services or to undertake specific programs such as food aid. These services are not based on any strategic local development agenda but on development directives formulated by the donor agencies. The relief services that NGOs provide are essential and are sometimes the only ones available in a locality but they are not likely to result in any lasting or systemic changes.

**Methodology**

This dissertation explores the role of NGOs in local economic development in Haiti. It seeks to answer why the number of NGOs amplifies after the demise of the Duvalier regime in 1986 and whether NGOs have played an important role in promoting local economic development in Haiti. Four types of qualitative and quantitative data were collected and analyzed using a triangulation technique. I compiled a database of 266 NGOs that were either registered with the Haitian Minister of Planning and External Cooperation NGO Units (MPCE UCAONG) or listed in a directory published by the Haitian Association of Voluntary Agencies between 1995 and 1998. The database includes primary activities of the organizations, when they were founded, when and if they formally registered with the Haitian government, service areas, and countries of



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origin. This information was used in collaboration with the raw data from a World Bank survey of a 100 Haitian-based NGOs conducted in 1996. The World Bank survey looks primarily at organizational capacity and activities of the local NGOs. The data from the NGO database was cross-classified with foreign aid data from USAID, the World Bank, US Department of State Country Reports and the Canadian Agency for International Development between 1980 and 2000. A key variable is the amount of IDA from the US and Canada that were allocated to NGOs. The intent is not to prove causation but to show any relationship between number of NGOs and IDA allocation. US aid to NGOs was in the form of contracts. Thus, US aid to NGOs in Haiti was collected from the USAID Procurement (Yellow) books, which listed all US government contracts with private entities by countries. The relationship between the years NGOs were created or registered with the Haitian government and the IDA allocation to them was determined.

Since Haiti has no systematic national data collection system, it is very difficult to measure socio-economic progress at the local and regional level over time. To determine the extent to which NGOs play a role in promoting local development, I interviewed 17 stakeholders from various part of the country and visited projects, speaking with peasant cooperatives and community-based organizations, in seven of the country's nine geographic departments. Macro economic and political data along with previous research were used to create an overall picture of the Haitian political economy.



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**Literature Review**

The analysis reflects diverse views on NGOs and the nonprofit sector generally as well as three studies of the NGO sector in Haiti. It reviews the many studies of underdevelopment in Haiti as well as several works on Haitian politics, economy and society. It also looks at development and local economic development theories and their application to the Haitian situation.

A number of studies framed the growth and emergence of the NGO sector within the context of an expanding third or non-profit sector caused by market and government failures (Clark 1991, Korten 1990, Paul and Israel 1991). Less developed countries often exhibit extreme cases of both market and government failures and biases (Lipton 1977; Seligson and Passé-Smith 1993). Failures by themselves are insufficient to explain the increasing significance of NGOs in LDCs in the past 20 years. Two other factors coincide with rapid growth of the NGO sector. First the demise of authoritarian regimes in places such as Haiti led to more political openness and an explosion in the number of civic organizations formed to address various issues that government and the market had neglected. These issues—local development, housing, community investment, education, health, and human rights among others—had always been neglected. Residents and institutions were reluctant to organize around them for fear of political repressions. Second, a significant portion of foreign aid allocation to places such as Haiti has been channeled through NGOs and a direct relationship has been established between



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international NGOs and the foreign aid system (Berman 1983; Hancock 1989; Smillie 1995; Tvedt 1998).

Definitions and effectiveness are the two most contentious issues in the NGO literature. One tendency is to define NGOs in a general manner that incorporates all organizations that are not part of government or the private sector. Another is to distinguish NGOs from other nonprofits or to define them more operationally so as to allow better analysis (Commonwealth Foundation 1995; Korten 1990; Salamon and Anheier 1996; Tvedt 1998). Three studies of the NGO sector in Haiti classify them into of five broad types, which incorporate a number of civic and umbrella organizations that would not be considered as NGOs under different definitions (Mathurin et al 1989; Morton 1997; Pierre Etienne 1997). The Haitian typology is not mutually exclusive. One organization could fit under more than one type, although that was not the intention of the authors. It was an attempt to differentiate and categorize NGOs in Haiti by type to highlight their qualitative differences.

An equally contested notion is the effectiveness of NGOs. Judith Tendler (1989) argues that the belief in the effectiveness of NGOs and in the perception that they are better at reaching the poor and more efficient than government is an "article of faith." Based on a study of several NGO evaluations Tendler concludes that there is no evidence that NGOs are better at reaching the poor, alleviating poverty, or are more effective than government (Tendler 1989). In a World Bank study, Morton concluded that NGOs in



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Haiti are effective in the areas of health and education (Morton 1997). Effectiveness in this context seems to imply that there are more schools, health centers, and hospitals that are operated and sponsored by NGOs than by the government. It does not say much about the operation of these institutions and the quality of the services that they offer. It also does not take into account the fact that in some instances NGOs have more resources to undertake educational and health projects than do the ministries of education and health. Tvedt shows that NGOs have become an integral component of the international aid network and as result have access to resources that may not be available to a government (Smillie 1995; Tvedt 1998).

NGO activities and operations fit within a certain political, economic and social paradigm. The political and economic context in which they operate is critical and significant. Tvedt proposes a national-style approach, which argues that the organizational landscape in a particular country is a reflection of its cultural and historical characteristics. He makes the connection between the societal context and organizational activities. Studies of NGOs tend to focus on the sector and look only superficially at the historical and internal characteristics that impact them. The work of NGOs is analyzed outside of the socio-economic, historical and political context in which they operate.

The analysis of NGOs in Haiti is placed in the social, historical, economic and political context based on the work of several Haitianists including Alex Dupuy, Robert Fatton, Mats Lundahl, Paul Moral, Gerard Pierre-Charles, Robert Rotberg and Michel



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Rolph Trouillot. Trouillot's nation vs state framework is used to analyze the relationship between the concept of *l'état* or the state in Haiti and the nation particularly the urban poor and the rural population. Trouillot provides one of the most compelling analyses of the genesis and evolution of the Haitian state. I used Trouillot's historical political analysis of the Haitian state side-by-side with Dupuy's political economic framework of the Haitian state. Lundahl, Moral, and Pierre-Charles' analyses of the economy and the peasantry also inform my thinking about the root causes of underdevelopment in Haiti. I also use the work of Peter Evans, and Karl Polanyi to supplement the Haitianists' perspectives and to place Haiti within a comparative political economic context (Evans 1995; Polanyi 1975).

**Chapter Overview**

Chapter 2 begins with an overview of the many and often inconsistent definitions of NGOs and the underlying assumptions from which they derive. The first part of the chapter particularly deals with the general tendency in the NGO literature to use the term NGO sector to define the non-profit sector in the non-western world. For instance, the term NGO is not generally used to refer to non-profit organizations in the west. Community development organizations and community-based organizations in the US are not called NGOs as is the case for similar organizations in Latin American, Africa, the Caribbean, and other less developed regions. This categorization limits broad comparison between northern and southern organizations as well as the manner in which the same organizations may operate in the two different worlds. There are no adequate



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definitions of NGOs that capture the variety of organizations within the category. I, therefore, use other classifiers to distinguish between a large international organization and a local development cooperative. The main point of agreement is that there are a growing number of organizations in less developed countries through which international development and relief assistance are funneled, and they are becoming major players in the international development scene.

The second part of chapter 2 deals with the typology of NGOs, which includes general classifications based on where they are based and what they do. Many typologies attempt to operationalize the concept of NGO by defining what these organizations do. The chapter examines three typologies: 1) the International Classification of Development NGOs (ICDNGO); 2) International Classification of Non-Profit Organization (ICNPO); and 3) John Clark's classification of NGOs. These classifications are used to narrow and focus the NGO field in Haiti in a way that is more conducive to analysis.

The third part of the chapter addresses the leading theories explaining the growth of the NGO sector. These theories attribute the emergence of the NGO sector to government and market failures. This part of the chapter argues that factors other than government and market failures contribute to the increasing significance of NGOs. The other factors include international policy and foreign aid. The chapter concludes with a



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reiteration of Tendler's argument that a great deal of what is believed about the work and capacity of NGOs is an article of faith rather than conclusions from supporting evidence.

Chapter 3 provides an overview the political and economic history of Haiti to determine the causes of the underdevelopment in the country. I argue that Haiti is historically a non-developmental state that fails to create the conditions necessary for local economic development. Since 1986, the country has experienced a quagmire and a morass of persistent crises that thwarted any long-term local economic development efforts.

Chapter 4 focuses on the NGO environment in Haiti. It looks at the number of NGOs that are registered with the Haitian government or are listed in the Directory of NGOs published by the Haitian Association of Voluntary Agencies (HAVA) as well as the regulations that monitor their activities. The chapter separates the organizations into three categories, CBOs/GROs, local and international NGOs. The analysis of the local NGOs is based on the raw data from a World Bank survey of 100 local NGOs. It examines the financial and human resources of the local organizations, their missions, activities, degree of effectiveness as local development agent, and the extent to which decision-making and project development reflect community participation. The World Bank survey did not collect data on rural cooperatives that are part of the growing peasant movement. The analysis of the international NGOs centers on their primary activities and the relationship between international aid and number of NGOs registered.



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The relationship is based on the correlation between the year an NGO registered with the government and the level of official development assistance that Haiti received. Since the late 1980s an increasing proportion of the official development assistance to Haiti has been channeled through NGOs. Since 1990, almost all of the aid that Haiti has received has been channeled through NGOs. The chapter also looks at the relationship between political climate and number of NGOs. Similar to the local organizations, a major emphasis is placed on the capacity of international NGOs as agents of development.

Chapter 5 presents the findings from 17 community development stakeholder interviews and informal interviews and observations of six agricultural cooperatives in the Northeast and Central Plateau. The interviews focused on the general perception of the stakeholders and members of the cooperatives vis-à-vis NGOs in Haiti. The findings accentuate the views of the informants with regard to the factors that contributed to the growth of the NGO sector, accountability issues, poverty alleviation, beneficiaries, and purpose of the organizations. The data from the interviews are tested against information from NGO reports submitted to the Haitian government, historical data, field observations and general information from previous research.

Chapter 6 concludes the dissertation with a general acknowledgement that the general international development climate is not likely to change dramatically in the next few years and ODAs will continue to look toward NGOs as partners and contractors. The challenge in places like Haiti is to develop the appropriate mechanisms not only to



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regulate NGOs but also to work with them in ways that can advance local development objectives or simply develop alternative financial models to support local development. Based on the general findings of the study, the concluding chapter offers a framework for the creation of a public policy infrastructure in Haiti that is conducive to local development and which takes into consideration the three major actors that have the most influence in development program implementations. The framework identifies new local development activities that need to be reinforced and supported. These activities represent some of the best opportunities for development in Haiti.



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# CHAPTER 2

# THE NGO ENVIRONMENT

This chapter consists of a general overview of the NGO sector including the different types of organizations that are grouped in that category. It begins with an analysis of the various definitions and classification of NGOs within the general context of the overall non-profit sector. It reviews the different theories that explain the growth of the NGO sector particularly in less-developed countries. The remainder of the chapter focuses on the relationship between NGOs and international financial institutions and foreign aid agencies representing Western governments in the delivery of foreign aid and assistance. There are three primary arguments in this chapter. First, most definitions do not capture the variety of organizations that are classified as NGOs. Definitions of NGOs do not account for size and types of organizations. A small grassroots or community-based organization is significantly different from a large multi-service international organization. Second, large international NGOs are increasingly becoming an integral component of the foreign aid network. As such they are playing a major role in the implementation of foreign aid funded programs in Haiti. Third, government and market failures by themselves are insufficient explanations for the growth of the NGO sector in countries such as Haiti. The chapter concludes with a hint of some community-based organizations (CBOs) which could help the community development process in Haiti if structured properly and if they had access to an appropriate level of funding and technical assistance.



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The term NGO encompasses a multitude of non-profit organizations engaging in a variety of social, environmental, development, civic, and political activities in developing countries. They differ in size, organizational capacity, access to resources, mission, and programs. Many non-profit organizations in the developing world are classified as NGOs although their definitions vary and there are no consistent counts of the number of organizations that are grouped in this category. The World Resources Institute (WRI) estimates that some 250,000 organizations meet its definition of NGOs. Some informal sources place the number as high as one million (WRI 2003). Helmut Anheier and Nuno Themudo assert that the number of international NGOs increased from about 13,000 in 1981 to 47,000 in 2001 (Anheier et al 2002)[9]. In its 2003 database, the Union of International Associations (UIA)[10] classified 63,000 organizations as international NGOs. The number of NGOs varies depending on definitions, methods of classification and reporting system. All of the sources concur that the number of NGOs has increased rapidly and they have become significant players in internationally funded development programs (Smillie 1995; Tvedt 1998).

The origin and growth of the NGO sector is primarily attributed to a variety of market and government failures and to the organizational culture in which voluntary actions develop (Paul & Israel 1991; Smillie & Helmich 1993). While conditions of

[9] Global Civil Society 2002 is a publication of the London School of Economics that traces the emergence of global civil society and social movements. The first volume or yearbook was published in 2001. It is a comprehensive study of civil society and civic organizations.

[10] The Union of International Associations (UIA) is a nonprofit clearinghouse for information on international organizations founded in Belgium in 1910. UIA maintains an extensive database of international organizations.



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failures exist in communities served by NGOs, there are several other critical factors that coincide with their growth and which influence the development of the sector. Among these factors are the relationships between politics, philanthropy, funding and the development of the international non-profit sector (Berman 1983; Tvedt 1998). Additionally, there are social and political climates that are more conducive to the growth of NGOs and other civic organizations. NGOs tend to grow in more liberal and open political climates and not under authoritarian regimes, although such systems may be more apt to exhibit characteristics of failures. Furthermore, NGOs are for the most part defined in terms that do not differentiate between grassroots organizations such as the Papay Peasant Movement (MPP) in Haiti or the Landless Workers Movement in Brazil (MST), on the one hand, and large international development and humanitarian organizations that are allied with the international aid system and wealthy donor governments. NGO definitions tend to exclude a growing number of organizations that are advocating for basic social, economic, cultural, and political justice and rights for impoverished and disadvantaged populations in many developing countries.

**NGO Definitions**

A first generation of definitions describes NGOs in terms of what they ought to be instead of their actual characteristics. They presume that NGOs are supposed to correct the ills caused by market and government failures and that they are better at reaching the poor and more effective than government. As Judith Tendler pointed out, early definitions of NGOs entail a certain degree of self-description and article of faith. In



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1982, she analyzed 75 evaluations of USAID-funded NGO projects to determine how the agency might improve its approach to evaluating the work of NGOs. NGOs described themselves as being good at reaching the poor, using a participatory process of project implementation, being innovative and experimental, and as carrying out their projects at low cost. Tendler identifies seven themes that NGOs used to describe themselves and which provide them with a comparative advantage in the relief, humanitarian assistance, and community development field. She labels these characteristics as "the NGOs' articles of faith" (Tendler 1982). She argues that NGOs generally subscribe to the following self-definitions:

1. Reaching the poor—NGOs claim that they are better at reaching the poor due to their long experience in working with that segment of the population.
2. Participatory—they include the poor in the decision-making process regarding project design and implementation.
3. Process vs. outcome—NGOs claim that their main contribution is in the implementation of a process that allows the poor to gain control over their lives.
4. The public sector—NGOs claim to work with people while large donors work with governments.
5. Flexibility and experimentation—NGOs describe themselves as flexible and innovative due to the fact that they are small, they are not part of government, and they are not under pressure to move large amounts of money and show results.



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6. Local institutions—NGOs stated that they have the ability to work with and strengthen local private institutions
7. Cost—finally, NGOs claim that they can carry out projects at lower cost to benefit the poor (Tendler 1982).

Tendler concluded that NGOs are a) not good at reaching the majority of the poor or the poorest of the poor; b) they are not participatory; they engage at best in an enlightened top-down decision making process which they control; c) their projects do not appear to be innovative; they are instead an extension of what is known as a service approach to previously underserved populations; d) NGOs usually have worked collaboratively with government agencies when projects succeeded.

Other early definitions of NGOs also reflect Tendler's articles of faith. One definition contends that an "NGO is an organization or group of people working independent of any external control with specific objectives and aims to fulfill tasks that are oriented to bring about desirable change in a given community, area or situation"(www.gdrc.org).[11] Another definition from the Bangkok workshop alleged, "an NGO is an independent, democratic, non-sectarian peoples organization working for the empowerment of economic and/or socially marginalized groups" (www.gdrc.org).

[11] These definitions were in the proceedings of an international workshop of NGOs held on October 17-21, 1988 at the Asian Institute of Technology in Bangkok.



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More recent definitions attempt to capture the diversity of the NGO sector, distinguish NGOs from other non-profits, and move away from the articles of faith. These definitions are based on the general framework of the literature on the non-profit sector and to some extent on the John Hopkins Nonprofit Sector Series edited by Lester M. Salamon and Helmut Anheier. Salamon and Anheier identify the following four types of definitions of the non-profit sector.

1. Legal definition—defining a non-profit according to the laws and regulations of a particular country.
2. Economic/financial definition—definitions that follow this approach classify organizations based on their primary source of funding.
3. Functional definition—definitions of non-profits that reflect their operations and purposes.
4. Structural definition—this is the approach that Salamon and Anheier used to define the non-profit sector. It stresses the basic structure and operation of the non-profits (Salamon and Anheier quoted in Tvedt 1998:13-15).

The earlier NGO definitions were both functional and structural, although they mirrored the articles of faith. Later definitions are more generic and functional and try to capture the diversity of NGOs in terms of functions and to a lesser extent types of organizations. Most definitions, as the one from the World Bank demonstrates, contain more than one of the elements listed above. In 1990, the World Bank defined NGOs as:



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> ...Many groups and institutions that are entirely or largely independent of government and that have primarily humanitarian or cooperative rather than commercial objectives. They are private agencies in industrial countries that support international development; indigenous groups organized regionally or nationally; and member-groups in villages. NGOs include charitable and religious associations that mobilize private funds for development, distribute food and family planning services and promote community organization. They also include independent cooperatives, community associations, water-user societies, women's groups and pastoral associations. Citizen Groups that raise awareness and influence policy are also NGOs... (World Bank 1990).

A report entitled "Non-Government Organizations: Guidelines for Good Policy and Practice" published in 1995 by the Commonwealth Foundation,[12] discusses several definitions of NGOs and presents an alternative one that differentiates them from other types of non-profits. It departs from such broad structural definitions such as "every organization in society which is not part of government, and which operates in civil society is an NGO" as well as functional definitions like "an NGO is an organization working in the field of development –one that works with people to help them improve their social and economic situation and prospects" (Commonwealth Foundation 1995).

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[12] The Commonwealth Foundation is an intergovernmental organization with a mandate from the British Commonwealth Heads of Government to support non-governmental organizations, professional associations and cultural activities. The Foundation facilitates inter-country networking, training, capacity-building and information exchange through grants and a range of programs. The Foundation is based in London.



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Structural definitions can be so broad and general that they encompass the entire non-profit sector. Functional definitions are more operational and concise. Both types of definitions establish certain criteria that an organization must meet in order to be categorized as an NGO. They neglect the fact that helping the poor or improving their economic and social conditions requires access to the necessary financial, human, political and organizational resources and capacity. These definitions are applicable to non-profit organizations where the financial and policy infrastructure exists to support them. Non-profit and grassroots organizations in countries such as Haiti have very limited access to the kind of resources that are required to make them effective. These organizations may be more connected to the poor, but lack the necessary resources and capacity to be productive development agents.

Functional and structural definitions exclude issues such as organizational governance, legal structure, operational modality, funding sources, and community or constituency representation. These are critical issues in a society such as Haiti where peasants and the urban poor are less likely to form organizations to represent their interest and where the dominant economic, political, and social institutions and classes have no history of representing and advocating for the disadvantaged. Working with and for the poor must be intentional and institutionalized since they often face legal, financial and political barriers. Such intents must be formally incorporated in the structure and statute of organizations whose primary mission is to improve the economic, social and political condition of the poor and disenfranchised masses. Without such guarantees, the



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organizations are likely to gravitate away from the interests of the people they intend to serve. Community development corporations (CDCs) in the US are an illustration of development organizations that intend to benefit specific low-income residents within a community. Their legal statutes include language that describes them as community-led and controlled organizations. Their legal statutes also define their activities and primary mission. Community development funders, including government, heed that concept and often require evidence of community support prior to or as a condition to funding individual projects.

In its definition of NGOs, the English based Commonwealth Foundation attempts to address some of the legal issues. It defines NGOs in legalistic, structural, and functional terms. It asserts that NGOs are organizations in civil society that are voluntary, independent, not-for-profit, and not self-serving. They can be involved in a variety of activities provided that they maintain the following four key characteristics:

1) They are voluntary. They are formed voluntarily and they maintain an element of voluntary participation

2) They are independent. They are formed in accordance to the laws of the society and are controlled by those who formed them or boards but are not subsidiary to another entity or organization.

3) They are not-for profit.

4) They are not obviously self-serving in aims and related values. Their aim is to improve the circumstances and prospects of the disadvantaged (CWF 1995).



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Along the same lines as the Commonwealth Foundation, Salamon and Anheier identify five common features that non-profit organizations share: 1) they are formally constituted; 2) they are organizationally different from government; 3) they are non-profit seeking; 4) they are self-governing; and 5) they are voluntary to some significant degree (Salamon and Anheier 1996). Salamon and Anheier added two additional features—NGOs are non-religious and nonpolitical.

The Commonwealth Foundation, and Salamon and Anheier excluded faith-based organizations from the NGO category. Some of the early relief and humanitarian agencies were faith-based, such as Catholic Relief Services (CRS), founded in 1943 by the Catholic bishops of the US, and the Church World Service (CWS), founded in 1946 by Protestant, Orthodox, and Anglican denominations in the US. These and other faith-based organizations have played an important role in relief work and in community development throughout the world. Faith-based organizations are providing many essential services to the rural and the poor urban areas of Haiti. There are instances, however, when the major beneficiaries of such programs are the members of church or the religion, but that is not always the case. Adventist Development Relief Agency (ADRA), CRS, CWS, and the Salvation Army are all major faith-based organizations that provide a wide range of services to a broad population. Each major faith is associated with one or more NGOs. The Commonwealth Foundation and Salamon and Anheier' s exclusion of faith-based organizations is an attempt to disallow organizations that provide



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service to members of a specific religious community or provide services as means to convince beneficiaries to convert to a particular faith. A number of small and medium-sized faith-based organizations, primarily missionary-based organizations in Haiti, used relief and social services as tools to convert the peasants to Christianity or to fundamentalism or other Protestant religions. In my interviews, a Lutheran pastor in Les Cayes was proud of the number of churches he opened in the southern part of Haiti and the number "souls" he saved. His church also runs a school, a small clinic and a food program. Another pastor in the town of Thomonde in the Central Plateau expressed similar victories over the vodou-practicing peasants in that region. Of the 266 organizations registered with MPCE or listed in the HAVA directory, 66 or 25 percent were faith-based organizations. Of the faith-based organizations 90 percent of them were small- to-medium- sized missionary organizations or simply church-based organizations.

The non-political claim is also uncharacteristic of NGO activities. NGOs may be non-partisan but they are very political. Improving the circumstances and prospects of the disadvantaged or ameliorating the conditions of the poor is a political goal. NGOs are becoming more visibly political and are more vocal in advocating for certain policies. The December 1999 demonstration at the World Trade Organization (WTO) meeting in Seattle and anti-globalization demonstrations that followed is clear evidence of NGO political activity. This does not mean, however, that NGOs have a common political agenda or objective. The political stances of NGOs have also taken different forms over the years. Tvedt argues that some NGOs get involved in development because of the



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policies of donor countries. On the other hand, some NGOs advance the interests and policies of the donor countries (Tvedt 1998). After the Second World War, US international development policies were reframed to involve NGOs or Private Voluntary Organizations (PVOs). In 1946, the Truman administration wanted to link government and PVOs in the field of foreign aid. In the same year according to Tvedt, President Truman appointed an Advisory Committee on Voluntary Foreign Aid attached to the Department of State and consisting of representatives from the voluntary organizations and the government. According to Tvedt that was the beginning of collaboration between US NGOs and the government. This collaboration continues to the present day and it is based on the idea that NGOs offer a way to provide foreign aid by bypassing corrupt and unfriendly governments. NGO/US government collaboration is also a channel to export surplus agricultural products to less developed countries as foreign aid. Public Law 480[13] (PL 480) is an example of such practice. This is a role that US NGOs have accepted. Along the same line, US NGOs were important supporters of American policy during the Korean and Vietnam wars. Currently, many NGOs support their governments' policies in

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[13] Public Law 480 (P.L. 480), also known as the Food for Peace Program, comprises three titles. Each title has different objectives and provides agricultural assistance to countries at different levels of economic development. The US Department of Agriculture (USDA) administers the Title I of the P.L. 480 program and the Agency for International Development (AID) administers Titles II and III. **Title I** provides for government-to-government sales of agricultural commodities to developing countries under long-term credit arrangements. **Title II** entails donation of U.S. agricultural commodities by the U.S. government to meet humanitarian food needs in foreign countries. Commodities under Title II may be provided through public, private or intergovernmental organizations such as the World Food Program. Under the **Title III** program, the U.S. Government donates agricultural commodities without charge to the recipient country and pays the costs of purchasing, processing, handling and transporting the commodities to the port or point of entry in the recipient country. The US pays for the commodities with government-to-government grants.



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the less developed countries in which they operate. For instance, NGOs are named as partners in all of the USAID Strategic Plan for Haiti and in all of its Congressional Presentations between 1997 and 2000. This is a practice that started in the early 1980s (DeWind and Kinley 1988). The non-political criterion in the definition of NGOs does not reflect realities, particularly in the donor and receiving country relationship.

Tvedt views NGO as "a common denominator, a collective term, for all organizations within the aid channel that are institutionally separated from the state apparatus and are non-profit-distributing" (Tvedt 1998:16). If by the aid channel, Tvedt means official development assistance (ODA), then only those organizations that receive contracts and contributions from development agencies would be qualified as NGOs. Tvedt rejects the economic/financial definition as biased in favor of large international NGOs and official development aid contractors and subcontractors. Yet he uses that same economic/financial method to define NGOs.

NGOs are in fact a subset of the larger non-profit sector, which constitutes a multitude of organizations in various stages of formation and maturity, varying in size. The term NGO is rarely used to describe non-profit organizations operating in the US or other advanced industrialized societies. Organizations that are described as NGOs in less developed countries are identified as specific types of non-profits in the West. Organizations such as CARE, CRS Oxfam-USA, and the Salvation Army, operate simultaneously in the North and in the South. They are registered as charitable non-profit



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organizations in the US. These same organizations are registered as NGOs with various international agencies including the UN Economic and Social Council (ECOSOC) NGO Committee, the World Bank, and the USAID. The connection between international financial and development institutions and NGOs does not extend to other non-profits in the developing countries.

In Haiti there are several grassroots organizations in Haiti that are involved in various levels of community development. These organizations are completely removed from the international aid network. These organizations are not included in the larger community of NGOs. The vast majority of these organizations were created after the fall of Duvalier and during the last few years of the regime. Many of these organizations have no legal recognition, they are politically independent (they are not formally affiliated with any political parties), and are engaged in a variety of community development and social service activities intended to improve the social and economic conditions of the poor. The Haitian legal system represents a barrier to these organizations. The Haitian legal system is tenuous and it works against grassroots and peasant organizations that lack the financial resources and political connections to go through the recognition process. Haiti also has a number of local organizations that fit the definitions of NGOs and are connected directly or indirectly to the international aid network. Some of these organizations are linked to the aid network through relationships with international NGOs or through connections with international financial institutions and donors or through the Haitian government.



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Haitian NGOs that are integrated into the aid network are primarily subcontractors and are engaged in social service delivery and education. These organizations are not generally involved in implementing development projects. In 2000 the USAID's primary development contractors in Haiti were the Pan American Development Foundation (PADF), CARE, and the Inter-American Institute for Cooperation on Agriculture (IICA). Some of the Haitian subcontractors were the Haitian Financial Society for development (SOFIHDES), and the Center for Free Enterprise and Democracy (CLED) (USAID 2000). Both organizations have strong ties with the Haitian business sector and the US embassy. SOFIHDES was established in 1983 with funds from the Caribbean Basin Initiative (CBI), the USAID and the Haitian private sector. It provides loans and credit to manufacturing and agribusinesses that are not eligible for conventional commercial financing. The USAID and other international financial institutions channeled funds to SOFIHDES to stimulate the Haitian private sector. CLED was founded in 1993 as a non-profit organization with the objective of encouraging Haitian businesses to become more active in the political, social and economic reconstruction of Haiti. Its membership is primarily from the Haitian business community. CLED is a regional partner of the Center for International Private Enterprise (CIPE). CIPE is an affiliate of the US Chamber of Commerce and one of the four core programs of the National Endowment for Democracy. CIPE promotes democratic and market-oriented economic reform by working directly with the private sector in developing countries (www.cipe.org). CLED and SOFIHDES are not traditional NGOs



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but they represent the kind of connections that exist between the more established Haitian NGOs, international institutions and the Haitian business sector.

Nonetheless, NGOs in Haiti work in a number of areas including agriculture, environmental preservation, health education, micro lending, economic development, civic education, and social services. They are inclined to engage in more than one activity simultaneously. A number of the organizations list their primary activities as health, education, agriculture and community development. A few NGOs are trying to apply a holistic approach to community development and social services delivery. For instance *Zanmi Lasante* or Partners in Health (PIH) in the town of Gange in the Central Plateau has adopted a comprehensive approach toward healthcare delivery. PIH treats many infectious diseases as symptoms of poverty and social, economic, and political inequalities. It runs an elementary and high school, bakery, and other income generating activities. PIH approaches health from a socio-economic and political economic perspective. Additionally, there is a growing grassroots development sector that encompasses peasant cooperatives and other community development organizations. They exist throughout the country and are undertaking small-scale agricultural, manufacturing, food processing and fishing projects. They are also involved in civic and political education and trying to understand the root causes of poverty. Some of these organizations are also connected to the growing international grassroots sector. The Papay Peasant Movement (MPP) and the national peasant umbrella organization



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(MPNKP) are among the leading grassroots organizations in the country. They receive funding from organizations such as Grassroots International in Boston.[14]

## Types of NGOs

NGOs are classified based on geographic location of their headquarters or by their primary activities. Geographic location is the most common method used to categorize NGOs. They are classified geographically as local or international NGOs. International NGOs (INGOs) are those organizations with their main offices or headquarters in the US, Western Europe, Canada or in other developed countries. These organizations are also classified under the International Classification of Nonprofit Organizations (ICNPO) as international development assistance organizations, international disaster relief organizations, or international support services organizations. Examples of these organizations include CARE, CECI, ADRA, Oxfam, CRS, Helveta, Save the Children, World Vision and MSF. These organizations are discernible from their local or southern counterparts based on their access to political, financial and human resources and their connections to international financial institutions, embassies, and official development agencies. International NGOs are critical sources of information on the host countries. Private foundations as well as government agencies in donor countries rely on the INGOs for information on developing countries. Haitians are suspicious of international NGOs

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[14] Grassroots International promotes global justice through partnerships with social change organizations. It works to advance political, economic and social rights and support development alternatives through grantmaking, education and advocacy.



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and view them as extensions of the international community and as another form of foreign intervention in Haitian affairs.

In contrast to INGOs, NGOs that have their origin and headquarters in Haiti for example are local NGOs. NGOs from developing countries are also called indigenous or southern NGOs. The Bangladesh Rural Advancement Committee (BRAC) is an example of a southern NGO that is well known in the NGO community. Most local NGOs are unknown outside of their home countries and sometimes outside of their target areas. However, they rely on their northern counterparts and on the international community for financial support either in the form of direct grants or subcontracts. They are often small with weak organizational infrastructure and little local and internal financial support.

Primary tasks or function is another method of categorizing NGOs. This method is used widely in non-profit research and third sector studies. The third sector concept is based on the notion that private for-profit businesses and government constitute the first and second sectors while non-profits represent a third. Geographic classification places NGOs within a political framework that follows the logic of globalization and international political interests. It further situates them within the context of the political and economic dominance of the advanced industrialized countries. Categorizing NGOs by activities, on the other hand, emphasizes the different functions and roles they are playing within civil society. The method of classifying NGOs by activities suggests that they represent an emerging third sector in the same manner as in the western countries.



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Implicit in this approach is the notion that social, political, and historical processes in developing countries where NGOs operate are following the same or similar courses as in the developed countries. It also minimizes the uneven relationship between government, business interest and NGOs in developing countries.

The activities-based classification is summarized in two separate, but interrelated, classification systems-- The International Classification of Development NGOs (IDENGO) and the International Classification of Nonprofit Organizations (ICNPO). IDENGO groups NGOs into activity types that are identical to ICNPO, which groups nonprofit organizations. The only difference between the two classifications is that IDENGO includes an emergency and refugees group that is not a part of the ICNPO.

Table 1

The International Classification of
Non-Profit Organizations (ICNPO)

| | |
|---|---|
| **Group 1**: Culture and Recreation | **Group 7:** Law, Advocacy and Politics |
| **Group 2:** Education and Research | **Group 8:** Philanthropic Intermediaries& Voluntarism Promotion |
| **Group 3:** Health | **Group 9:** International Activities |
| **Group 4:** Social Services | **Group 10:** Religion |
| **Group 5:** Environment | **Group 11:** Business and Professional Associations, Union |
| **Group 6:** Development and Housing | **Group 12:** Not Elsewhere Classified |

Source: in Lester Salamon and Helmut Anheir. 1996. *The Emerging Nonprofit Sector.* Pp. 136-140.



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Table 2

International Classification of Development NGO

Summary

| **Group 1**: Culture and Recreation | **Group 2**: Education and Research |
|---|---|
| **Group 3**: Health | **Croup 4**: Social Services |
| **Group 5**: Environment | **Croup 6**: Development and Housing |
| **Group 7**: Law, Advocacy and Politics | **Group 8**: Philanthropic Intermediaries and Voluntarism Promotion |
| **Group 9**: International Activities | **Group 10**: Religion |
| **Group 11**: Interest Organizations | **Group 12**: Emergency and Refugees |
| **Group 13**: Others | |

Source: in Tvedt, Terge. 1998. *Angels of Mercy or Development Diplomats.* P. 35

The IDENGO and the ICNPO tables are nearly identical. Tvedt equates the NGO sector to the non-profit sector. John Clark, on the other hand, identifies six categories of NGOs.

1. *Relief and welfare agencies*, which includes most of the traditional organizations. Many international NGOs started as relief and welfare agencies.
2. *Technical innovation organizations*. Clark defines these organizations as "NGOs that operate their own projects to pioneer new and improved approaches to problems, and which tend to specialized in their chosen field" (Clark 1991: 34). NGOs in this category include the British Intermediate Technology Group, the Grameen Bank in Bangladesh, and 6-S in Sahel.



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3. *Public service contractors.*—These are NGOs that are mostly funded by Northern governments and work closely with Southern governments. This category alludes to the third classification of NGOs—by funding sources. Basically, any NGO could become a public service contractor, unless it decides not to solicit or accept funding from government agencies.
4. *Popular development agencies.*—These are NGOs, both Southern and Northern, that are engaged in self-help, social development and grassroots development.
5. *Grassroots development agencies.*—These are Southern NGOs whose members are poor and disenfranchised, and who are trying to influence the development process.
6. *Advocacy groups and networks.*—These are primarily organizations that are involved in civic education and lobbying.

**Emergence of NGOs**

The growth and development of the NGOs sector is primarily attributed to a variety of market and government failures (Clark 1991, Korten 1990, Paul and Israel 1991). The development of the sector has also been linked to the global political economy. Alan Fowler argues that NGOs will increasingly function as a byproduct of the global capitalist market and as a component of the international system of social welfare because such roles serve the international reproduction of capital (Fowler 1992). David Rieff similarly observes a growing collaboration between NGOs and rich donor



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governments (Rieff 2002). The two approaches regarding the growth and development of the NGO sector can be summarized as: 1) market and government failures; and 2) political and economic intervention in less developed countries.

Four general theories support the market and government failures arguments: 1) public goods theory; 2), contract failure: 3) consumer control; and 4) subsidy theory. *The public goods theory*, also known as the performance failure theory, posits that NGOs exist to satisfy unmet demands for public goods in a society (Paul 1991, Tvedt 1998, Weisbrod 1988). It argues that the needs of certain members of a society may not be met due to the fact that governments provide goods and services at a level that satisfy the median voter. Governments, therefore, tend not to provide public goods and services where majority support for such goods and services is lacking. The argument infers that NGOs fill the gap created by the discrepancy between political support and community needs. Additionally, some communities or population may require more goods and services than government is willing or capable of providing. The government failure argument generally concludes that in some societies certain groups and communities may not receive critical public goods and services due to a lack of political support or the sheer inability of governments to provide them. NGOs, therefore, emerge to satisfy the unmet demands for the public lacking access to goods and services.

The market failure arguments hold that in many developing countries a large segment of the population lacks the basic purchasing power to participate fully in the



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market place (Brown and Korten 1991). Consequently, real demand exceeds actual supply, and, as a result, market goods and services are produced at a level well below what is required to meet the needs of the population, particularly the poor. Market failure arguments conclude that the emergence of NGOs is a response to unsatisfied market demands among the poor.

The *Contract failure theory* offers another explanation of the rise of NGOs. It proffers that NGOs arise where ordinary contractual mechanisms do not provide the public with adequate means to police producers and assess the goods and services they produce. The main argument is that when contractual arrangements are difficult to define due to imperfect information, consumers are likely to trust non-profit organizations and NGOs more than private firms. This is based on the notion that non-profit organizations are less apt to take advantage of consumers due to imperfect information (Paul 1991, Tvedt 1998). Similar to contract failure, *consumer control theory* alleges that some NGOs exist to facilitate consumer control when the market and government are unable to guarantee desired producer performance (Paul 1991).

*Subsidy theory* deviates slightly from the failure theories in that it maintains that the growth of NGOs is a response to various forms of subsidy made available to them. It argues that states provide NGOs with financial support in order to meet unsatisfied demand for both public and market goods and services.



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The government and market failure theories do not adequately explain the growth of NGOs in developing countries during the past two decades. Failure theories are primarly based on social welfare assumptions and political economic conditions that are not always present in these societies. Conditions of government failure always existed in many developing countries, as the case of Haiti illustrates. Governments in non-developmental states such as Haiti have always failed to provide the population with basic goods and services for reasons other than lack of majority support. Successive Haitian governments have simply not placed great priority in developing the kind of bureaucratic and social infrastructures that are necessary to provide basic goods and services to the general population, and particularly those most in need. Like many authoritarian governments, Haitian regimes have benefited elite groups to the detriment of the peasantry and the urban poor. NGOs did not become a major factor in Haiti until after the departure of the Jean-Claude Duvalier dictatorship in 1986, although humanitarian and relief agencies have been active in Haiti since the early 1950s. CARE and CRS started to work in Haiti in 1954 after Hurricane Hazel devastated the country. The organizations provided humanitarian relief to victims of the hurricane. The number of NGOs was limited to a small number of well-established humanitarian agencies although conditions of market and government failures existed. The Haitian political system under Duvalier did not allow the development of civic organizations that were not associated in some ways with the regime. The collapse of the Duvalier regime provided an opening in the society that permitted the establishment of various kinds of civic organizations including NGOs. The growth in the number of NGOs in Haiti after 1986



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benefited from the general openness in the Haitian political system. While conditions of failure existed in Haiti prior to 1986, the political system did not allow the kind of explosion of civic and non-profit organizations that exist in Haiti today. The appropriate political climate and conditions must exist in order for NGOs to emerge and grow. Additionally, the organizations need a stream of funding to support their operations. Reallocation of development assistance from the Haitian government to NGOs provides that stream of financial support that sustains the growth of the NGO sector.

Additionally, their growth and the role that NGOs are playing in Haiti partly result from deliberate policies toward the country. As Tendler concludes, NGOs do not possess any inherent comparative advantage over government. The overwhelming support that NGOs received worldwide in recent years is due in part to the fact that the international aid community favored them over public agencies in developing countries as recipients of development aid. In a 1993 Organization of Economic Co-operation and Development (OECD) study, Smillie and Helmich show that international NGOs spent about $10 billion in developing countries. Annual NGO expenditures increased from $900 million in 1970 to about $4 billion in 1985 (Cerna 1995, Charlton and May 1995, Smillie and Helmich 1993) and to $7.2 billion in 1993 (Tvedt 1998). Charlton and May argue that Northern governments channel tens of million of dollars through their NGOs as part of official development assistance. Since the 1970s, NGOs have displaced governments as primary recipients of certain types of ODAs. As much as 25 percent of ODAs in some Development Assistance Committee (DAC) countries go through NGOs



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which are then channeled to Southern countries (Smillie & Helmich 1993). In 1989, nearly $6.4 billion or 12 percent of all Western aid to the South was channeled through NGOs (Clark 1991).

Failure theories ignore the fact that since the early 1980s donor countries decided to use the NGOs to channel ODAs to developing countries. That decision coincides with globalization as prescribed by the Washington Consensus (Stiglitz 2002). Part of the shift includes an emphasis on the private sector and a systematic disinvestment in the capacity of government to play a role in local and national development. With billions of dollars being channeled directly to NGOs, governments in developing countries lost access to capital they could have used to stimulate and support local and regional economic development. The systematic shift in aid allocation occurred at a time when many developing countries were becoming more open and were making a transition from authoritarian rule to electoral democracy, or were being more responsive to the demands of local populations. Samuel Huntington refers to that period as "the third wave democratization" (Huntington 1991). Many countries in Africa, Asia, and Latin America replaced authoritarian regimes with democratic government. According to Huntington, in 1990, there were 129 states in the world and 45.3 percent of them were democratic. During that same period, ODAs systematically shifted from government to NGOs. A greater percentage of foreign aid is channeled directly through NGOs under democratic regimes than was the case under authoritarian government. Authoritarian regimes were less likely to provide basic services to the impoverished population. If the market and



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government failure arguments were correct, NGOs should receive less support and their number should decrease as societies are becoming more open and more democratic. The reverse seems to be the case. The emergence and increasing significance of NGOs is more a form of political and economic intervention in developing countries instead of the result of government and market failures. Failures do exist in those societies and always have. Foreign governments intervened in developing countries through authoritarian regimes when it was appropriate and are now intervening through NGOs.

Intervention as David Gibbs illustrated in the case of US policy in the Congo does not have to be in the form of military intervention. Gibbs argues that interventions may promote political disorder in a foreign country through financing opposition newspapers, disseminating propaganda, bribing union leaders to engage in strikes, coercing legislators to vote against the government, supplying information to opposition parties, or supporting coups d'état against the government (Gibbs 1991). As the 1980s and 90s illustrated, interventions may also take the form of subverting government policies, or reducing government capacity by supporting alternative agencies to implement programs that undermine or bypass the government's programs. Tvedt shows that American NGOs often advance US foreign policy interest in countries in which they operate. That is also true for Canadian and European NGOs. This accord between foreign interests and NGO operation is nothing new. In fact, non-profit organizations and foundations have often advanced the policies of their home countries and received support from the home governments for that purpose.



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In a 1983 study of the influence of the Ford, Carnegie, and Rockefeller Foundations in American foreign policy, Edward Berman argued that foundations support non-profits to advance US foreign policy objectives. Foundations furthered these goals by encouraging certain ideas and by supporting those institutions which specialized in the production and dissemination of these ideas (Berman 1983). He establishes the relationship between foundations, policy institutions, corporations, and governments. He further shows that it was a strategic policy decision involving government, businesses and the non-profit sector to have available both public and private aid agencies to further US interests abroad (Berman 1983)[15]. By the 1970s it was already apparent to most foundations and official development agencies that the development paradigms they supported did not better the plight of the masses in developing countries. Consequently, foundations took the lead in bringing together the major aid agencies to discuss the future of their programs. Many of the meetings took place at the Rockefeller Foundation's villa in Northern Italy (Berman 1983). In 1974, the publication "Education and Development Reconsidered" resulted from the meetings. The discussions also included the need for the major aid agencies and international financial institutions to develop new strategies to alleviate poverty in these countries as foundations decreased their support. Subsequently, the percentage of aid allocated directly to NGOs increased significantly and by the mid 1980s, NGOs had established themselves as major players in the aid network. Four

[15] This is based on a statement by Dean Rusk (former President of the Rockefeller Foundation) where he stated that the US has the advantage of having available both public and private aid agencies to further its policies.



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events follow or coincide with the increasing significance of NGOs in the arena of development in developing countries.

1. The withdrawal of foundations in the development and poverty alleviation field;
2. A shift in developing countries from authoritarian to more representative forms of governments;
3. The decreasing significance of the state as the engine of development and growth;
4. A systematic shift in the allocation of ODAs from government to NGOs.

**The NGO Articles of Faith Revisited**

Tvedt revisited the articles of faith in his 1998 study of NGOs in the foreign aid business. He concluded that "these articles of faith are still championed by NGO propagandists, but now they should rather be called a 'list of dogmas,' representing a way of thinking about NGO activities which blurs analysis of both potentials and constraints, that has been championed ever since Tendler showed that they could not be substantiated" (Tvedt 1998: 129). Similarly, Fowler argues that comparative advantage in micro-development is only a potential feature of NGOs and is not systematically realized by them if at all (Fowler 1988).

The view that NGOs have a comparative advantage over public agencies is at best inconclusive as demonstrated by Fowler, Tendler, Tvedt and others. There is clearly a



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role for NGOs in local development. That role must reflect the political, economic, and social realities of the society in question and should work in tandem with overall strategic development goals. The formulation of a general strategic vision for development is the responsibility of public sector entities including national, regional, and local governments. Development is less likely to take place in a situation where government is weak, incapable, or unwilling. Additionally, NGOs are likely to be more successful when they collaborate with government agencies and form partnerships with local institutions. In the absence of well-articulated development policies and priorities, it is unlikely that development would take place. The role of NGOs in the local development process is linked to political economic realities and must reflect political historical development. In cases where a political and economic climate conducive to development does not exist, NGOs could become part of a new paradigm for social, political and economic development. In other words, the role that NGOs are to play in local development must be clearly articulated, be part of a broader development agenda, and placed within a political and historical context. That agenda must also be developmental in nature. Placed in a non-developmental situation, NGOs are likely to be ineffective and non-developmental as well.

There is nothing about NGOs that makes them more efficient than government or would enable them to succeed in situations were government has failed. NGOs do not possess any inherent comparative advantage. Their increasing significance in countries such as Haiti has been the result of policy and funding allocation decisions from the



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donor countries that favored NGOs. Such decisions may also serve other objectives including circumventing a government that may be corrupt or unpopular or one that the donor governments may elect not to support. These are political decisions and choices that have little to do with the effectiveness of NGOs as development organizations. They have a great deal to do with the fact that, as an AID official stated during an informal interview, in places like Haiti, "when the government act [sic] stupid, all of the aid is channeled toward NGOs."

**Conclusion**

I argued in this chapter that there are many types of NGOs and they differ in terms of organizational capacity, programmatic objectives, activities, and access to resources. They do not serve the same interests and many international and large local NGOs have become integrated into the foreign aid system. As such, the activities of these organizations are influenced by the directives of international development agencies such as USAID and other development agencies. Consequently, the work of large local and international NGOs does not necessarily reflect the needs or priorities of the targeted population or the host government. NGOs emerged in Haiti not only because of market and government failures but also because of the political openness created by the demise of the Duvalier regime and the increased level of foreign aid that has been channeled through NGOs into Haiti since 1986. There are also NGOs that are community-based whose objectives and whose activities are more aligned with the interests and needs of



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the population that they intend to serve. Several community-based, grassroots and peasant cooperative organizations have the foundation to become important community-based development NGOs that can address the needs and serve the interest of the Haitian poor and disenfranchised population.

Community-based development NGOs, similar to community development corporations (CDCs) in the US, are the most appropriate type of NGOs to address the development needs of the Haitian poor. These organizations could play a vital role in the development of poor urban and rural communities in Haiti and provide economic opportunities for the poor and disenfranchised. Like peasant cooperatives, they would be a mechanism for the poor in collaboration with government, businesses and other NGOs to address socio-economic conditions and work toward reversing the persistent cycle of misery and despair. CDCs, which evolved in the US in the 1960s and 1970s, have effectively addressed a variety of social, economic and development problems in poor urban neighborhoods throughout the US (Grogan and Proscio 2000; von Hoffman 2003). CDCs did not do it alone. They work in tandem with government, businesses and foundations. They also benefit from public policy and financial infrastructure that was developed to support the revitalization of poor inner city neighborhoods. Additionally, CDCs are community-based and community-controlled and have played a critical role in the development of affordable housing, supermarkets, shopping centers, daycare facilities, charter schools, and healthcare facilities and in the revitalization of commercial districts in poor neighborhoods throughout the US. They also create jobs and economic



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opportunities for low-income residents. Community-based development organizations that are community controlled[16] tend to be more responsive to community needs and interests. These organizations are also more effective when they work collaboratively with government and the private sector. Similarly, the community-based development NGOs would be more effective if they worked collaboratively with the Haitian government on some projects while maintaining their independence and ability to pressure the government to address the needs of the Haitian poor.

The establishment of effective community-based development NGOs in Haiti requires a supportive financial infrastructure and a reconfiguration in the way that development projects are funded and how such funds are allocated. Large local and international NGOs would have to work with indigenous organizations, like women organizations, peasant cooperatives and other viable community-based organizations in order to help build their capacity to become community-based development NGOs. The foreign aid network would also have to recognize them as legitimate community development organizations. Local organizations would have to avoid becoming service contractors. In other words, they should seek funding to implement projects that have community support and were developed with community inputs. They should not respond to request-for-proposals to implement programs developed by national or international agencies and which may not have community input or support.

[16] A community-controlled organization is one where the majority of the members of the board of directors are residents and representatives from the service area or the community which the organization serves.



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More importantly, a significant departure from the non-developmental character of the Haitian state is necessary for the effectiveness of community-based development NGOs. It is the responsibility of the government to create the necessary conditions for community development to take place. Such conditions include but are not limited to allocation of resources to support local development, construction of physical infrastructure, development and implementation of appropriate development policies and priorities, and establishment of a judicial system capable of reinforcing contracts. These are public functions that NGOs simply do not have the capacity, the resources, or the public mandate or accountability to undertake.



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# CHAPTER 3

## POLITICS AND UNDERDEVELOPMENT IN HAITI

In the previous chapter, I concluded that creating an environment conducive to economic development requires changing the nature of the Haitian state. Without appropriate financial, political and public policy infrastructure, NGOs will not have the necessary tools to be effective community development organizations. This chapter attempts to identify some of the main causes for the Haitian non-developmental state. Borrowing from the work of Alex Dupuy, Robert Fatton, Mats Lundhal, Paul Moral, Gerard Pierre-Charles and Michel-Rolph Trouillot, this chapter focuses on three primary factors in the formation of the Haitian state: firstly, the lack of political and societal consensus or common societal vision to guide the country toward economic, political and social reconstruction; secondly, the lack of national development policies designed to address the country's ills and promote economic, political, and social growth; thirdly past and present international policies designed to incorporate Haiti into the global political economy as a small, open economy to the detriment of the majority of the population. Haitian policy and past and present international intervention have combined to block durable development and left the country in persistent political turmoil and socio-economic despair since its independence in 1804.

As Dupuy, Fatton and Trouillot illustrate, Haitian underdevelopment has its roots in the transformation of the country from a slave society to the first Black republic and



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second independent state in the new world. Underdevelopment in Haiti is historical, structural, political, part of a colonial legacy, and the result of unjust and exploitative international policies and global transformations that have adversely impacted the country. Since its inception, political power and position have been used in Haiti to benefit members of the political and businesses classes in a fashion which Fatton calls the "paradigmatic predatory state" and Dupuy describes as the "prebendary state" (Dupuy 1997: Fatton 2002). Fatton describes the predatory state as

> A despotic structure of power that preys on its citizens without giving much in return; its total lack of accountability suppresses even the murmurs of democracy (Fatton 2002: 27).

Dupuy defines the prebendary state as:

> A political regime in which those who held office or political power lived off politics. In addition to their regular salaries, these officials received perquisites of office either as bribes or by siphoning (i.e., stealing) public moneys from the various government agencies or state enterprises for private ends (Dupuy 1997: 21).

Trouillot identifies a historical rift that exists between the Haitian state and the Haitian nation which, he argues, presents a major obstacle to economic and political development in Haiti (Trouillot 1990 and 1997). In effect, Haitian political institutions and political practices support and reinforce social and economic inequalities. As Evans, and Bingham and Mier argue, appropriate political, social and financial conditions must exist in order for local development to take place (Evans 1995; Bingham and Mier 1993). The absence of these conditions is what makes the Haitian state non-developmental.



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### Symptoms of the Haitian Non-Developmental State

The 2003 CIA World Fact Book ranks Haiti 179th of 230 countries in terms of GDP per capita. Haiti ranks lower than all the countries of the Western hemisphere. The 2003 World Human Development Report ranks Haiti 150th of 175 nations, based on the human development index (HDI)[17]. From 1990 to 2000, the conditions of the country worsened according to many social indicators. In 1990 for example 50 percent of the rural population and 59 percent of the urban population had access to safe drinking water. In 2000 however, only 45 percent of the rural population and 49 percent of the urban population had access to safe drinking water. Basic infrastructure such as paved roads, electricity, communication, and potable water are non-existent outside of the capital city of Port-au-Prince and some major secondary urban areas such as Cap-Haitien, Les Cayes, Gonaives, Hinche, Jacmel, Jérémie, and Port-de Paix. Whatever infrastructure exists serves primarily the urban population which represented 33 percent of the total population in 1997. That was already a bleak situation aggravated by the fact that the Haitian economy did not experience any significant growth between 1970 and 1998. Between 1975 and 1980, the Haitian economy grew at a rate of 7.6 percent. The average growth rate between 1980 and 1990 was –0.2 percent (see Figure 1). Overall the Haitian economy declined by1.4 percent between 1990 and 1998, experiencing a sharp decline between 1991 and 1994. During that same period, the UN had placed an economic embargo on Haiti to force out the military regime that overthrown the government of

[17] The HDI, as defined in the Human Development Report, is a summary composite index that measures a country's average achievements in three basic aspects of human development: longevity, knowledge, and a decent standard of living. Longevity is measured by life expectancy at birth; knowledge is measured by a combination of the adult literacy rate and the combined primary, secondary, and tertiary gross enrolment ratio; and standard of living by GDP per capita (PPP US$).



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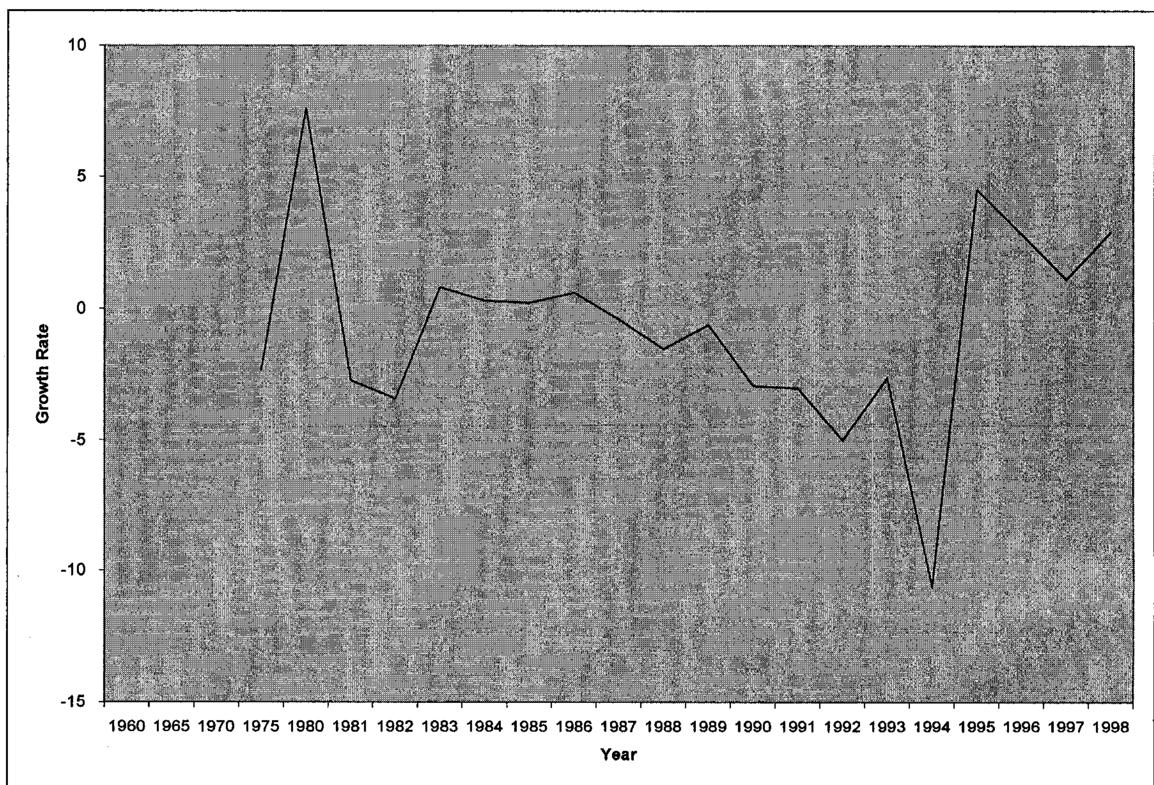
President Jean-Bertrand Aristide in 1991. While GDP declined consistently, consumption increased by more than 265 percent between 1970 and 1980, and by 104 percent between 1980 and 1990. The rise in consumption coincided with an increase in imports, which implies that the country had to import a large proportion of the goods and services that could not be produced locally in order to meet local demands. During this period, the country borrowed to sustain its level of consumption and import.

Figure 1
GDP Growth Rate
Haiti 1960 – 1998




Sources: World Development Reports, World Economic Indicators



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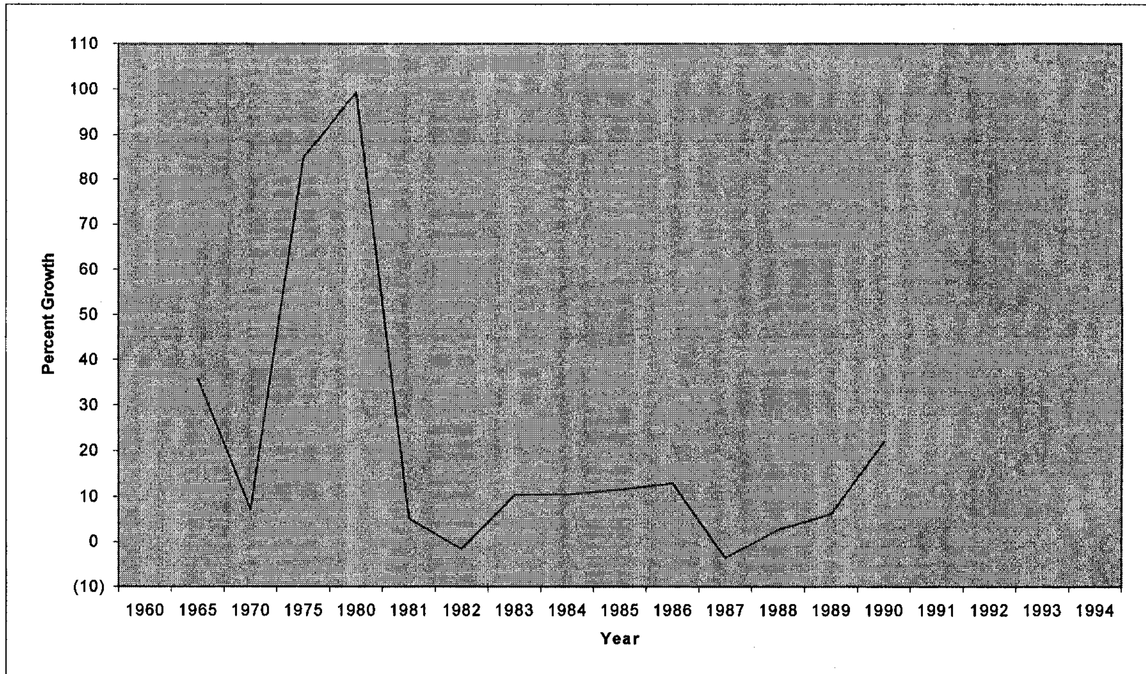
Figure 2

Consumption Growth Rate

Haiti 1960-1990




Sources: World Development Reports, World Economic Indicators



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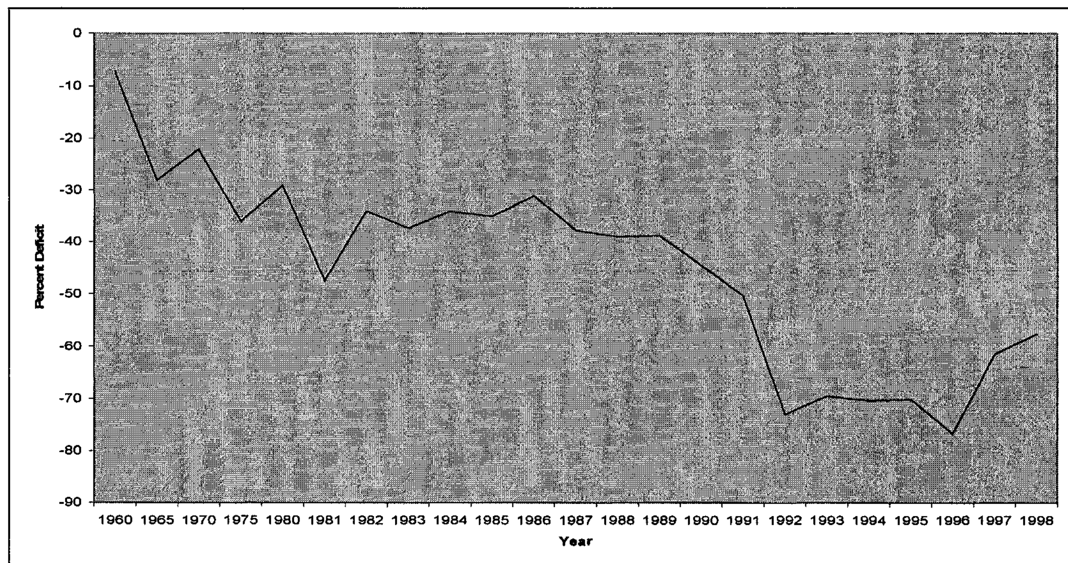
Figure 3

Trade Deficit

Haiti 1960 - 1998




Sources: World Development Reports, World Economic Indicators

Haitian external debt jumped from $40 million in 1970 to $302 million in 1980. In 1970 and 1980 external debt represented 10 percent and 21 percent of GDP, respectively. Haiti had essentially mortgaged its future and continued to borrow in order to service the debt. The country's external debt continued to increase throughout most of the 1980s and 1990s. In 1998, Haiti's external debt was more that $1 billion, while the national budget during that same year was $284 million and government expenditure was $308 million. At that rate, the country will not have sufficient income to service its external debt. The implication for the country is that it may not have access to international financing unless its current debts are restructured or forgiven. Haiti may



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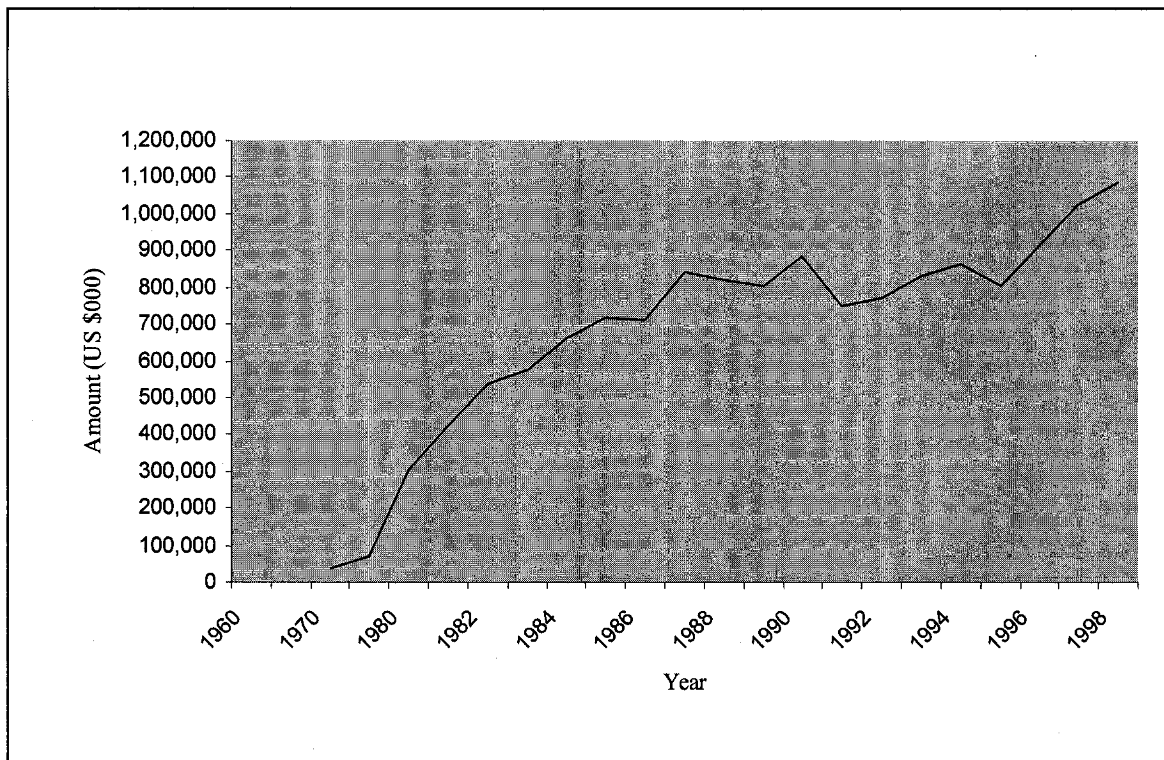
find itself in a situation where it may not be able to borrow to support economic development projects.

Figure 4

External Debt

Haiti 1970 - 1998




Sources: World Development Reports, World Economic Indicators

Amidst Haiti's desolated economic, political and social conditions, governments have failed to devise any effective economic development policies. Appetite for state power, as Fatton argues, continues to grow both among the political class and the economic elite (Fatton 2003). Both groups are associated with wealth and political power and are viewed by the Haitian population as "*leta*" or "the state". *Leta* is also viewed as



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an oppressive authoritarian apparatus that historically served the interests of the rich and political classes to the detriment of the general population. Haitian society developed within a particular schism that places *leta*—the governing, political, and economic elite—on a collision course with the *pèp* (the people or the nation). Haitian politics and underdevelopment are the continuing tensions between these contradictory forces and the tendencies to rip the society apart instead of forging a sense of societal vision and cohesiveness. These contradictions and divisions are historical and structural in nature, and are responsible for much of the economic, political and social atrophy of the country.

Underdevelopment and its relationship to class, politics and the social structure has been the subject of a large body of work on Haiti. In his 1961 study of Haiti, *Le Paysan Haitien* (The Haitian Peasant), Paul Moral argues that Haitian underdevelopment is caused by: 1) an anarchic exploitation of the natural resources (land and soil); 2) the absence of government intervention; 3) alarming population growth; 4) general poverty; and 5) the precarious situation of an isolated elite culture amidst illiterate masses. Lundahl, in a 1979 study of the Haitian economy, proposes a cumulative causation model to explain underdevelopment in Haiti. He argues that population growth is the decisive force behind the downward process of circular cumulative causation in Haiti. His central argument is that the Haitian peasant economy is caught in a process of circular cumulative causation that depresses rural per capita income. The driving force behind this process is the interaction of population and labor force growth with soil exhaustion and erosion (Lundahl 1979). His main point is that population growth causes a surplus in the



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agricultural labor force, which creates an expansion in subsistence crops (which are labor intensive) and a contraction of export crops (which are land intensive). The population and land pressures cause an increase in soil erosion that leads to lower levels of agricultural productivity The final outcome is falling real income per capita (Figure 5) (Lundahl 1979).

In a later version of his argument, Lundahl modified his cumulative causation model to include five major factors that led have to underdevelopment in Haiti: 1) population growth which led to land erosion and deforestation; 2) lack of government response; 3) land reforms between 1809 and 1840 which transformed Haiti into a peasant society; 4) corrupt government; and 5) national debt (Lundahl 1983). Lundahl's cumulative causation model is illustrated in Figure 3- below. He provides a Malthusian explanation wherein population density is the primary cause of underdevelopment and poverty in Haiti. But as Alex Dupuy argues, Lundahl neglects some key social and political elements that have contributed to the impoverishment of the Haitian peasant. In particular, he ignores the fact that the government extracts resources from the peasantry through taxation and fees. For instance, prior to the demise of the Duvalier regime in 1986, the Haitian rural police consisted of local section chiefs who taxed and extracted other resources from the peasantry which they divided between themselves and the central government. Such fees included various sales taxes, licensing fees, legal fees, and inspection fees. Deforestation, which resulted in erosion and brought the country to the verge of environmental catastrophe, is not caused solely by population growth.



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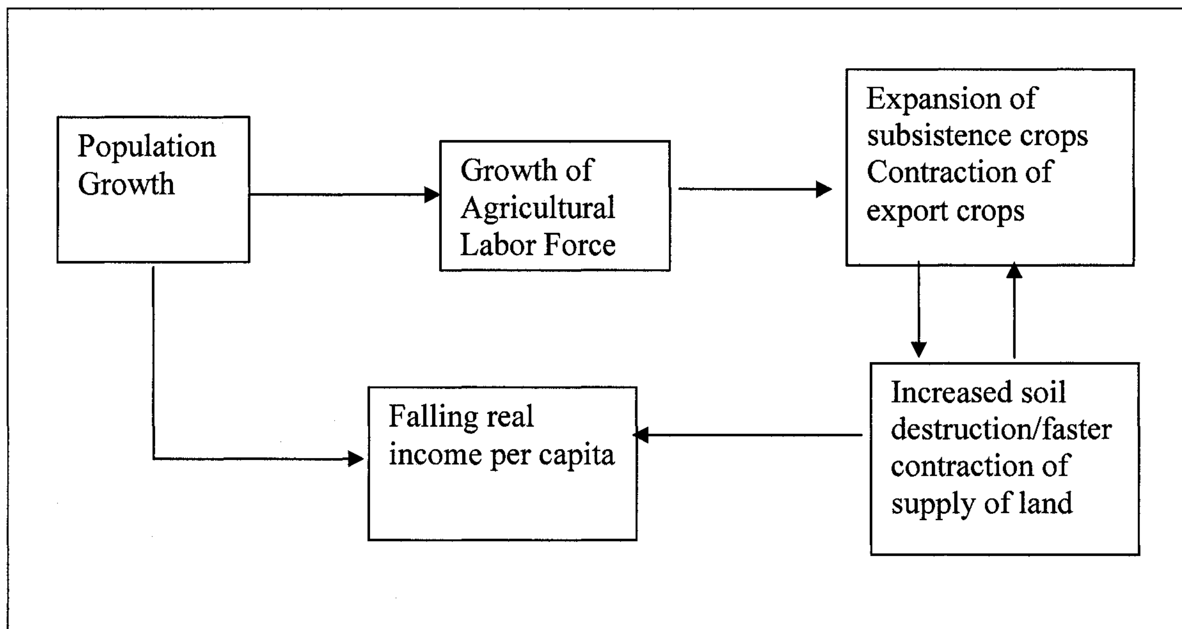
Population growth is more pervasive in the urban centers and not in the rural areas that depend more on agricultural production. Deforestation is caused primarily by the demand for wood for charcoal, which is the main cooking fuel in the urban areas. Lundahl neglects two other factors that lead to low agricultural production, lack of investment capital for agricultural production, and the slash and burn method that kills the micro organisms that breaks down wastes that otherwise enrich agricultural soils.

Figure 5

Lundahl's Cumulative Causation Model




In his 1967 study of the Haitian economy (*L'Economie Haitienne et sa Voie de Dévelopement*), Gerard Pierre-Charles looked at the internal and external factors that contributed to underdevelopment in Haiti. He argued that it was difficult for Haiti to



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transform itself in a short period of time and that it was also affected by its relationship with the industrialized nations of the West— England, France, Germany, and the United States. After independence, several land reforms were undertaken in which large parcels of land were distributed to high ranking military officers. Dupuy illustrates that at the eve of Haiti's independence, officers in the revolutionary army received and were put in charge of large plantations that once belonged to the colonizers. These actions resulted in the creation of a land-owning class that functioned very much like feudal lords. Pierre-Charles equated the land-owning class that emerged after the Haitian revolution to feudal lords and the plantation system to a feudal society. Pierre-Charles' argument is based on a circular causation model as shown in Figure 6. Circular causation implies that decline in a key economic sector is likely to produce further decline. Pierre-Charles contends that low investment and capital deficiency are the leading variables in the cumulative cycle of underdevelopment in Haiti. He does not explain how Haiti's relationship with the international community resulted in low investment and capital deficiency, which led to low productivity, low real income, low demand and low supply. Lundahl on the other hand identifies population growth as the primary factor in the cumulative cycle of underdevelopment in Haiti. Both Pierre-Charles and Lundahl agree that underdevelopment is directly linked to peasant poverty in Haiti.



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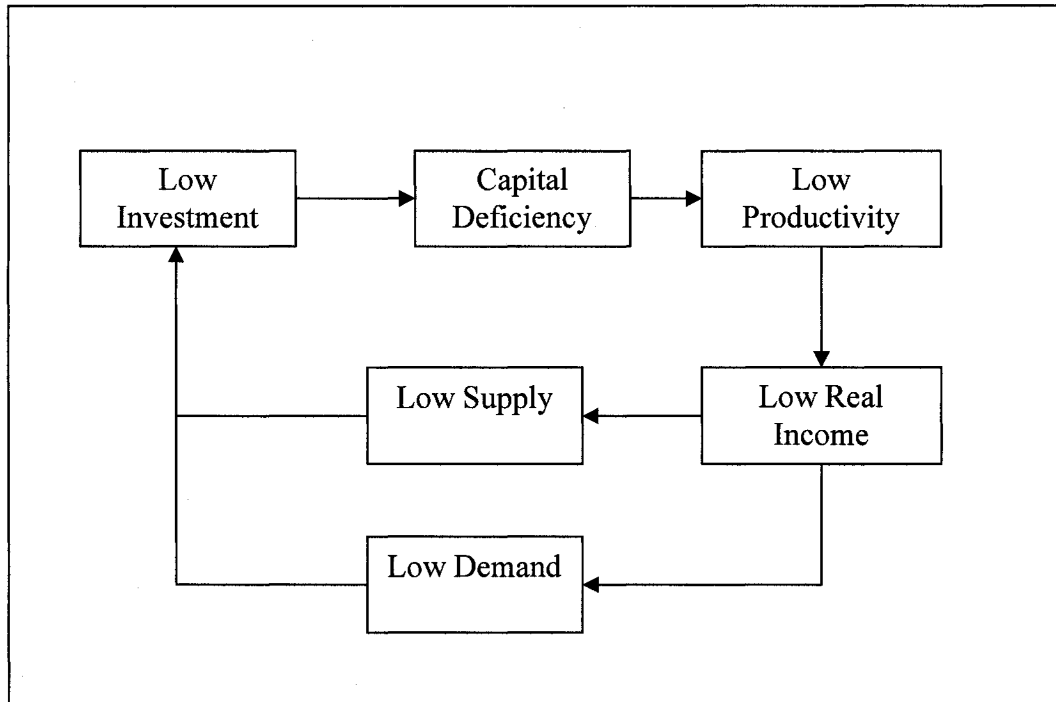
Figure 6

Pierre-Charles' Circular Causation Model




The cumulative and circular causation approaches explain Lundahl's statement that the "Haitian economy is locked in a low-level equilibrium" (McCoy 1995)[18]. Low real per capita income contributes to low supply and demand or low productivity. Pierre-Charles and Lundahl disagree with regard to the primary factor in the cycle of underdevelopment in Haiti. Pierre-Charles identifies low investment as the primary cause, while Lundahls thinks it is population growth. The population growth or Malthusian argument has prevailed and is at the core of many development strategies that

[18] Mats Lundahl made that statement at a conference sponsored by the Haitian Studies Association, The World Peace Foundation and the University of Puerto Rico. The conference was held in Mayaguez, Puerto Rico in September 1995. Jennifer McCoy reported the proceedings of the meeting in a report published by the World Peace Foundation.



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the international community has devised for Haiti. This approach implies that the social conditions of the peasant are the leading cause of poverty and underdevelopment in Haiti.

This approach can be seen, for example, in the Six-Year Development Strategy for Haiti of the USAID, which argues that the underlying causes of poverty in the country are high fertility rates, poor education, and environmental degradation (USAID 1998). The strategy also addresses issues of equity and growth, human capacity, and economic reform. This strategy represents a continuation of past approaches to development in Haiti such as those of Lundahl. For instance, a World Bank Country Study of Haiti published in 1987 stated that:

> Recent political changes Haiti provide Haiti with a unique opportunity to adopt policies to initiate sustained economic growth and begin to alleviate the desperate poverty of the average Haitian. The relentless pressure of population on limited natural resources can be relieved only by increased output, coupled with family planning and improved human capital. (The World Bank 1987: xiii)

Alex Dupuy rejects the notion that population growth is the primary cause of peasant poverty and underdevelopment in Haiti. He argues that peasant poverty can best be explained by the overall underdeveloped structure of the Haitian economy, which includes various forms of exploitation and political subjugation of the peasantry. The include system of property ownership and land distribution; the spatial organization of production and the system of farming which is divided between provision of goods and cash crops; and the primitive methods of cultivation and absence of any technical or



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financial assistance to the peasants by the States or the private sector (Dupuy 1989). Dupuy identifies four major historical causes of persistent underdevelopment in Haiti. First, was the incorporation of Haiti into the capitalist world-economy as a peripheral economy specializing in the production of agricultural crops and later in a limited range of manufactured goods for export. Second, the emergence of specific class, racial/color, and political relations and structures reproduced the economy's extroverted and unintegrated characteristics and its dependence on foreign capital. Third, the class and racial relations in Haiti were not determined by the logic of capital accumulation but rather by conflicts generated initially by the colonization process and subsequently by the contradictions and conflicts among classes and racial groups within Haiti. Fourth, the class and racial relations and conflicts gave rise to political relations and structures of domination that in turn conditioned the reproduction of the social and economic structures of Haiti (Dupuy 1989). Dupuy presents a more succinct and thorough analysis of the internal and external causes of underdevelopment in Haiti. Pierre-Charles alludes to some of these issues in his analysis. Dupuy hints at the fundamental problem of the integration of small open economies in the global political and economic system. He also argues that the class structure, conflicts, and the social relations reproduce a class and social divide in Haiti as well as an urban and rural divide whereby the urban elite views the peasantry and the poor, which constitute the majority of the population, as outsiders or "*mounn andeyò.*" These divides polarize the society further and create a large gap between *leta* and the *pèp* (the people and the state). As Fatton noted bluntly the Haitian elite despise the Haitian masses (Fatton 2002). The people continue to see themselves as



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victims or prey for those in power. Those in power behave as if the people are their enemies and have taken measures to protect themselves against such threats. The "us versus them" mentality continued after the demise of the Duvalier regime and is a key element in the post-Duvalier era conflicts from 1986 to the present.

The Haitian historical anthropologist Michel-Rolph Trouillot characterizes the disjuncture between the Haitian state and civil society in his analysis of the origins and legacies of Duvalierism (Trouillot 1990). He concludes that:

> Haiti did not start as a nation. It began, instead as a rebellion that begot an army. The army begot a national apparatus. That militarized apparatus, in turn, begot the state. The nation trailed behind. Or, to pursue the metaphor to its bloody end, the state miscarried the nation (in Rotberg 1997, 50).

Trouillot argues that the current Haitian state has its origin in the first half of the nineteenth century or during the formative years of the new republic. While the peasantry emerged as the economic backbone of the nation, Trouillot explains, it has no power over the State. The rift between political and civil society—the state and the nation—continues. Trouillot asserts that in order to rebuild Haiti it is necessary that the society break from the contentious relationship that existsbetween the people and the state. Societal departures such as the demise of the Duvalier regime in 1986, the landslide presidential victory of Jean Bertrand Aristide in 1990, and his return in 1994, are not sufficient to put the country o a reconstruction path. The most serious obstacle to rebuilding Haiti, he argues, is the flawed relationship between the state and the nation.



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Thus, the most serious undertaking on the path of reconstruction is the forging of a social contract that repairs this relationship to the benefit of the nation (in Rotberg 1997: 48). Trouillot indicates that replacing the institutional actors without fundamental changes in Haiti's social and political institutions is unlikely to result in societal reconstruction.

**Lack of Political and Societal Consensus**

Lack of political consensus contributed to the political instability that the country has been experiencing. Since 1804, Haiti has had 48 heads of state of which 19 were civilians, 3 were freely elected and 32 were either removed by force or assassinated while in office (See Appendix E). As Dupuy argues, Haiti did not begin with a strong sense of developing a local or national economy. Instead, the revolutionary and colonial processes gave rise to particular social relations and class dynamics that polarized the society and contributed to the creation of the many political-economic and social issues that continue to affect the society (Dupuy 1997 &1989). Dupuy's argument echoes Trouillot thesis of the rift between the nation and the state. One could define the societal rifts that Dupuy and Trouillot describe as a general lack of political and societal consensus in Haiti. However, there are instances throughout Haitian history when different groups coalesce to demand changes in the political institutional actors. Political instability in Haiti between 1986 and 2004 is the latest example of lack of consensus as well as instances of group coalescence to change political actors. Between 1986 and 2004, Haiti experienced 13 government changes. The first 11 governments were not able to put the country on the



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path of reconstruction. Instances of groups' coalescing to demand or force regime change do not in themselves make societal consensus. The departure of Duvalier in 1986 and the election of Aristide in 1990 are examples of group coalescence for regime change. I define these instances of group coalescence to precipitate regime change as moments of negative consensus. These moments have not resulted in the kind of social contract that Trouillot envisioned and which could repair the contentious relationship between the nation and the state. I characterize the kind of consensuses that a social contract could produce as positive consensuses. By positive consensus, I mean a general economic, political and social development vision for the country that is agreed upon by the social classes.

Haiti's first nine heads of state (1804-1859) were all military officers and none served a full constitutional term of office. Of the nine presidents, four were overthrown, three died in office of natural causes, one committed suicide and one was assassinated. Prior to the first US occupation in 1915, Haiti had 18 presidents. All but one were military officers and 11 were either overthrown or assassinated. Furthermore, out of 26 Haitian presidents from 1804 to 1915, 17 were ousted by uprisings, assassinations or military coups (Dupuy1989; Laguerre 1993; Lundahl 1992). During the US occupation (1915-1934) Haitian presidents were essentially appointed by the US and did not govern by consensus. Political and societal consensus could not be achieved under conditions of military occupation. Indeed, Haitian historians and scholars (Gaillard) argued that the



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occupation polarized Haitian society even more and aggravated the economic, political and social divides.

From 1941 to 1957, Haiti had 11 different governments with nine of them being provisional governments and none of the presidents elected democratically. Military officers headed five of the provisional governments. François Duvalier became President in 1957 and ruled with an iron fist until his death in 1971. His son, Jean-Claude Duvalier, succeeded him after his death in 1971. Jean-Claude Duvalier was ousted by a popular uprising in 1986 and was replaced by a provisional military government. From 1986 to 1991 Haiti had seven different presidents, and three military coups. Haiti's first democratically elected president—Jean-Bertrand Aristide--was sworn into office on February 7, 1991 only to be removed by a violent military coup seven months later. A US-led military intervention returned Aristide to office in October 1994. René Préval was elected democratically and power was transferred from Aristide to Préval. This transition was unprecedented in Haitian history. Aristide was elected again in a contested election in 2000, and the country has descended into greater political turmoil and instability since then.

Haitian political history since 1804 has consisted of one negative consensus after another when the majority of society mobilized to oppose particular events such as slavery (1791-1804), the US occupation (1915-1934), the Duvalierist dictatorship (1957-1986), a return to Duvalierism without Duvalier (1986-1990) and the defacto military



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government that ousted President Jean-Bertrand Aristide (1991-1994). Following each of these periods of momentary consensus are long periods of economic, political, and social turmoil while different factions struggled and competed for political power. This lack of positive consensus and common vision between those with political and economic power and the general population hampered any attempt to devise long and medium term development policies to steer the country away from its persistent underdevelopment and impoverished conditions.

The elections of Aristide in 1990 and Préval in 1996, and the return of Lavalas[19] in 2001 are all continuations of the bid for regime change that followed the collapse of the Duvalier regime. The 1990 election followed 29 years of a brutal dictatorship and four years of political turmoil and military rule and the fear of a return to Duvalierism and Macoutism[20]. The Préval election in 1996 followed three years of military rule that followed a coup that ousted the freely elected government of Aristide.

**Lack of National Development Policy**

Fatton argues that "the Haitian state has historically represented the paradigmatic predatory state" (Fatton 2002). Fatton defines the predatory state as a despotic structure of power that preys on its citizens without giving much in return. In such a state,

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[19] Fanmi Lavalas is the political party headed by Jean-Bertrand Aristide. Aristide was reelected for a second term in November 2000. A group of opposition parties under the umbrella of the Democratic Convergence contested the result of the election.

[20] The Tontons Macoutes were a group of Duvalier loyalist that terrorized Haitian society during the Duvalier regime and were responsible for many of the atrocities committed by the regime.



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policymakers have no accountability to civil society and politics become a means of personal enrichment. In *Haiti in the World Order*, Dupuy argues that the Haitian state--through its prebendary practices, corruption, misappropriation and misallocation of funds and the lack of any vision regarding alternatives—was a major cause of the country's economic paralysis and general deterioration (Dupuy 1997). Successive Haitian governments have been preoccupied with maintaining power and engaging in predatory practices instead of formulating and implementing public policies that are conducive to economic development. Peter Evans, Stewart Perry and Hernando de Soto have all demonstrated that local and economic development is contingent upon a public policy and a legal and financial infrastructure that can support it (Do Soto 2000; Evans 1995; Perry 1987).

In addition to the paralysis and predatory practices that Dupuy and Fatton describe, the Haitian state basically turns over its development policy functions to international development agencies. In the late 1970s and early 1980s, Haiti adopted an economic model based on export and import substitution as part of the Reagan administration's Caribbean Basin Initiative (CBI). The export-oriented strategy was based on the notion that Haiti had a comparative advantage due to its low labor cost and could attract US investors. USAID and the World Bank made free trade a condition for bilateral assistance to Haiti. The Duvalier government agreed to these conditions in return for foreign aid. Dupuy captures the impotency of the government with regard to development policy when he says that:



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> In return for economic and military aid, the Duvalier regime abdicated its responsibility for determining the country's development priorities; it surrendered its autonomy to the USAID and the World Bank and entered into a relationship of de facto tutelage under them (Dupuy 1997:27).

Aid agencies became the main vehicles for CBI and started to play a more direct role in influencing development strategies in Haiti. At the same time, they began to look more toward NGOs as a mechanism to channel development assistance and material aid to Haiti. In 1981, the Technical Assistance Information Clearing House (TAICH) published a report on development assistance programs of US NGOs in Haiti (TAICH 1981). The TAICH reports found 66 US NGOs in Haiti. Of the 66 organizations, 28 were faith-based and 25 were registered with USAID, and 55 were able to provide TAICH with financial data indicating program expenditures in 1980 of approximately $24 million. A number of the organizations received USAID funding. On the one hand, the US government was pressuring the Haitian government to adopt a more liberalized economic model under CBI while NGOs were becoming more involved with development assistance. On the other hand, the Haitian government was proven to be less able to lead the country toward development.

It was clear that successive Haitian governments failed to identify their development priorities and build the necessary policy infrastructure to address the country's persistent economic decline and stimulate a development process. In countries where development has taken off (i.e. Japan, Korea, and Taiwan), government



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encouraged, supported and promoted development as well as creating the necessary public infrastructure and regulatory mechanisms (Evans 1995). Community development in the US and the case of the newly industrialized countries (NICs) clearly shows that local development requires public and private partnerships and a policy and financial infrastructure capable of supporting and sustaining it.

**The Non-developmental State**

The lack of positive political and societal consensus in Haiti creates a climate in which survival is the primary concern of both public officials and employees. Governments are transient and flimsy, thus long-term planning and forecasting is secondary to the more immediate concerns of consolidating power, amassing wealth, and gaining the favor of the international community, particularly the United States. Governments spend little time addressing the pressing social, political and economic needs of the society. Consequently, the country continues to plunge deeper into despair and economic turmoil.

A low economic growth rate, low productivity, exorbitant trade deficits, excessive foreign debt and other statistical indicators provide quantitative measures of what can easily be observed when approaching Haiti on board an airplane or by traveling in the countryside. The first sight upon approaching Haiti is the bareness of the mountains and landscape due to deforestation and soil erosion. As one travels from the capital city of Port-au-Prince to the rural areas of the country, one is immersed in underdevelopment.



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The roads are in serious disrepair. In 1999, it took six hours to travel approximately 125 miles from Port-au-Prince to Les Cayes. On the road from Les Cayes to Torbeck, in the southern part of the country, a farmer working on a very large rice field with a simple hoe is a common sight. On the road from Thomassique to Cerca-la-Source, in the central plateau, one frequently observes a farmer working on a large manioc (cassava root) field with a machete. The most visible signs of modernization are rural children and adults wearing T-shirts and sweatshirts with insignias of the "University of Miami and University of New Mexico." These items have found their way into the most remote towns of the country as part of the *pèpè*[21] phenomenon along with imported food products that are distributed in some towns by NGOs as part of the US PL 480 food programs.

Signs and evidence of the many years of governmental neglect and the fact that Haitian politics has never been an instrument for national development are visible throughout the country. Evidence of the Haitian non-developmental state is everywhere. Peter Evans defines the developmental state as one that has not only presided over industrial transformation but also played a role in making it happen (Evans 1995). Such states, for example Japan, Korea, and Taiwan, actively promoted development through public policies, governmental programs, and by actively engaging in the process of development and growth not just as custodians or regulators but as partners and players.

[21] *Pèpè* refers to used clothes and other second-hand consumer goods that are exported to Haiti by Haitian expatriates or sent to the country as charitable contributions. This phenomenon has essentially forced out certain significant artisan sectors such as custom tailoring and shoemaking.



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Dupuy defines the non-developmental state as a prebendary political system that cannot implement policies that are conducive to development and the promotion of general welfare without undermining the very sources of the wealth and power that its officials enjoyed (Dupuy 1997: 21). The non-developmental state lacks the institutional infrastructure or bureaucracy to prevent individual office holders or public servants from pursuing their own objectives to the detriment of the general welfare of the society. As such, the non-developmental state is incapable of devising policies or creating the necessary governmental infrastructure to promote development and economic growth. Haiti, like Mobutu's Zaire or Idi Amin's Uganda, is a classic non-developmental state (Dupuy 1997; Evans 1995; Lundhal 1992; Rotberg 1971). In fact the predatory or prebendary state exhibits all the symptoms of the non-developmental state. Additionally, many of the non-developmental states inherited structures from their colonial past that are not conducive to economic development. States such as Haiti have been unable to break from their past and devise the kind of public policies that could eventually lead to more prosperity for their citizens and put the society on the path toward development. Instead, they appear to be caught in a cycle where they keep repeating the practices of the past and recreating the old structures. In the case of Haiti, the incapacity of its political leaders and governing elites to break clear of the economic, political, and social structures inherited from its past is a major factor in the persistent underdevelopment of the country.

Quoting the 19th century German economist, Friedrich List, James Fallows argues that societies did not evolve automatically from agrarian economies, to



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mercantilism, to industrialization. Early industrial societies like England and the United States deliberately promoted manufacturing and set limits on foreign competitors (Fallows 1995). In Japan, the Ministry of International Trade and Industry (MITI) played a crucial role in that country's industrialization and prominence in the global economy. In Korea, it was the Economic Planning Board (EPB), and Taiwan had the Council of Economic Planning and Development (CEPD) (Evans 1995). In each of these cases, development was not automatic and was not a function of pure market behaviors but of intended national policies and direct government intervention.

The fact that successive Haitian political regimes have failed to articulate and implement appropriate development policies for the country created a vacuum that IDAs feel almost obligated to fill. They have become responsible for much of Haiti's development program directives and, by default, development policies. And since IDAs are not necessarily local implementation agencies, they rely on local private and public institutions to play that role. The incorporation of NGOs into the aid network in Haiti fits within this framework. NGOs in Haiti are what Terje Tvedt calls "development diplomats (Tvedt 1998).

**The Problem of Small Open Economies**

A January 2001 IMF report stated that Haiti is simultaneously the poorest country in the Western Hemisphere and ranked among its most open economies (IMF 2001). This statement inadvertently establishes a connection between the openness of the



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country's economy and poverty. Dupuy makes the connection between underdevelopment and the integration of Haiti into the global economy without the necessary internal policy structure. He argues that Haiti has been integrated into the capitalist world-economy as a peripheral economy unable to develop its own consumer and capital goods sectors (Dupuy 1997 and 1987). Dupuy was defining what Lance Taylor calls "the problems of small, open economies" (Taylor 1995). It particularly addresses the impact of economic structural adjustment policies on the political economic conditions of Caribbean and Latin American countries.

Structural adjustment policies call for small economies to strengthen their comparative advantage by adopting a series of austerity measures. International financial institutions (IFIs) have the primary responsibility for developing and implementing structural adjustment and globalization policies. Such international development policies are currently dominated by what Evans calls "the neo-utilitarian political economy" (Evans 1995). This view proposes the abandonment of the state as agent of development and promotes uncritical faith in the market and private sector as the alternative. A critical issue for small and open countries like Haiti is whether such international development policies could help them achieve the dual goals of attaining desirable structural adjustment and fostering long term development. In other words, can the dominant international development policies in small economies like Haiti result in improving balance of payments, decreasing inflation and stagflation, decreasing public deficits, and encouraging higher growth rates. Taylor shows that adjustment policies have not helped



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many developing countries to achieve growth and improve their economic standing. In the case of Haiti, Dupuy argues that adjustment policies will reinforce the extant structures of inequality in the country without overcoming dependency and underdevelopment (Dupuy 1997).

Taylor's argument is based on an analysis of the findings of a major macroeconomic study of 18 countries sponsored by the World Institute for Development Economic Research (WIDER). The analysis reveals that stabilization policy programs in developing countries are carried out by international financial institutions (IFIs), official development assistance agencies (ODAs), and local authorities. Additionally, the World Bank and the International Monetary Fund (IMF), the two leading institutions responsible for international development policies in developing countries, tie disbursement of the funds to programs that include the following measures:

1. Austerity measures
2. Revision of exchange rates
3. Monetary tightness
4. Policy aimed at improving economic performance
5. Income policies

Since the early 1980s, development strategies in developing countries have focused on a variety of export-led approaches. These are IMF programs, although some countries adopt them unilaterally. They require importation of capital goods and



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intermediate products from developed countries. This form of import substitution entails the replacement of final commodity imports with domestic processing activity dependent on imported raw materials and intermediate inputs. It requires substantial foreign exchange and it rarely includes machinery and equipment. Taylor explains that machinery and equipment comprise about half of the value of gross fixed capital formation in all economies.

Additionally, currency devaluation, an intrinsic component of current international development policies, results in increased import costs, which lead to higher prices. Taylor and other development economists argue that currency devaluation is contractionary in that it leads to falling real income and output as well as increasing unemployment. Taylor concludes that the WIDER and other macroeconomic studies of developing countries found that devaluation causes short-run stagflation, inflation and output contraction. In short, small and open economies face the following dilemmas: 1) they export agricultural commodities or labor directly in unstable global markets with declining prices; 2) they confront a period of import-substitution, which means that domestic activities require imported intermediate inputs; 3) they are foreign exchange constrained due to stagnant export revenue; and 4) food-supply lags due to bad weather, slow or negative productivity growth and population expansion (Taylor 1995).

In the early 1980s, USAID and other ODAs followed the lead of the IMF and the World Bank and attempted to stimulate economic development in Haiti through



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economic structural adjustment and import substitution. The new strategy called for the integration of the Haitian economy into the US market in a manner consistent with the goals of the Caribbean Basin Initiative (DeWind and Kinley 1988). The intent of the policy was to shift the focus of the Haitian economy outward to producing export goods for consumption in the US while the country imported most of its food, consumer goods and manufactured goods. In 1982, Marc Bazin[22], a former World Bank economist, was named Minister of Finance and was responsible for implementing the proposed reforms. The new development strategies did not gain momentum under the Duvalier regime and Bazin's tenure as Minister of Finance was short lived. After the demise of the regime in 1986, the international community through the IFIs and ODA intermediaries renewed the efforts to persuade the Haitian government to adopt more liberal economic policies. Between 1986 and 1989, a number of measures were taken that opened up the Haitian economy and ended many protectionist policies of the Duvalier regime, which included high tariffs on both imports and exports (Lundahl 1992)[23]. The protectionist measures, as Dupuy argues, benefited monopolistic interests of the Haitian private sector and the private interest of the political class at the expense of national development policy. During most of the Duvalier years, sugar, flour, rice and some other consumer goods were locally produced. Duvalier's protectionist policies were not necessarily development strategies but means of preventing competition between the local and

[22] Marc Bazin returned to Haiti in 1986 and formed the Movement for the Establishment of Democracy in Haiti (MIDH). He ran for president in 1990. He was appointed Prime Minister during the defacto military regime of 1991-1994. Marc Bazin is still the head of MIDH.
[23] Lundahl estimated the effective rate of protection ran as high as 100 percent on average. This reflects a nominal tariff rate of 200 percent in combination with other restrictions.



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imported goods. In 1986, the National Council of Government (CNG) restructured the import tariff rates and reduced them to an average of 20 percent and a maximum of 40 percent. Additionally, the CNG revoked the monopoly privileges of the publicly owned enterprises, which included a flourmill, a cement factory, and sugar and oil refineries. The new trade policies and liberalization of the Haitian economy resulted in less output. Within five years, all of the publicly owned manufacturing enterprises (oil, sugar, flour, matches and cigarettes) were closed or privatized. Haiti now imports most of the commodities that these enterprises once produced.

Prior to 1987, taxes on international trade were the largest single source of revenue to the Haitian government. In the early 1980s, almost 50 percent of government revenues were from taxes on international trade. By 1988, taxes on international trade had decreased to about 21.4 percent of government revenue. During that same period, taxes on goods increased from about 15.5 percent in the early 1980s to about 42.2 percent by 1988 (See Figure 7). In effect, imported goods became less expensive than locally produced goods. For instance, in 1998 the price of a cup of Haitian-produced rice in Les Cayes, Haiti's fourth largest city, was 11.50 gourdes[24], rice imported from Miami (known as Miami rice) was Gds 9.50 and Taiwanese rice was Gds. 7.50. The Haitian rice is still more expensive than the imported ones. In fact, local super markets are stocked with food and other primary products from the United States. Other food staples such as plantains, coconuts, and beans that Haiti used to produce in sufficient quantity are now being

[24] Gourde is the official Haitian currency. In 2001 US $1 was equivalent to Gds 24



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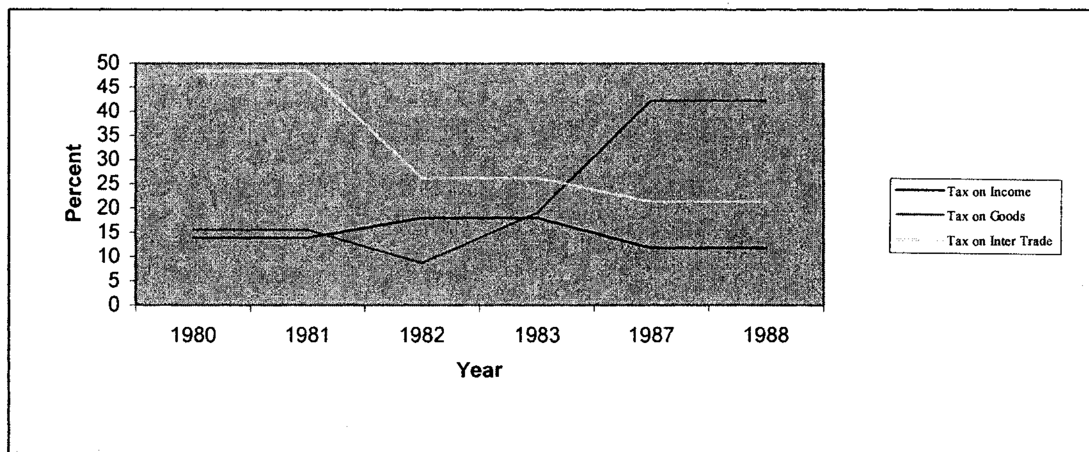
imported from the Dominican Republic. As the country levies heavier taxes on its locally produced goods, it imports more, the value of its currency falls, and its national debt increases.

Starting with the US occupation (1915-1934) of Haiti, the Gourde-- Haiti's currency-- was officially tied to the US dollar at the rate of five to one. On September 16, 1991, fifteen days before President Aristide was overthrown by a military coup, the central bank devalued the Gourde by eliminating the fixed exchange rate and discontinuing all operations at the official rate. The value of the Gourde decreased immediately. By 1992, the official rate was 9.09 Gourdes to the dollar. It has increased steadily since 1992 to 15.60 in 1996 and 16.80 in 1998 (See Figure 8).

Figure 7

Taxes on Income, Goods And International Trade

Haiti 1980 – 1988




Sources: IMF, 2001; UNDP 1990



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In 2001the Gourde dropped as low as gds 25 to the US dollar. In 2003, the Gourde reached an all time low at 44 Gourdes to the US dollar. As the value of the currency dropped and production remained relatively low, consumption increased, external debt increased, and the trade deficit expanded (See Figure 3).

Haiti's trade deficit fluctuated between 29 and 38 percent between 1980 and 1990. It remained below 30 percent during most of 1960 to 1970 period. By 1990, the trade deficit increased to 44 percent. In 1996, Haiti's trade deficit was 76 percent (Figure 3). Haiti imported most of its capital and consumer goods. During that same period, Haiti's national debt also increased geometrically. The national debt increased alongside the trade deficit. In 1970, Haiti had a national debt of $40 million. By 1980 and 1990 the debt increased to $302 million and 884 million respectively (Figure 4). The debt in 1998 was $1.1 billion while total government revenue in 1996 was $284 million and total government expenditure was $308 million. Haiti's external debt rose to $1.2 billion in 1999. The bulk of Haiti's debt (83 percent) is from multilateral sources including the IMF and IDB. The remaining 27 percent is shared equally between Paris Club[25] members and bilateral sources (IMF 2001).

The development strategies of the 1980s and 1990s were based on the notion that Haiti must exploit its comparative advantage if it is to stimulate economic growth and

[25] Paris Club is a group of 19 governments that provide loans to other countries and which agree to find coordinated and sustainable solutions to the payment difficulties experienced by debtor nations.



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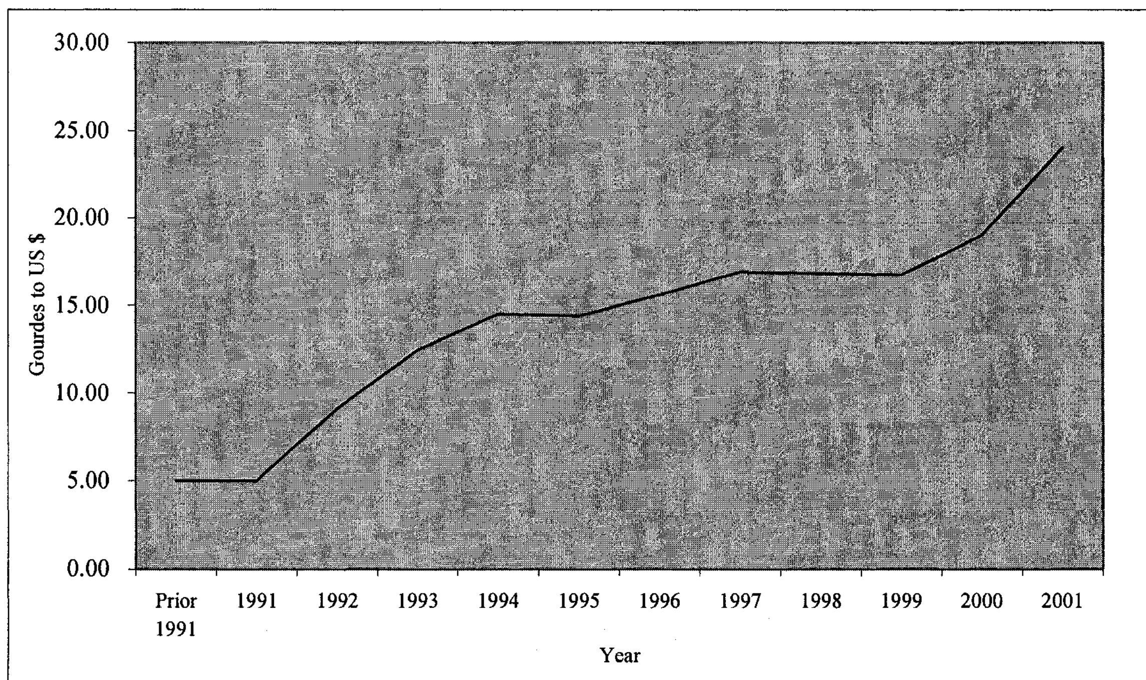
achieve prosperity. The IFIs and ODAs, particularly the World Bank, IMF and USAID, identified Haiti's low-cost labor force and favorable tropical agricultural climate as its primary comparative advantages (World Bank 1982). Their strategy attempted to develop the export potential of the assembly industry and production of coffee for the US market. That strategy was shifted to an export oriented approach heralded by the Reagan administration's Caribbean Basin Recovery Act or the Caribbean Basin Initiative (CBI).

Figure 8

Haitian Currency Exchange Rate

1991 – 2001




Sources: World Bank, USAID, US State Department



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The export-led strategy emphasized the use of Haiti's cheap labor to develop an assembly industry catered to the US market. Haiti did start to develop an assembly industry but the country was still primarily agricultural. Throughout the 1980s, the agricultural sector represented well over 70 percent of Haiti's total labor force. The industrial sector represented 6 percent of the labor force in 1960, 7 percent in 1965, 7 percent in 1980, and 9 percent in 1990. Agriculture is still the leading employment sector in Haiti followed by the service sector.

Attempts to integrate Haiti into the global market have succeeded in liberalizing the economy, as the IMF study clearly states, but they have driven the country deeper into despair and to some extent accelerated the underdevelopment cycle. This process of integration or international influence has taken different forms over the years and fostered different types of dependencies including the following: 1) dependency on foreign aid and debt to pay for local goods and services; 2) dependency on imports to meet local demands; 3) dependency on international organizations to resolve local political conflicts; and 4) increased reliance on NGOs to provide basic services. The increased role of NGOs in Haiti coincides with the opening not of the economy, but of the society itself and many of its basic functions. In effect, the non-developmental nature of the Haitian state is reinforced by its integration in the global political economy in a manner that is inconsistent with its economic development.



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**Government Responses to Haiti's Underdevelopment**

Addressing the root causes of underdevelopment in Haiti is listed as a priority in all government programs[26] between 1990 and 2001. The programs clearly identify the need to address the lack of political consensus, bureaucratic maladroitness, governmental incompetence and corruption, social inequalities, and economic despair. Combating underdevelopment, corruption and inequalities formed the core of the Lavalas platform in 1990[27]. Its vision was articulated in a document published in November 1990 entitled "*La Chance qui Passe*" or "The Passing Opportunity." It comprised a project for society, a political manifesto, and an outline of a general governmental program. It contained few specific strategies, but provided a framework for Lavalas to win political power and transform the structure of the state and use local resources as well the resources from Haitians in the diaspora to rebuild the country. The government was to be guided by principles of social justice, participation, and transparency through the application of the constitution and the law. In other words, the movement proposed the creation of a new state that would serve the nation and saw the presidency of Jean-Bertrand Arstide (1990) as the only mobilizing force that could lead to the realization of that goal.

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[26] Each prime minister designate has to present a general outline of the proposed program of the new government as a precondition for ratification by the parliament. It is not a policy statement or a programmatic agenda, but more of a statement of intent. It is more of a political orientation document than a plan of action.

[27] Operation Lavalas or the Lavalas Movement was formed in the spring of 1990 after Jean-Bertrand Aristisde decided to become a presidential candidate. A number of Haitian intellectuals joined the Movement and produced two documents to help guide the general program of an elected Lavalas government.



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The 1990 platform stressed the need to reconcile the nation with itself, a Haiti for all Haitians. It appealed for social and economic justice, and for the country to take control of its own destiny. It stated that the country was at the mercy of foreign donors and should develop new strategies in negotiating foreign aid and to redefine its relationship with its neighbors. It argued that development must take place within the context of an integrated regional strategy, decentralization, respect for the Constitution, recognition of the role of the Haitian diaspora, inclusion of the rural sectors, and reform of the public bureaucracy.

The first Lavalas government presented its political program before the Haitian Parliament for ratification (Presentation de la Politique Economique du Governement Lavalas, 1991). The program classified the causes of Haiti's underdevelopment in two major categories: the inability of the public bureaucracy to provide basic services to the population due to corruption and misappropriation of funds, and the lack of social consensus or persistent social divisions. The government also identified three additional conditions that must be addressed in order for development to take place. First, the new government proposed to address the non-developmental conditions of the Haitian state by decentralizing government services and activities and creating the legal and political infrastructure for the bottom-up democracy as envisioned in the 1987 Constitution (articles 66, 67, 71, 73, 78, 87). Second, the government envisioned the development and implementation of a literacy program by mobilizing professionals, teachers, and other educated individuals. Third, the government called for an agricultural reform to



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redistribute publicly owned land to landless peasants. The government also saw the need to address the divisions between the social classes, the divisions between the urban and rural sectors, and color divisions. It also acknowledged that NGOs could become partners in the development process. It alluded to the fact that NGOs could work on development strategies or objectives devised by the government.

The first Aristide government was installed on February 7, 1991 and it pledged to implement the Lavalas program. The government attempted to combat corruption, balance the budget, normalize the tax collection system, and assume control of state-owned enterprises. However, the leadership failed to understand that winning elected office was not equal to controlling the state apparatus, particularly the mid-level public managers, the rank-and-file and the military. Furthermore, a struggle for power soon began within the Lavalas Movement.

The first Lavalas government faced three major issues. First, it was not able to forge any broad societal consensus. The election of Aristide represented a consensus against the return of Duvalierism. Haitians knew what Lavalas was not but not necessarily what it was. The government was opposed by the remnants of the old regime and the Haitian elite. Second, the Lavalas government failed to understand the nature and legacy of the non-developmental state. The Haitian bureaucracy was dysfunctional at all levels and was corrupt from the bottom up. All the public institutions that were still part of *leta* were now threatened by the emergence of the *pèp* and the inevitable



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transformation of the Haitian state. Third, the Lavalas government did not devise any policies to address the integration of Haiti into the world system as a small open economy and to mitigate the impact of the structural adjustment policies. The government rhetorically and publicly linked the IFIs and ODAs to the international system of repression and inequalities while quietly negotiating with them. On September 30, 1991, seven months after his installation as Haiti's first freely elected President, Aristide was overthrown by a military coup that resulted in the death of more than 5,000 people and forced tens of thousand of Haitians into exile and internal displacement.

The program of the government fell within the context of the social, political, and cultural divides that are endemic to Haitian society. It did not constitute in practice a major departure from the state against nation paradigm. The *pèp* was now in power and was attempting to destroy *leta.* Strangely enough, the Lavalas government never really behaved as if it were part of the state. The President was perceived as, and acted as if he was the government and to many Haitians he was. That too was typical of previous governments. The majority of Haitians did see the Lavalas government as their government, however, and that was a significant change from the past.

**The Aristide-Malval Government**

Between 1991 and 1994, several pacts and accords were signed between the Haitian de facto military government, led by Lieutenant General Raol Cédras, and the



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Aristide government, which was in exile in Washington, DC. As Dupuy argues[28] (Dupuy 1997) the coup and subsequent negotiations forced the exiled government of President Aristide to accept a number of concessions as preconditions for its return to power in Haiti. The compromises included a series of political and economic restructuring propositions devised by the US and the UN, and were reflected in several policy documents published by the United Nations Development Program (UNDP) and the USAID.

The Aristide-Malval government (1993-1994) was the result of the US-UN sponsored agreement signed between General Cédras and President Aristide on Governors Island, NY, on July 3 1993. The accord, known as the Governors Island Agreement, was the first major development in the efforts to restore democratic rule in Haiti. The Agreement set the tone for further decisions and framed the issues that were to dominate the economic and political restructuring policies once democratic rule was restored. It included ten points that the consenting parties were to implement incrementally under the supervision of the UN. The first point was a statement of truce between the de facto and constitutional governments under the auspices of the UN and the OAS (Governors Island Accord 1993). The second and third points called for the nomination and confirmation of a prime minister. Upon ratification of a prime minister,

[28] According to Dupuy, the Governors Island negotiations were mostly between the Aristide government and the US and UN and not with the de facto government.



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the UN was to suspend the sanctions adopted by Security Council Resolution 841[29] and other embargo measures adopted by the OAS and the UN. The fifth point articulated several provisions for international cooperation on: (1) technical and financial assistance for development; (2) assistance for administrative and judicial reform; and (3) assistance for modernizing the military and the establishment of a civilian police force (the Governors Island Accord 1993). The sixth point called for a general amnesty for the perpetrators of the coup. The Agreement further called for the adoption of law for the creation of a civilian police force, the resignation of the Commander-in-Chief of the armed forces and lastly the return of President Aristide.

The Governors Island Agreement was connected to an Emergency Economic Recovery Program for Haiti prepared by the United Nations Development Program (UNDP 1993). The EERP was prepared by a commission consisting of representatives of Aristide's Presidential Commission, the IMF, the World Bank, the Inter-American Development Bank, the OAS and USAID. The EERP consisted of: (1) actions needed to reestablish a stable macroeconomic environment and an incentive framework for private sector development; (2) measures to begin promoting economic efficiency; (3) short-term programs to improve the social conditions of the population, with concentration on the most disadvantaged groups, employment creation and economic infrastructure; and (4) possible arrangements to channel effective external assistance (UNDP 1993: 2). In short,

[29] UN Security Council Resolution 841 imposed an embargo on Haiti in 1993-1994 on oil and arms and frozen of the assets of foreign bank accounts on certain Haitian nationals until the legitimate government of President Aristide is reinstated.



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the return of the Aristide government was linked to the implementation of economic structural adjustment policy in Haiti.

Following the Governors Island Accord, Robert Malval became Prime Minister, He claimed that he never had the full cooperation of President Aristide and his closest advisors (Malval 1996). The Malval government was never really functional. He also asserted that neither the President nor the military regime had any intention of respecting the conditions laid out in the Governors Island Agreement. The Malval government, like previous ones, had to present its general political program. The program of the government placed a strong emphasis on restoring the constitutional government and emphasized the need for economic and social justice.

The program of Prime Minister Malval had similarities with the program of the first Lavalas government as well as the Manifesto of the Lavalas Movement (La Chance qui Passe). The program focused on the decentralization of governmental functions and public participation as envisioned in the 1987 constitution, and the elimination of social divisions, injustices, and inequalities. The program also embodied a series of specific strategies to reconstruct the Haitian state. These actions included a) administrative reform; b) judicial reform; c) decentralization; d) police reform; e) professionalization of the military; and f) agricultural reform. The government also embraced the economic adjustment strategies articulated in the EERP.



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The Governors Island Agreement collapsed in October 1993 when the military government refused to abide by it. Two months later (December 1993) Malval resigned as Prime Minister. New strategies were devised to ensure that the government adopted the structural adjustment policies. Similar to the EERP that accompanied the Governors Island Accord, the U.S. intervention and the return of President Aristide in 1994 were preceded by a new round of programmatic strategies for economic, social, and political reconstruction. The USAID prepared a series of briefing papers that complemented the EERP and delineated the route to the economic, political, and social reconstruction of Haiti following the return of Aristide. Alongside the USAID papers was a proposed "Strategy of Social and Economic Reconstruction" (SSER) developed by members of the Aristide government. The SSER was presented to a panel of international donors and representatives of the international community at a meeting held in Paris in August 1994. The SSER proposed a $770 million reconstruction program to be implemented within the first eighteen months following the return of constitutional rule. The SSER included several significant social reforms. It concurred with other proposals that the military should be reduced or eliminated and be replaced with a civilian police force. Once again, it fell short, however, of addressing the structural causes of cultural, economic, political, and social inequalities in Haiti. Its main thrust was the implementation of economic reforms that included the privatization of public enterprises based on the notion that a vibrant private sector with an open foreign investment policy is vital for long term growth (SSER 1993).



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Following the restoration of the Aristide government, there were disagreements within the Lavalas movement as to what course was the most appropriate to address the country's economic issues. Privatization and the implementation of structural adjustment policies emerged as the most critical issue. Once again, there was no general consensus among the political leaders, private sector, and the rest of civil society on a general vision for the reconstruction of the society. President Aristide and his supporters openly criticized Prime Minister Smarck Michel for attempting to implement the policies articulated in the EERP, the USAID Briefing Papers, and the SSER. Smarck Michel was forced to resign in October 1995 and was replaced with Claudette Antoine Werleigh.

**The Werleigh Government**

In November 1995, Werleigh presented her program of government to the Haitian Parliament for ratification. She began by stating that "My government will engage in increasing the political space so that all Haitians can participate in the economic construction of the country and in the establishment of democracy" (Declaration de la Politique Generale du Premier Ministre Ratifie, 1995). She stated explicitly that each Haitian citizen will enjoy all the rights and privileges guaranteed by the Constitution and called for a national consensus. Attempting to mend the social divides and injustices endured by the majority of the population, Mrs. Werleigh's governmental program focused on:

1. Political justice— guarantee of political participation, respect for individual rights, freedom of opinion, expression, and gathering.



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2. Economic justice— as the axis for political stability and equitable redistribution of wages, social advantages and participation/sharing of profit by workers.
3. Social justice—Equitable sharing of the country's wealth with the peasantry, the slum dwellers, homeless and poor children.
4. Cultural Justice— A systematic effort to finance the promotion and utilization of Creole as the official language envisaged by the Constitution.

Werleigh's governmental program placed a strong emphasis on issues of justice and was much softer on economic and development issues. It addressed primarily the lack of consensus and the social and political divides and inequalities. Unlike the Malval and Michel governments, Werleigh downplayed the influence of adjustment policies. However, international development assistance to Haiti was still contingent upon the application of the economic and political reforms.

**The Second Lavalas Government**

René Garcia Préval was elected president of Haiti and took office in February 1996. The first half of the Préval government was marked by conflicts within the Lavalas sector, disagreements over macroeconomic policy, and power struggles among the political parties represented in the government. Although Préval ran under a coalition of political parties loosely linked to the Lavalas movement, he campaigned as Aristide's twin and not as a leader or representative of any political party. The majority of the deputies and senators were elected as members of the Lavalas Political Organization



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(OPL[30]). OPL was part of the coalition under which Préval ran. Aristide never endorsed OPL as the official Lavalas political party. Préval's first Prime Minister, Rosny Smarth, however, was a member of OPL.

In March 1996, Smarth presented his program before the Haitian Parliament. The program articulated the need for judicial reform as fundamental to the construction of democracy in Haiti and for guaranteeing civil and human rights. It affirmed the participation of the population in the political process as a precondition for an equitable and just society. The program of the Smarth government identified the following priorities for addressing the country's underdevelopment:

1) Administrative and institutional reform of the state bureaucracy;
2) Establish and guarantee a secure climate appropriate for justice and economic development;
3) Implement economic policies capable of reducing inflation; and
4) Focus on satisfying the needs of the population and promoting national integration (Enoncé de Politique Generale du Gouvernement de Mr. Rosny Smarth, 1996).

The recurring themes of the government were political participation, social, economic and political justice, economic development, and national integration. These themes reflect the historical divides and the root causes of Haiti's underdevelopment. In

[30] OPL changed is name in 1997 from Lavalas Political Organization to Organization du Peuple en Lutte (People in Struggle's Organization)



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actuality, the conditions of the society did not improve under Préval. The government was paralyzed by political strife between the two leading political parties, mainly the OPL led by Gérard Pierre-Charles and the newly formed *Lafanmi Lavalas* or the Lavalas Family, under the leadership of Jean Bertrand Aristide. Members of the government were charged with corruption and pilfering the public treasury. Certain members of the government and some of its closest associates were labeled "gran mangè" or "big eaters" while the conditions of the masses who struggled and suffered under the military rule continued to deteriorate. The cost of living continued to rise, crime and insecurity increased, the education system was in chaos, and the country sank deeper into despair. Some popular organizations that had connections to Lafanmi Lavalas orchestrated a number of strikes and demonstrations against the Smarth government and blamed the worsening conditions of the country on the neo-liberal economic policies of the government. Rosny Smarth was forced to resign in June 1996 and would not be replaced until February 1999. The Parliament, controlled by OPL members, rejected all three nominees for the post between June 1996 and February 1999. That left the country without an effective government for nearly three years.

In February 1999, President Préval suspended the Parliament and named Jacques Edouard Alexis as his second Prime Minister. Alexis was named only after the President dissolved parliament by claiming that the terms of the majority of the senators and deputies had expired. Alexis assumed the post and presented the political program of his government. The main tasks of the government were to:



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1) Take the country out of the political and institutional crises caused by the conflict and lack of consensus among the major political parties
2) Design a development plan to improve the living conditions of the population, and
3) Prepare the field for courses of action designed to have structural and multiplying impacts on national strategic sectors (Elément de Politiques d'Orientation de l'Action du Governement Jacques Edouard Alexis, 1999).

Haitian politics from 1990 to 1999 reflected a continuation of the lack of positive political consensus and the non-developmental characteristics of the Haitian state. Successive governments since 1990 have seemed to understand the need to address the root causes of Haitian underdevelopment in order to reverse the cycle of decline and despair. But they have accomplished virtually nothing in terms of actual programs to forge a national consensus and to foster a sense, as Michel-Rolph Trouillot states, "that everyone is on the same boat and that boat is not going to Miami" (in Rotberg 1997). Additionally, institutional and bureaucratic reform has been a permanent theme in all the governmental programs. However, no concrete measures have been taken to reform the institutions and create a climate that is conducive to development. The country has no independent economic policy. Economic policies are by default at the purview of the IFIs and the ODAs such as the World Bank, the Inter-American Development Bank, and the USAID. These institutions use NGOs as their implementation agents and contractors.



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## Conclusion

I have shown in this chapter that four factors among others have contributed to the Haitian non-developmental state: 1) the lack of political and societal consensus; 2) the lack of development policies and programs; 3) the integration of Haiti into the world economic system as a small, open economy without the appropriate internal development policies; and 4) external development policies that have adversely impacted the country. Various Haitian governments since 1990 have identified many of the root causes of underdevelopment in Haiti and proposed to address them in order to put the country on the path of development and social, political and economic progress. Respective governments failed to develop any policies or programs focusing on reversing the country's social, political and economic decline. Instead, they left the country's development programs in the hands of international development institutions, which for the past 15 years have been concentrating on advancing economic adjustment policies, trade liberalization, and a greater private sector role in developing countries. The growth of NGOs in Haiti coincides with the increasing role of international development and financial institutions in determining Haiti's development directions.

NGOs in Haiti will continue to remain ineffective as long as the country remains a non-developmental state. They will not gain the trust of the general public or their target population as long as they continue to be viewed as extensions or agents of the international development and financial institutions, or a part of the globalization process. Haitians from all social classes think that NGOs enjoy the same protection and privileges



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as other influential institutions that represent the power structure. They are suspicious of the role of NGOs in the country and wonder if they are part of the solution or part of the problem.

Large international NGOs that are integrated in the foreign aid system may not have a stake in seeing the Haitian non-developmental state changed. Many of them are service contractors within the aid allocation system and their relationship is with the donor agencies. Community development NGOs could contribute to changing the Haitian non-developmental state if they were part of a larger civic movement. They would not have the capacity by themselves to bring about the kind of political and social transformation necessary to turn Haiti into a developmental state.



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# CHAPTER 4

# THE NGO SECTOR IN HAITI

The previous chapter examined the Haitian non-developmental state and the lack of appropriate economic, political, physical and social infrastructures to support community economic development. It looked at the fact that Haiti lacks the necessary social, political and economic institutions necessary for long-term community economic development and sustained growth. These factors render it difficult for NGOs and community-based organizations to effectively promote or undertake durable and long term economic development activities. As a result, the country is seemingly locked in a persistent cycle of underdevelopment and decline, which is symptomatic of the non-developmental character of the state. Structural changes within the Haitian state are necessary in order for community economic development to take place and for the country to become more economically, politically and socially stable. Basically, the state must be transformed into a developmental state with the appropriate social, political and economic institutions in order to end the cycle of instability and decline. NGOs could play an important role in community development if they worked collaboratively with the government and other private and community-based organizations. But for this to happen, the country needs to have a political environment that is more conducive to development and the NGOs must also be willing to change the way they operate. This chapter analyses the NGO sector in Haiti between 1986 and 1997. It focuses on the number of NGOs in the country, their home bases, missions, and core activities. It examines the fundamental differences between small local community-based



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organizations and large international NGOs, as well as the connection between foreign aid and the growth of the NGO sector in Haiti. It explores the NGO sector in Haiti within the context of a public bureaucracy that does not have an effective system to monitor the general activities of NGOs and government regulations that favor large international organizations. Regulations have focused on providing import and other tax relief to NGOs and their non-Haitian staff. This chapter underscores the inconsistencies between what some NGOs identify as their core mission—the alleviation of poverty—and their main activities.

There are three main arguments in this chapter: 1) neighborhood/community-based associations that constitute the bulk of organizations classified as NGOs in Haiti are local organizations that lack the necessary financial, technical and human resources to be effective local development agencies, even though they tend to be more community based than their larger and international counterparts; 2) large international NGOs are an integrated part of the international aid network and have no locally based programs that can or have resulted in long-term community economic development ; and 3) the significant increase in the number of NGOs coincides with the demise of the Duvalier regime in 1986.

There are no exact or accurate counts of the total number of organization that are operating in Haiti under the NGO label. A 1997 World Bank Study estimated between 2,420 and 12,420 NGOs of various types were operating throughout the country and were



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engaging in a multitude of activities including healthcare, education, micro-credit, agricultural and development services. About 83 to 97 percent of the organizations estimated in the World Bank study were *gwoupman peyzan* (peasant association), *gwoupman katye* (neighborhood association) and other community-based associations (Morton 1997). Sauveur Pierre Étienne, in his 1997 study—*Haiti: the NGO Invasion*—cited sources that place the total number of NGOs in Haiti between 200 and 400 (Pierre Etienne 1997). In 1995, the Haitian Minister of Planning and External Cooperation (MPCE) reported that a total of 163 NGO organizations were registered with Haitian authorities. Between 1994 and 1997 an additional 85 NGOs formally registered with the Haitian government according to the MPCE NGO Coordinating Unit (UCAONG). The 1995 edition of the directory of the Haitian Association of Voluntary Agencies (HAVA) listed 265 organizations including 190 NGOs, 29 foundations, 19 associations, and 27 foundations/associations. In 1997, a total of 266 organizations were either registered with the Haitian Ministry of External Cooperation (MPCE) or listed in the HAVA directory as NGOs. Many peasant associations, neighborhood associations and other community-based organizations were not registered with the government or listed in the HAVA directory nor did they have legal status or governmental recognition. The HAVA and MPCE directories classified each organization by country of origin, primary activities, missions, and date founded or recognized by Haitian authorities.



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## Types and Number of NGOs in Haiti

NGOs in Haiti can be classified into three general categories: 1) community-based or grassroots organizations; 2) national or local NGOs; and 3) international NGOs. There are different types of NGOs within each of the three categories based on their primary activities. For instance, there are local as well as international NGOs whose primary focus is healthcare, human rights, or education. The grassroots and community based organizations are primarily involved in a variety of organizing activities including small scale economic development activities and micro-enterprises. According to the 1997 World Bank study, there were between 2,000 and 10,500 CBOs/GROs in Haiti (Morton 1997). CBOs/GROs are less likely to be registered with the authorities or be listed in the HAVA directory. There are no accurate counts of the number of CBOs/GROs in Haiti. Some CBOs/GROs, particularly peasant cooperatives, have well established organizational and membership structures. Many other CBOs/GROs are spurious organizations with no structures or community support or regular bases of financial support. A limited number of them receive financial technical support from organizations such as SEED/Haitian Development Fund, Grassroots International, Oxfam, and other US-, Canadian-, or European-based organizations. There is no formal account of the level of financial assistance that CBOs/GROs or other NGOs in Haiti receive from local or international sources. The financial reporting system at the UCAONG at the Ministry of Planning and External Cooperation is very rudimentary and only the larger international NGOs file financial and operating reports. The reports are



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often incomplete and they do not include the total amount and sources of the all the funding that these organizations receive.

International NGOs include medium size and large foreign organizations engaging in projects such as food aid, environmental protection, health, small loan programs, human rights, and a variety of other social services. No NGOs are involved in significant community and human development programs such as housing, environmental conservation, business development, and long term job creation, job training or workforce development—the kind of programs that can actually transform the lives of poor Haitians and their communities. A total of 100 of the 266 NGOs that were either registered with the MPEC or listed in the HAVA directory were foreign organizations. Foreign NGOs include groups such as ADRA, CARE, World Vision International, Oxfam, CRS, Pan American Development Foundation, HELVETAS and others. International NGOs are externally funded and many are part of international aid networks.

In 1997, a total of 148 of the 266 organizations listed in the directories were local or national NGOs. They included social services, rural development and health services organizations. The Center for Health and Development (CDS) was a well known Haitian NGO in the 1990s. The Haitian Committee for Development (CHDEV) and the Funds for Rural Development (FONDEV) were examples of national NGOs. In contrast, local NGOs are primarily fledging and unstable organizations with limited resources.



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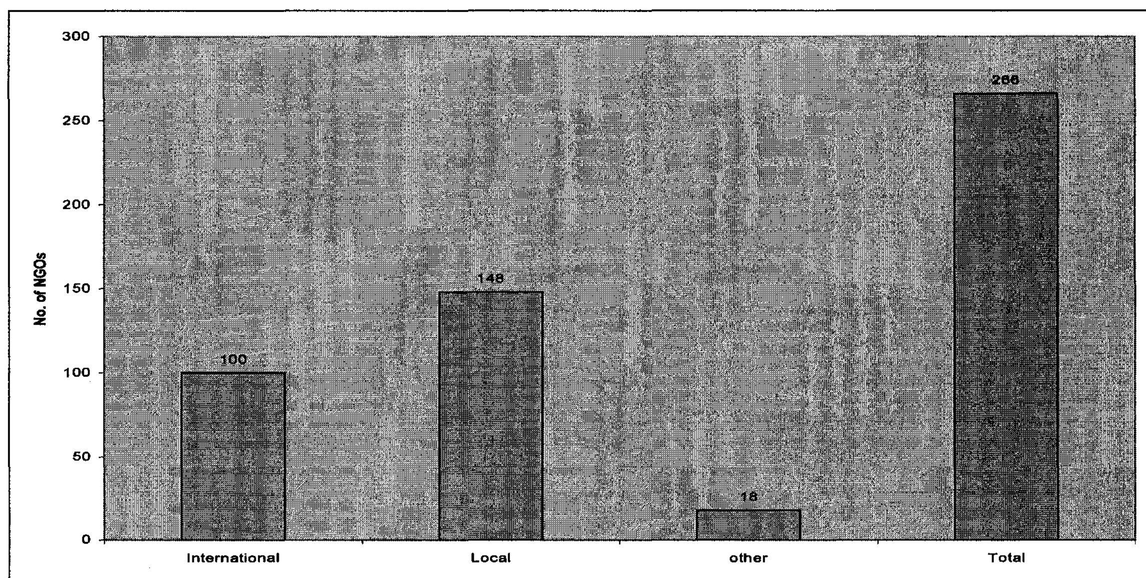
About 38 percent of the 266 organizations were international NGOs and represented 11 different countries including the US, Canada, France, Switzerland, England, Spain, and Belgium. International NGOs are headquartered in their home countries with field offices in Haiti. There are several small organizations that were created by Haitian expatriates. Many of these organizations are also small and fledging, which received much of their support from regional Haitian associations[31] in the US.

Figure 9

Types of NGOs in Haiti, 1997




Sources: HAVA Directory; HMPEC

[31] Regional associations are organizations of Haitians from a specific region in Haiti. They raise funds to support projects in the region where they members are from.



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Some of the largest NGOs in Haiti include Adventist Development and Relief Agency (ADRA), Catholic Relief Services (CRS), Centre Canadien d'Etudes et Cooperation Internationale (CECI), Cooperative for American Relief Everywhere (CARE), International Planned Parenthood, Pam-American Development Foundation, Save the Children, and Helvetas. The large NGOs are those with large contracts with official development agencies such as USAID and the Canadian Development Agency. That list is constantly changing based on organizations with large contracts. Faith-based organizations also represented another 25 percent of the total organizations that were registered with the government and were listed in the HAVA directory in 1995 in the MPEC-UCONG listing in 1996.

The United States, Canada, and France had the largest number of NGOs in Haiti. US-Based NGOs represented 49 percent of all international organizations and 20 percent of the organizations registered with the government or listed in the NGO directory. Canada followed the US with a total of 12 organizations or 12% of all the foreign NGOs in Haiti. France was a distant third with 7 organizations that were either registered with the Haitian government or listed in the HAVA Directory (Figure 10). The US-based NGOs are the largest and most influential organizations in Haiti.

Only 76 NGOs registered with the government prior to 1986. The number of registered NGOs jumped to 150, nearly doubling between 1986 and 1996 (Figure 11). This number does not include for instance some 15,000 ***gwoupman*** (peasant



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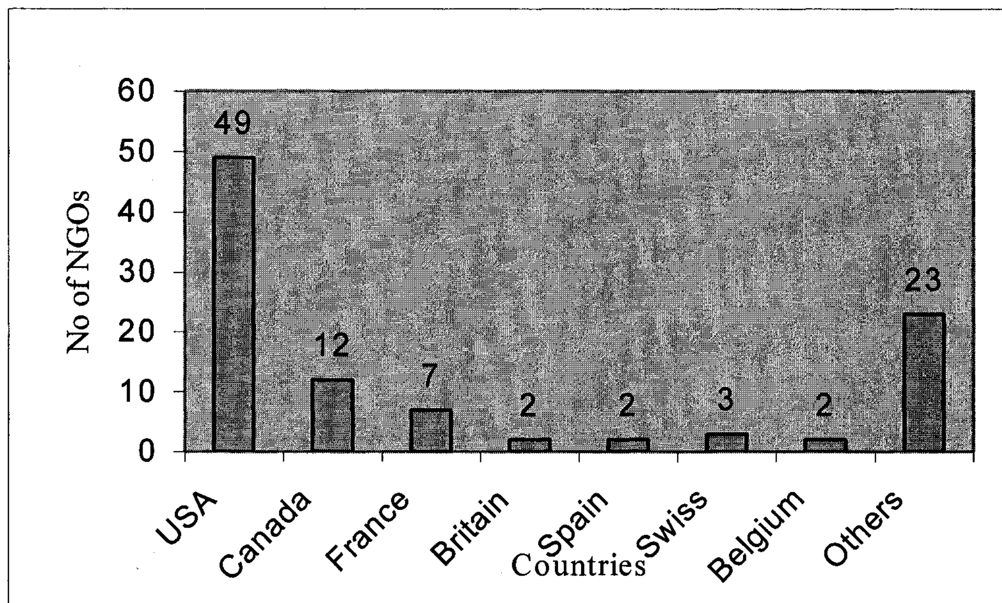
organizations) that were part of the ***Mouvman Peyizan Nasyonal Kongre Papay*** (MPNKP), the largest national peasant organization in the country and the other CBOs and GROs that the 1997 World Bank Study estimated and which were not registered with the government or listed in the NGO directory. The significant increase in the number of local and international NGOs that registered after 1986 coincides with the demise of the Duvalier regime and the emergence of the vibrant civic sector that followed. As Pierre-Etienne argues, the growth of the NGO sector in Haiti was motivated in part by the opening in the Haitian political space caused by the demise of the authoritarian regime of Jean-Claude Duvalier in 1986 (Pierre Etienne 1997).

Figure 10

NGOs Headquarters

Haiti, 1997




Sources: HAVA Directory and Haitian Ministry of Planning and External Cooperation



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The failure of Haitian governments to meet the demand for the services that NGOs provide, as Smillie and Helmich (1993) have suggested, is not sufficient to explain the rapid development of the NGO sector in Haiti after 1986. The Haitian non-developmental state as described in the previous chapter is caused by persistent and historical governmental failures or interventions that resulted in greater social costs than benefits to the society at large. Dupuy illustrates this point when he describes Haiti as a prebendary state or a system in which those who held office or political power lived off politics at the expense of the whole society (Dupuy 1997). Fatton later describes the Haitian state as the historic "paradigmatic predatory state" (Fatton 2002). The Haitian state has never been responsive to the needs of the population or formulated policies or implemented programs that resulted in the greatest benefits for the majority of the population. The opening in the Haitian political space after the fall of the Duvalier dictatorship created an environment that allowed the development of NGOs and other civic organization in Haiti.

The opening of the Haitian political space after the fall of Duvalier coincided with a general shift in the allocation of foreign aid. In 1982, the US congress decided to channel development assistance directly to NGOs in order to bypass corrupt and ineffective government agencies (DeWind and Kinley 1988). In the mid 1980s, more foreign aid was being channeled directly to NGOs and by-passing governments in less developed countries. This shift was consistent with policies influenced by the "Washington Consensus," which stressed economic growth and development through



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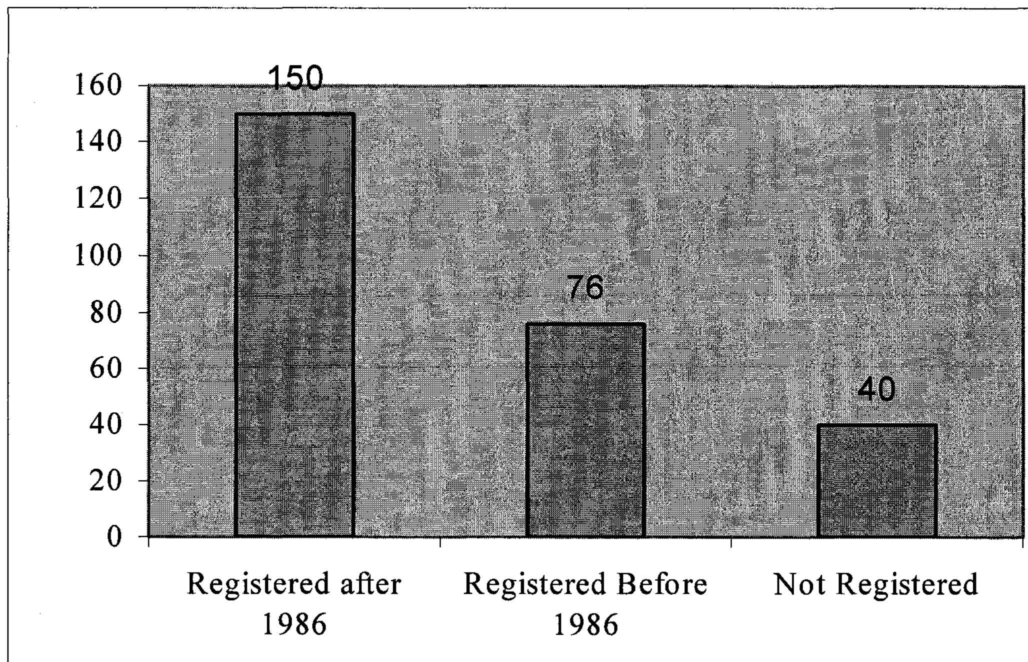
trade liberalization, privatization and freeing-up markets (Stiglitz 2002). The relationship between foreign aid allocation and NGOs in Haiti will be analyzed later in this chapter.

Figure 11

Number of NGOs in Haiti
by Registration Status, 1997




Sources: HAVA Directory and Haitian Ministry of Planning and External Cooperation

**Regulatory Biases**

Haitian government officials and other key actors noticed the increasing significance of NGOs in the country and the capital resources and influence that they enjoyed. In fact, the NGO sector in Haiti is generally viewed as "the state within the state." Some government officials see NGOs as extensions of the international community and part of a deliberate effort to undermine the Haitian government.



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Government responses since 1989 have consisted of a series of decrees which defined NGOs, established criteria for recognition, and identified the tax privileges to which NGOs were entitled.

A 1996 Haitian government decree defined NGOs as "non-profit civic and political organizations that are permanently constituted to pursue durable human development objectives in collaboration with and for the benefit of the concerned population" (MPCE-UCAONG 1996:5). A previous decree issued on 14 September 1989, which is still in effect, defines NGOs as: " non-profit civic or political organizations that are pursuing development objectives at the national, departmental, and local levels and allocated the resources to realize the objectives" (Etienne 1997: 61). According to several MPCE-UCAONG employees, the decrees were part of the Haitian government's response to the growing number of international NGOs in Haiti after 1986 and their demand for customs and tax privileges. The decrees entitle NGOs that are recognized or authorized by the government to the following benefits:

1. Exemption from taxes on revenues and salaries
2. Free customs and import on all personal items belonging to foreign employees of NGOs.
3. Customs and import tax exemptions on all food and pharmaceutical products.
4. Customs and import tax exemptions on all agricultural, educational and medical equipment, supplies and materials.



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5. Customs and import tax exemptions on all art and craft supplies, materials and equipment.
6. Free customs on all moving vehicles and office supplies and equipment.
7. Customs and import tax exemptions on all mechanical equipment, electro-mechanic, and electronic parts (MPCE-UCAONG 1996).

International NGOs and their non-Haitian employees have customs franchise and are exempt from income and most import taxes on items they need to work and live in Haiti. For an NGO to receive these benefits, it has to be registered and recognized by Haitian authorities. The registration criteria and recognition process are designed for the international and local NGOs that need the import benefits. There are no incentives for small NGOs and community-based organizations to go through the lengthy and complex legalization process since they cannot use the tax benefits. On the other hand, the tax benefits are crucial for the more established international NGOs. One NGO reported the following inventory in its 1998 annual report filed with the MPCE-UCAONG: 45 jeeps (4 x 4 all terrain vehicles or SUVs), 14 trucks, and 19 motorcycles. During the same year, another NGO listed among its inventory 115 computers, 114 printers, 31 generators, 84 air conditioners, and 18 photocopiers. These items are not readily available in Haiti and were most likely imported.

The need for import partly explains why many international NGOs sought legal status. A total of 78 of the 100 foreign NGOs that are registered with either HAVA or



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with Haitian authorities are recognized and have legal status. On the other hand, the 127 local NGOs that are duly registered represent a very small fraction of the local NGOs. Based on the World Bank estimate, between 1 percent and 6 percent of local NGOs are duly registered. In order for an NGO to obtain legal status in Haiti, it must: 1) be recommended by two recognized and functioning NGOs or by a bilateral or multilateral agency; 2) have at least Gds 50,000 (US$ 10,000 in 1986) in an Haitian bank account; and 3) UCAONG analysts stated that the organization has to be in operation for a minimum of two years (MPCE-UCAONG). Prior to applying for formal recognition, a group must first seek local recognition by the communal administration in each commune in which the organization intends to operate. Local community-based NGOs lack the financial resources and organizational capacity to meet all of the legalization criteria, which are explicitly intended for international and large local NGOs.

The registration process is arduous for small grassroots and community-based organizations. They need legal, financial and technical assistance in order to go through the formal process. SEED/Haitian Community Development Loan Fund provided financial and technical support to over 30 community based cooperatives in Haiti between 1999 and July 2001. None of them was formally registered with Haitian authorities. The organizations understand that it is important for them to be properly



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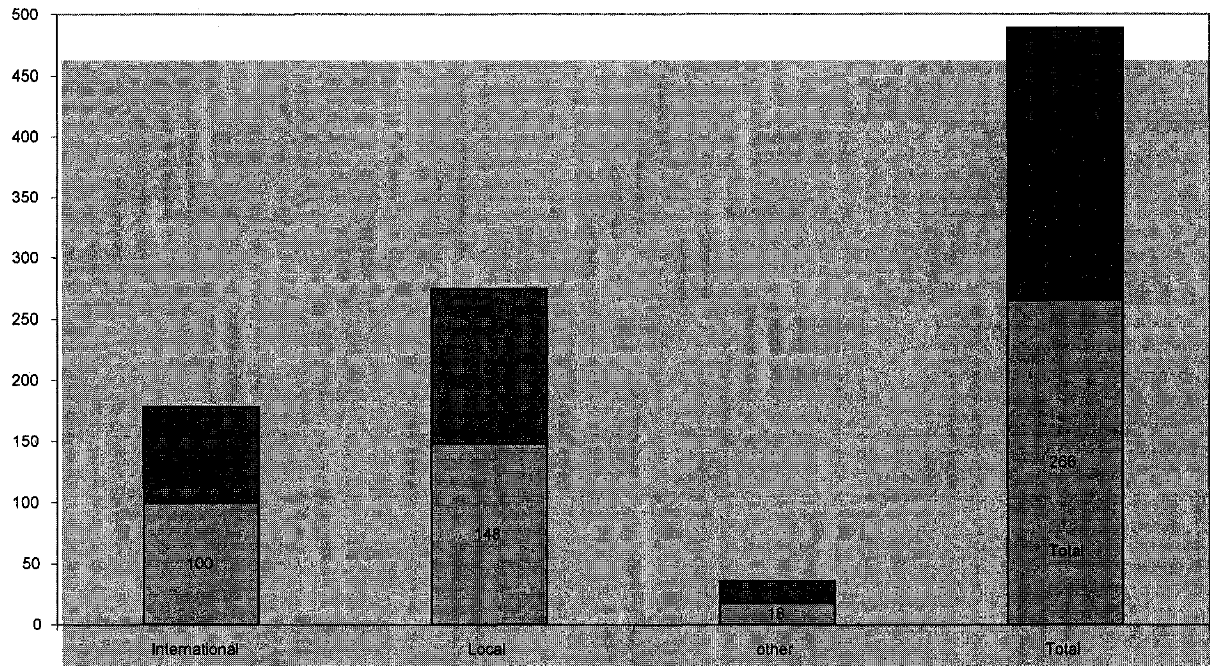
Figure 12

NGO Legal Status by Types

Haiti, 1997




Sources: HAVA Directory and Haitian Ministry of Planning and External Cooperation

registered and to obtain legal status. They simply did not have the capacity or the resources to go through the process. Philosophically and politically, they would like to operate within the framework of established laws and regulations, but they do not have the organizational and financial capacity to go through the process. Peasant and grassroots organizations see the complex legalization process as part of the governmental structure that discriminates against the poor and the peasantry as well as marginalizes



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them as the quintessential *"moun andeyò*" or outsiders. Part of their vision of a new Haitian state is one that will value the work that they do and will recognize and support their contribution.

The legalization problem is widespread among small local NGOs in Haiti. One of the most respected and effective Haitian human rights organizations opened an office in Haiti in 1992. The organization immediately filed for legal recognition. More than 12 years later, the organization still had not received legal recognition from the government. The fact the country has been politically unstable exacerbated the problem. As the executive director of the organization explained, there is no institutional memory or bureaucratic continuity from one government to the next.

**Mission of NGOs in Haiti**

Small local and large international NGOs in Haiti share similar missions in that they both claim to focus on ameliorating the conditions of the poor and underserved population in urban and rural areas. Large relief agencies such as CARE, ADRA and CRS place a strong emphasis on improving the conditions of the poor and disadvantaged. For instance, Catholic Relief Services (CRS) was founded in 1943 by the Catholic Bishops of the United States to assist the poor and disadvantaged outside the country" (CRS). CRS started its operation in Haiti in 1954. CARE's mission "is to help the poor in less developed countries and in their efforts to achieve social and economic well-being and to support the process that would develop local competence and self-sufficiency"



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(CARE). Both CARE and ADRA arrived in Haiti 1959 in the aftermath of Hurricane Hazel.

A 1996 World Bank survey of 100 local NGOs shows that their primary organizational missions fall within 19 areas. As shown in Table 3 below, community development was the most frequent mission cited by the 100 organizations surveyed. It was identified by 33 organizations as part of their primary mission. Ameliorating the conditions of the community and population was the second most frequent mission of the local organizations. Services for women was the third most frequent mission of the local organizations. Community-based and grassroots organizations in Haiti aspired to address both the need of the physical community as well as the conditions of the individual, while the large international NGOs tend to focus more on improving the lives of individuals. The missions of the local organizations include elements of place-based strategies intended to address and improve the social, political, and economic conditions of people within a particular community. For instance the Peasant Movement of Papay (MPP) has been focusing on community development in the town of Papay, near Hinche in the Central Plateau. MPP initiated several development and micro projects in the locality including a brick factory, stores, craft shops, a clinic, and a small food processing outlet. The organization also developed a meeting center in Papay fully equipped with a large community room, dormitories, cafeteria, farms and other facilities. On the other hand, the international agencies tend to be national or regional and more oriented toward service delivery. In 1997, CARE's primary service area was the Northwest of Haiti. ADRA was



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responsible for the Artibonite region, the North, Northeast and West. CRS covered the Southern Peninsula. These organizations provided health, nutritional, educational and other services to the population within their primary service area.

Table 3

Missions of Haitian Local NGOs

| Mission of Haitian NGOs N=100 | | |
|---|---|---|
| **Missions** | **Frequency** | **Percent** |
| Ameliorating the conditions of the community/population | 20 | 17 |
| Children Services | 5 | 4 |
| Community organizing | 7 | 6 |
| Community Development | 33 | 28 |
| Elderly services | 1 | 1 |
| Fight for Justice | 1 | 1 |
| Health | 3 | 3 |
| Help the poor | 6 | 5 |
| Help the population | 7 | 6 |
| Help families with children | 1 | 1 |
| Human development | 7 | 6 |
| Merchant organizing | 4 | 3 |
| Micro credit | 5 | 4 |
| Research | 1 | 1 |
| Security | 1 | 1 |
| Social/political issues | 3 | 3 |
| Strengthen state institutions | 1 | 1 |
| Women services | 9 | 8 |
| Youth services | 3 | 3 |

Source: World Bank Haitian NGO Sector Study, 1997

Many of the issues that the local organizations identified in their missions including community development are macro issues that require human and financial



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resources as well as sufficient physical and policy infrastructures. Such systems are weak or non-existent in Haiti. When they do exist, as in the case of foreign aid and technical assistance from international institutions, they are not accessible to most local grassroots and community-based organizations. The organizations exhibit inimitable understanding of the issues and challenges they face. They emphasize the inequalities and disenfranchisement of the peasants and the urban poor, the lack of adequate political representation, economic opportunities, access to credit and capital investment. Other aspects of the organizations' missions include the need for micro credit, security for community residents, community organizing, justice, and various other social issues.

**Activities of Local NGOs**

Local NGOs, according to the World Bank survey, identified seven primary activities in which they would like to engage: a) economic improvement; b) education; c) health; d) infrastructure improvement; e) services to the poor; f) improving the condition of women; and g) improving the condition of children. The activities are consistent with the mission of the organizations (Figure 13). Haitian NGOs linked community development to economic improvement, education, health improvement and infrastructure improvement.



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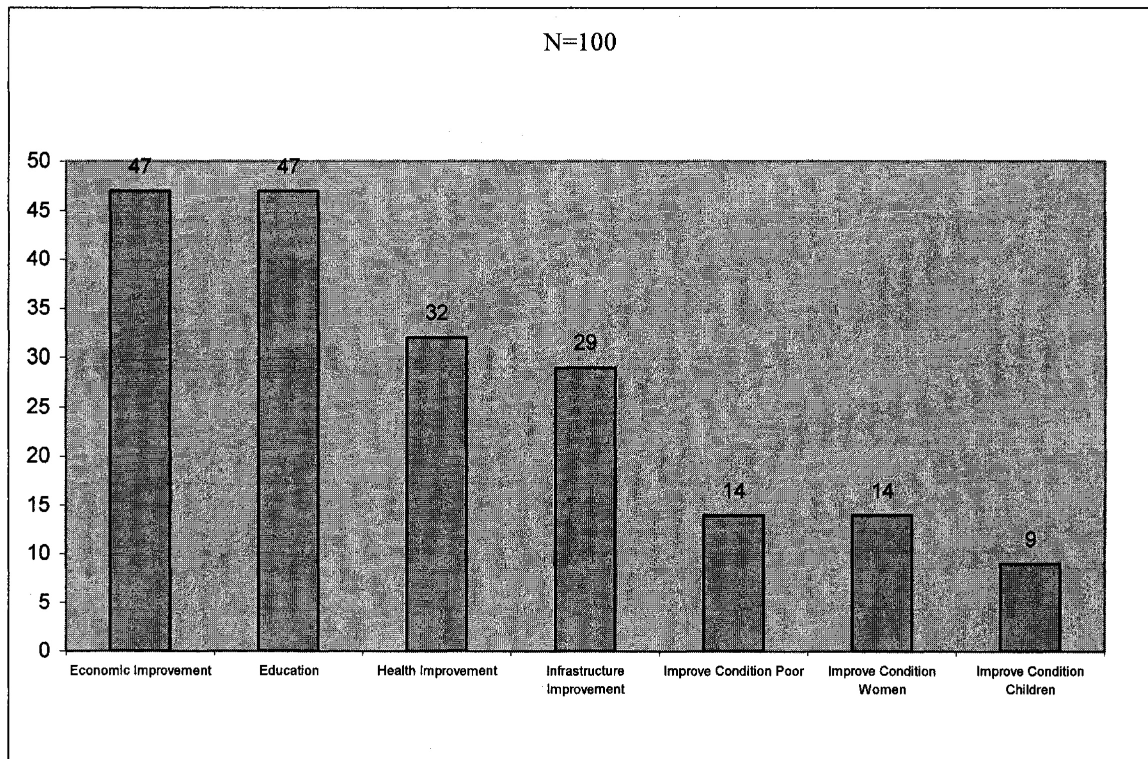
Figure 13

Haitian Local NGOs Core Activities




Source: World Bank Haitian NGO Sector Study, 1997

Most of the organizations (47) identified economic improvement and education as their primary activity. Health improvement and infrastructure improvement represented 32 and 29 percent of the activities of the organizations respectively. Improving the conditions of the poor, women and children constituted 14 percent, 14 percent and 9 percent of the primary organizational activities.

Major discrepancies exist between the mission of the local organizations, their activities and project implementation or effectiveness. Number of projects implemented,



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beneficiaries per project, and project expenditures are key indicators of organizational effectiveness. The 100 organizations surveyed have implemented an average of 1.95 projects in 6 years and served an average of 468 people. The average population size of the organizations' service areas is about 5,918 people. The organizations had an average project budget of 5,157 Haitian Gourdes or about US $300 in 1997. Based on the number of projects implemented and the size of their budget, Haitian NGOs cannot be very effective in achieving their reported missions or carrying out their activities. In 1995 the Haitian government allocated an average of Hgds 37,684 or US$ 2,617 to the 100 organizations surveyed. Average direct expenditure in 1996 amounted to Hgds 125,304 or US$ 7,414. Membership contributions equate to 65 percent or Hgds 80,887 of the organizations' average direct expenditure in 1996. Only 20 of the 100 organizations surveyed had bank accounts. In effect, the organizations relied on their beneficiaries or residents of their service areas to support their operations. The effectiveness of Haitian NGOs is hampered by the apparent lack of financial resources and support.

Human capital in the form of educational attainment of staff and their skills and experience, is an important indicator of organizational capacity and the ability of an organization to carry out its mission and objectives. Due to their superior budgetary capacity, international NGOs have been successful in attracting some of the better educated and more experienced Haitian workers. Many Haitian NGOs do not have sufficient budgets to attract qualified staff. A survey of 472 local NGO employees conducted by the World Bank as part of the NGO Survey, shows that only 18 percent of



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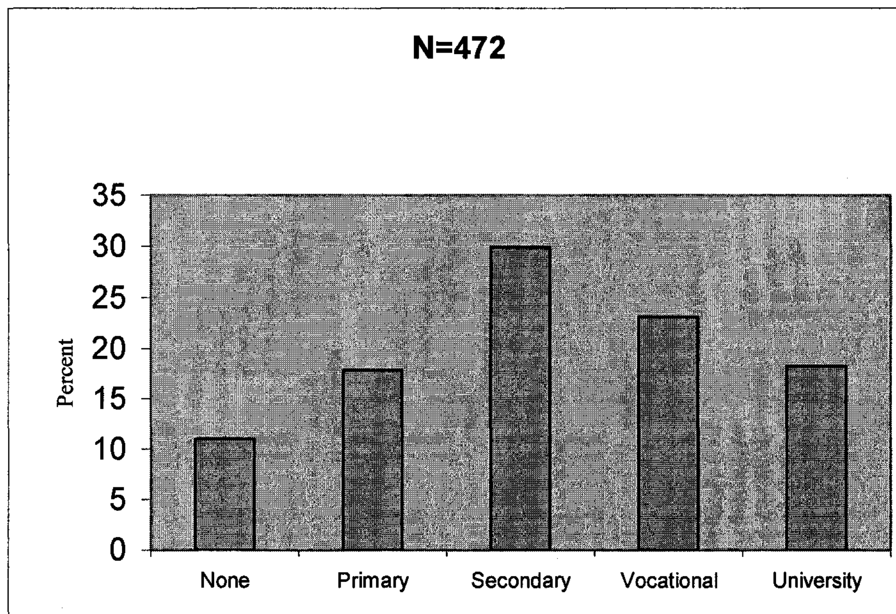
employees had the equivalent of a college or university education. A total 48 percent of employees had a primary or secondary school education, 23 percent had vocational education, and 11 percent reported that they had not completed primary school (Figure 14).

Figure 14

Haitian Local NGO Employees
Education Attainment, 1997




Source: World Bank Haitian NGO Sector Study, 1997

Many local NGO employees are experienced community activists with an average of five years experience. Their community activism is valuable and essential to the work of community-based and grassroots organizations. They have been at the forefront of the Haitian popular movement and the struggle for democracy, social and economic justice.



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Their community experience alone is sufficient for sound non-profit management and to establish the kind of the credibility necessary for funding and fundraising. However, lack of resources has made it very difficult for these organizations to make the transition from activism to professionalism.

Two major factors hamper the capacity of local NGOs and prevent them from becoming effective in conceptualizing and implementing local development projects. The first factor is the lack of access to financing for general operation and project support. Three interrelated factors lead to the lack of financial resources available to local NGOs: 1) the Haitian government does not have a general policy of supporting local non-profit organizations; 2) there is no philanthropic tradition in Haiti and the few foundations that exist in the country don't have a practice of supporting CBOs, particularly rural organizations; 3) international NGOs, donors and organizations support only a very limited number of Haitian NGOs with which they have had previous relations and that are well established. The second factor is the inability of the Haitian organizations to professionalize their operation by attracting a competent and educated staff. Lack of support, however, is a fundamental handicap for local NGOs with regard to their ability to conceptualize and develop projects.

**Community Participation**

Local NGOs are generally organizationally driven and offer few opportunities for community input or participation in governance and decision-making. This is a paradox



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since these organizations emerged out of the struggle for social justice and self-determination. The World Bank survey shows that all major decisions are made by the organizations and their members with little input from the community at large. This is true in the South and Central Plateau. Residents that are not members of the organizations tend not to participate in meetings, and organizations do not solicit community input. In fact, these organizations do not hold community meetings at all, but rather membership meetings. How residents become members of the local NGOs is a subject that warrants further investigation.

Project identification, priority identification, and community representation in governance, such as boards of directors and other governing bodies, are three factors that can help to determine the level of community participation in an organization. A total of 91 percent of the 100 local NGOs surveyed stated that project identification is done by the organizations or their members. The priorities of 83 percent of the organizations are set internally or in collaboration with their members. More than half of the organizations (58 percent) stated that they set their own priorities without any input from their membership. Additionally, 38 percent of the organizations surveyed do not have boards of directors, which means that they may not have any form of community participation at all (Figure 15).



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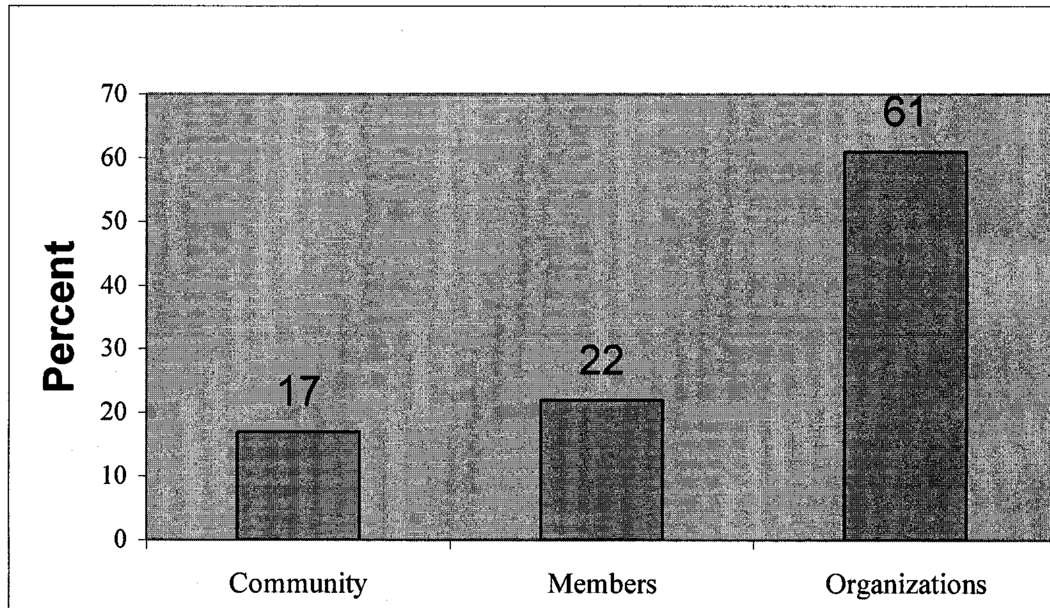
Figure 15

Project Priority Setting Process
Haitian Local NGOs, 1997 (N=100)



Source: World Bank Haitian NGO Sector Study, 1997

Local Haitian NGOs exhibit a number of important characteristics. First, they are class-based in that their membership consists of people belonging to the same socio-economic classes. Even in the rural areas the social classes do not mix and members do not belong to the same organizations. Second, the organizations are community-based in that they are formed around specific community or group interests. Many of the peasant organizations emerged from the struggle against government and class exploitation, structural neglect and mere disenfranchisement. Third, they are not organized in a manner that promotes community empowerment although their programs could benefit the general community. There is no community input in project selection or setting



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project priorities (Figure 16). An agricultural cooperative in the town of Terrier Rouge, in the Northeast, was able to secure several acres of land from the government and secured financing and technical assistance from SEED to farm the land. Within a year, the coop was able to produce a number of crops that were rare in the town. The entire town benefited from the work of the coop. The group became influential in the region and several other coops wanted to replicate its successes. However, because community organizing in Haiti tends to be partisan and member-oriented, several coops in the region were not able to collaborate and perhaps exert greater influence on the government or achieve more victories and greater protection for the whole community.

Individually local NGOs do not have the political, financial, human and technical capital to fulfill their missions and to achieve their basic community economic development objectives. Some organizations, as in the case of the Terrier Rouge coop, have had some limited gains. These successes cannot be sustained without the basic political, financial, organizational and physical infrastructure necessary to sustain such activities. Local NGOs also need basic governing structure, such as functioning board of directors. Many of these organizations lack appropriate governance (Figure 17).



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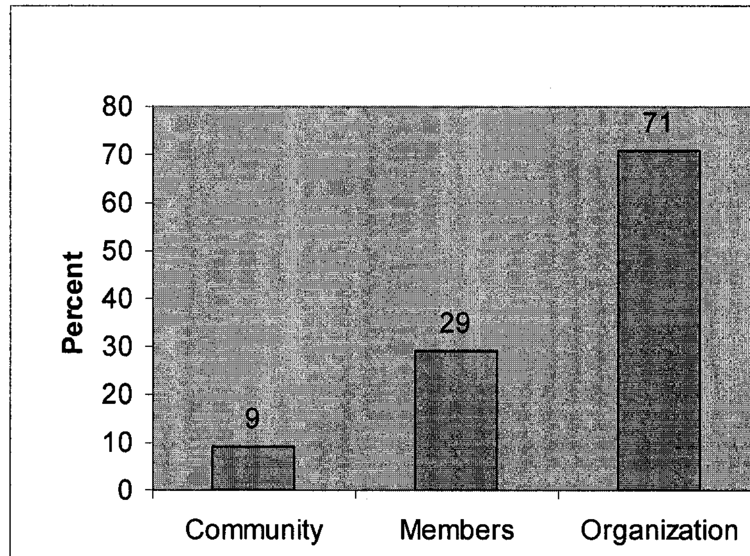
Figure 16

Project Selection Process

Haitian Local NGOS, 1997 (N=100)




Source: World Bank Haitian NGO Sector Study, 1997

The lack of local resources to support community-based development efforts in Haiti compels local organizations to seek aid externally in order to sustain their activities and operations. Like international NGOs, local NGOs are also dependent on external financial support from philanthropic, aid agencies and other international financial institutions. This is consistent with the argument that the global political economy determines the nature and potential of grassroots mobilization worldwide (Fisher and Kling 1993).



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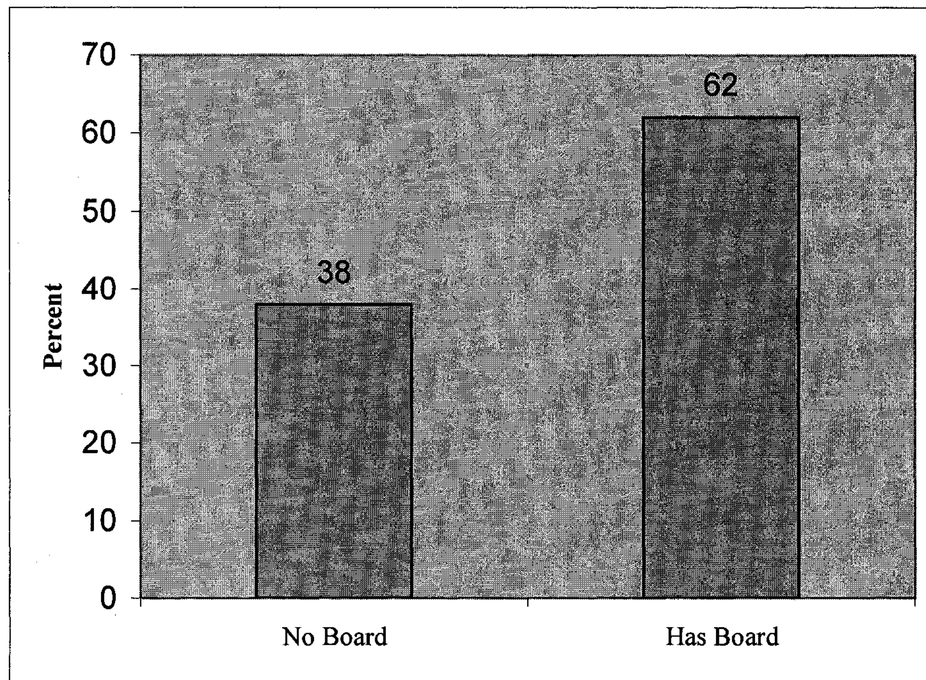
Figure 17

Haitian Local NGOs with Reported Board of Directors

1997 (N=100)




Source: World Bank Haitian NGO Sector Study, 1997

The necessary preconditions are not present for local Haitian NGOs to realize their missions. They lack political and economic support. The Haitian government and private sector do not view the local NGOs as partners in the development process. Haitian NGOs have the noble goal of improving the economic, education, health and infrastructure to meet the need of disenfranchised Haitians but without the means for such an accomplishment.



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## International NGOs

In 1998, 100 international NGOs either registered with the Haitian government or were listed in the HAVA Directory of NGOs. Almost half (49 ) of the international NGOs were US-based organizations, while 12 percent and 7 percent were Canadian and French organizations, respectively (Figure 18). Coincidentally, the three countries with the greatest number of NGOs in Haiti were also the largest bilateral aid donors to the country. US, France and Canada are historically the largest and most consistent donors of foreign aid to Haiti. Both Germany and Spain are significant donors to Haiti as well, but their level of aid to Haiti has not been as consistent as the previous three. Between 1987 and 1997 average bilateral aid to Haiti amounted to $225 million. Aid from the US accounted for 66 percent of total bilateral aid to Haiti during that period followed by France and Canada with 13 percent and 7 percent, respectively.

## International and Large NGO Activities

As part of the legal registration process with Haitian authorities, NGOs identify their core activities. NGO activities are also described in the HAVA Directory. The activities are self-described and one organization could be engaged in multiple activities. However, the chart in Figure 19 depicts what NGOs registered with the Haitian government or listed in the HAVA Directory identified as their primary activities. Thus, each category is mutually exclusive. Eight out of ten NGOs registered with the Haitian government or listed in the HAVA Directory in 1997 were engaged in either social service delivery or development.



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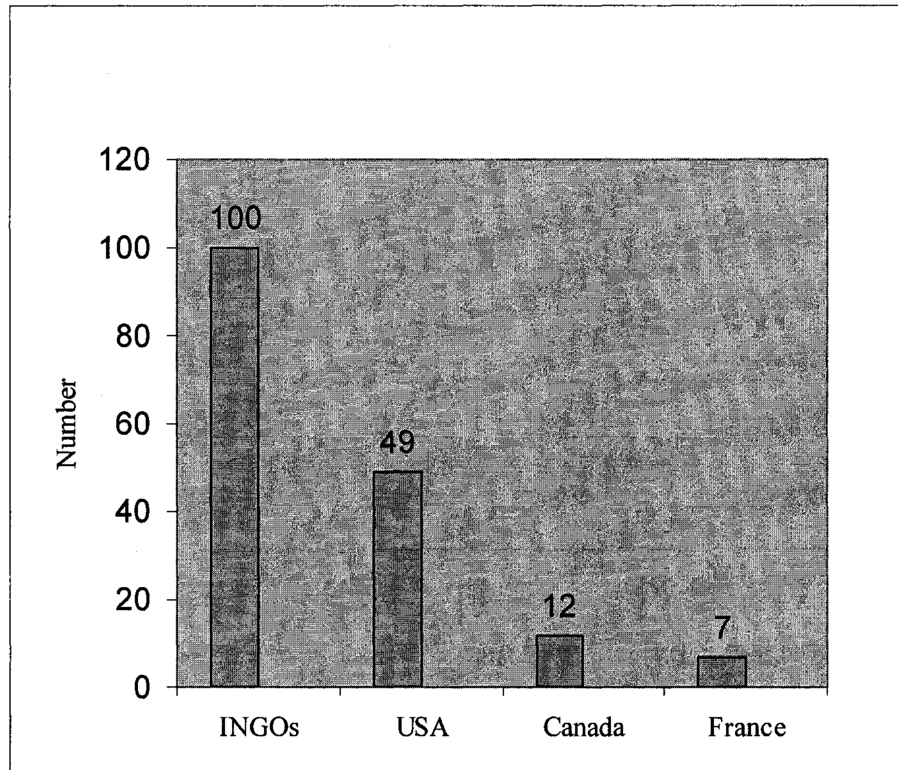
Figure 18

International NGOS in Haiti, 1997




Sources: HAVA Directory and Haitian Minister of Planning and External Cooperation

About 34 percent of the organizations were engaged in various forms of social services while another 28 percent identified social services and development as their core activities (Figure 19). Organizations that listed both social services and development as their primary activities tend to focus more on social services and less on development activities. Groups that listed development as their primary activity represent 18 percent of



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all the organizations. Health and education represented 8 percent and 3.5 percent, respectively.

Few of the registered NGOs have undertaken significant development projects in Haiti. The kind of projects that could result in job creation, income generation, wealth creation, physical development and other economic and social activities to meet community needs and change the social and economic conditions of the target population. The economic development activities that they have undertaken were micro credit and technical assistance to grassroots and community-based organizations. Organizations such as Protos and Oxfam ran a number of small scale development projects including fishery and agricultural production. Some NGOs were involved in the development of artesian wells and the construction of latrines. These activities were listed as development. These activities were not on a scale to have a real impact in the communities where they were being implemented.

Larger international NGOs such as CARE and CRS operated a number of development projects in Haiti (MPCE-UCAONG). They included food security, agricultural income generation, energy substitution, and small business development. Both the CARE and CRS projects were primarily health related and food security. The food security program in the Northwest and Grand-Anse, based on the NGO's project information, were aimed at increasing family income and improving access to economic opportunities (CARE). All of the projects were funded as part of the foreign aid



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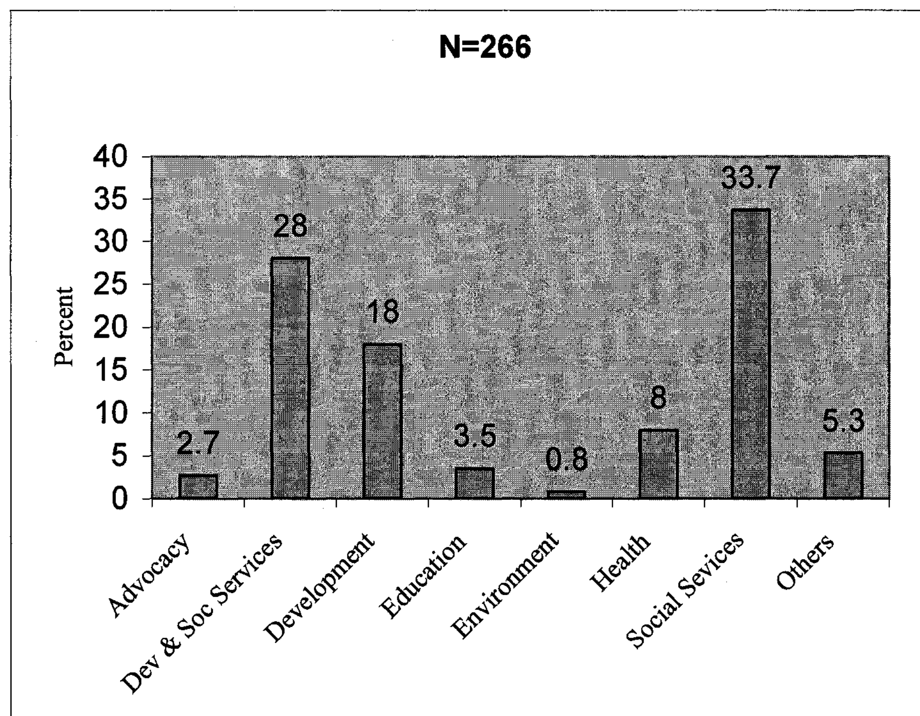
allocation to Haiti. The CARE and CRS projects were funded by US AID. In fact foreign aid has become the primary funding source for NGO projects in Haiti.

Figure 19

Reported Activities of International and Large Haitian NGOs, 1997




Sources: HAVA Directory and Haitian Minister of Planning and External Cooperation

After 1986, Haiti experienced an increase in foreign aid allocation from the US, Canada and the European Community. A significant portion of that aid was channeled directly to NGOs. Average annual foreign aid allocation to Haiti between 1980 and 1986 was $134 million. It increased to $186 million between 1987 and 1991 or by 39 percent from the previous seven years. The level of foreign aid to Haiti dropped significantly



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during the three years of military rule that followed the overthrow of the constitutional government of Jean-Bertrand Aristide in September 1991. During that three year period average annual aid allocation to Haiti was $132 million, a decrease of 29 percent from the previous four years. The military regime did not receive any direct foreign aid. Aid to Haiti was channeled directly to NGOs. Upon restoration of the Aristide government in October 1994, foreign aid to Haiti jumped to $557 million from $113 million the previous year. From 1994 to 1997, the international community allocated an average of $522 million annually to Haiti (Figure 20). President Aristide was restored with a military intervention of 20,000 US troops. The costs of the intervention and subsequent military activities between 1994 and 1997 were included in the foreign aid allocation. Secondly, allocated funds are not always disbursed. It is difficult to determine how much of the total foreign aid allocation was actually disbursed. For instance during the military regime (1991-1994), foreign aid allocation to Haiti averaged $132 million and as a State Department official stated, all of the aid was channeled through NGOs. The US allocated an average of $41 million to Haiti during the military regime and $21 million, or about half, went directly to NGOs (Figure 21). It is not clear if, how, and to whom the second half of the allocation was disbursed.

Foreign aid allocation to Haiti increased steadily during most of the 1980s. The number of registered NGOs increased significantly in the mid 1980s. A total of 16 NGOs registered in Haiti between 1980 and 1983. Thirty (30) NGOs registered in 1984 alone.



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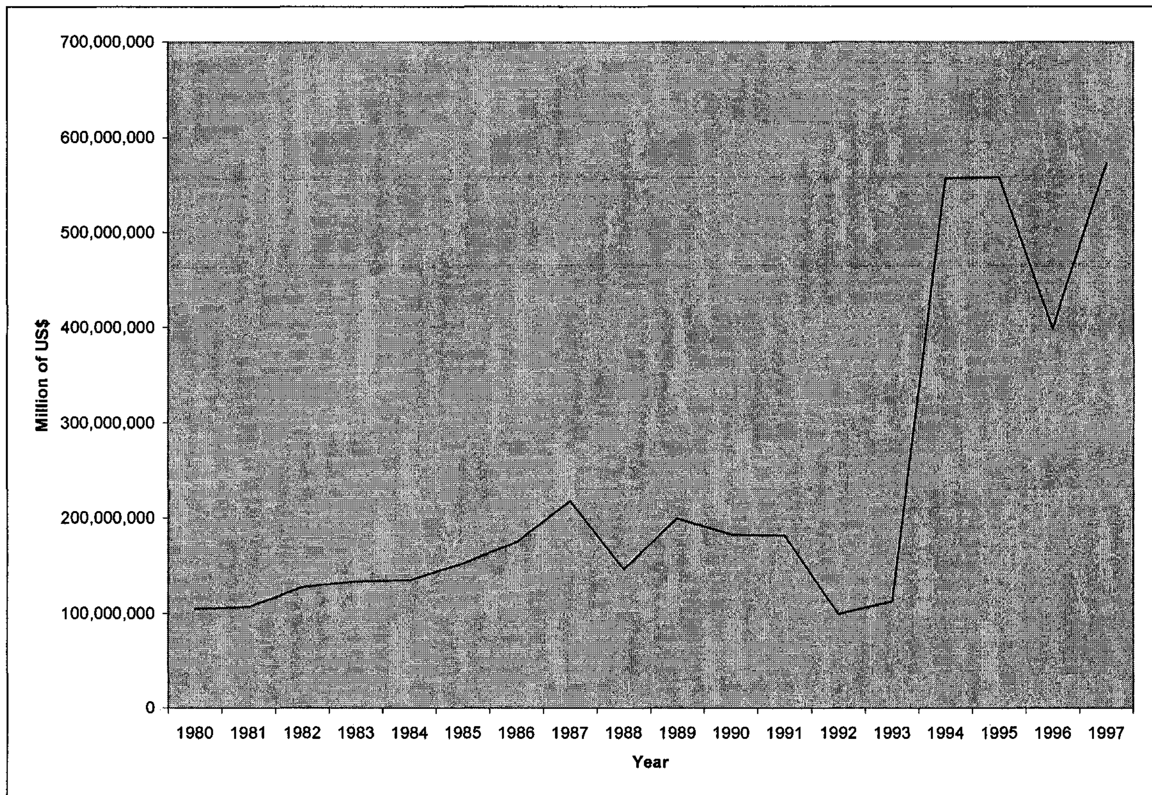
Figure 20

Foreign Aid Allocation to Haiti, 1980-1997




Sources: USAID & OECD, 1980-1997

In 1982, the US Congress decided that US development assistance should be channeled directly to NGOs/PVOs in order to bypass ineffective host-country government agencies and to emphasize grassroots development (DeWind and Kinley 1988). In the following two years (1983 and 84), an unprecedented 41 NGOs registered in Haiti. Of the 226 formally registered NGOs in Haiti in 1997, a total of 16, or about 7 percent, did so before the US congressional decision to channel development assistance directly to NGOs. Between 1983 and 1989 foreign aid allocations to Haiti increased steadily with the exception of 1988 when it dropped by about 33 percent. During that period, Haiti



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experienced the largest growth in the number of registered NGOs (see Fig.). During the military regime (1991-1994), both foreign aid allocations and the number of NGOs registered decreased significantly. Both numbers increased again between 1995 and 1997.

The data in Figure 21 below show a three-way relationship between the NGO registration, foreign aid allocation, and Haitian political climates. During the Carter administration (1977-1981) and for most of the early 1980s, the US pressured the Duvalier government to undertake some political reforms, improve its human rights record, and create a more open society. As the Haitian government was being compelled to allow a freer society, the US congress was also shifting development assistance away from ineffective government agencies and toward NGOs. Simultaneously, the number of NGOs seeking legal recognition in Haiti increased geometrically. With the departure of the Duvalier regime in February 1986, aid allocation continued to increase and the number of registered NGOs followed. In November 1987, the Haitian military sabotaged the presidential election and held a sham election in which Leslie Manigat was elected and installed as president in February 1988. The US and others suspended aid to Haiti, total aid allocation declined, and NGO registrations dropped as well. In December 1990, Jean Bertrand Aristide was elected president in internationally monitored elections deemed "free and fair." He assumed office in February 1991 and was overthrown seven months later. The Haitian military ruled from September 1991 until October 1994.



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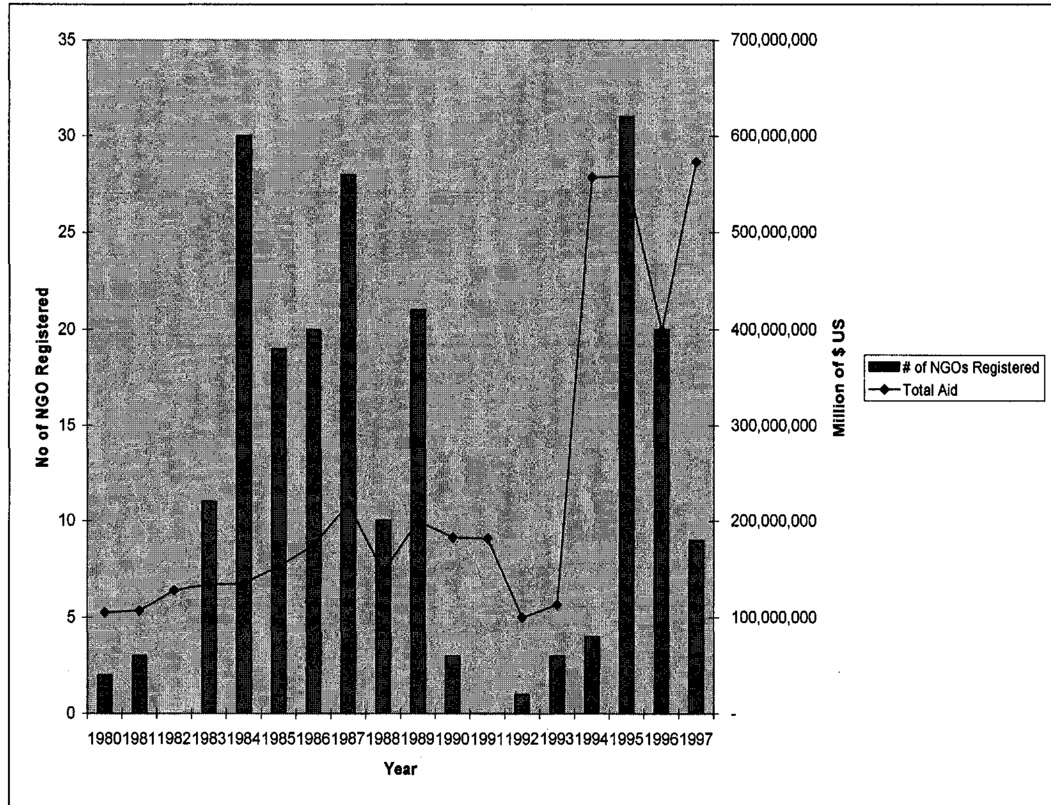
Figure 21

Foreign Aid Allocation to Haiti & NGO Registration

1980 – 1997




Sources: USAID, OECD, HAVA, HMPEC

During the military regime, aid allocation toward Haiti fell to pre 1980s levels and was channeled to NGOs, the political climate was very repressive, and NGO registration declined significantly. In October 1994, military leaders were forced out by an international military intervention led by the US and the constitutional government was restored. Aid allocation increased exponentially and 31 NGOs registered in 1995, the largest number ever to register in Haiti in a single year.



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**Foreign Aid Allocation and NGOs**

During the 1990s, Haiti was widely described as a "Republic of NGOs" (Maguire et al 1996). NGOs were contracted to undertake a variety of projects throughout the country and became the primary recipient of foreign aid in Haiti. Substantial contracts were awarded to NGOs to implement education, health, nutrition, and food security projects. Some NGOs received contracts from USAID for development economic recovery programs and to generate new sources of employment. Contracts were also awarded to foreign agencies to manage programs or to provide various forms of technical assistance in Haiti. The actual amount of the total foreign aid allocation that went directly to NGOs between 1986 and 1997 is not readily available since many of the foreign aid sources do not publish that data. The amount of US and Canadian aid allocated toward NGOs is published by the Canadian International Development Agency (CIDA) and USAID.

Between 1986 and 1997, Haiti had a total foreign aid allocation of $3.4 billion of which $2.1 billion or 62 percent was allocated between 1994 and 1997. The costs of the 1994 military intervention and post intervention were included in the aid allocation to Haiti. The bulk of these allocations defrayed expenses associated with the international military presence in Haiti. However, the US and Canada contributed 32 percent and 7.4 percent respectively of the total aid allocation to Haiti between 1994 and 1997. From 1980 to 1985, Canada channeled an average of 26 percent of its Haitian aid directly to NGOs. In 1986, about 50 percent of Canada's aid allocation went directly to NGOs.



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From 1986 to 1990, an average of 43 percent of Canadian foreign aid went to NGOs. Between 1991 and 1995, there was a sharp decline in the level of Canadian aid channeled through NGOs. It remained below 10 percent between 1995 and 1997. The amount started to increase again after 1996. A high level of the foreign aid to Haiti between 1994 and 1997 was in the form of direct military and other governmental assistance. The actual amount of aid from Canada that went to NGOs remained stable at about $2 million between 1993 and 1996. It went up to $3 million in 1997 (Figure 22.)

Canadian allocations to NGOs reached a peak in the years leading to the departure of the Duvalier regime and remained at about 40 percent until 1991. Allocations continued to drop under the 1991-1994 military government. Canadian aid to Haiti during that period was relatively constant at $15 million to $20 million. The funds did not go to the military government but were funneled through CIDA often in the form of financial contributions to existing programs, technical support, skills, or equipment. Furthermore, about 70 cents of every official development assistance dollar was returned to Canada through jobs and the purchase of Canadian goods and services or consultation with partner agencies (www.acdi-cida.gc.ca). The fact that the level of Canadian aid to NGOs declined does not indicated that a larger share went to the Haitian government. That was clearly not the case between 1991 and 1994 when the country was under a UN and OAS embargo and the international community suspended all foreign aid to the military government.



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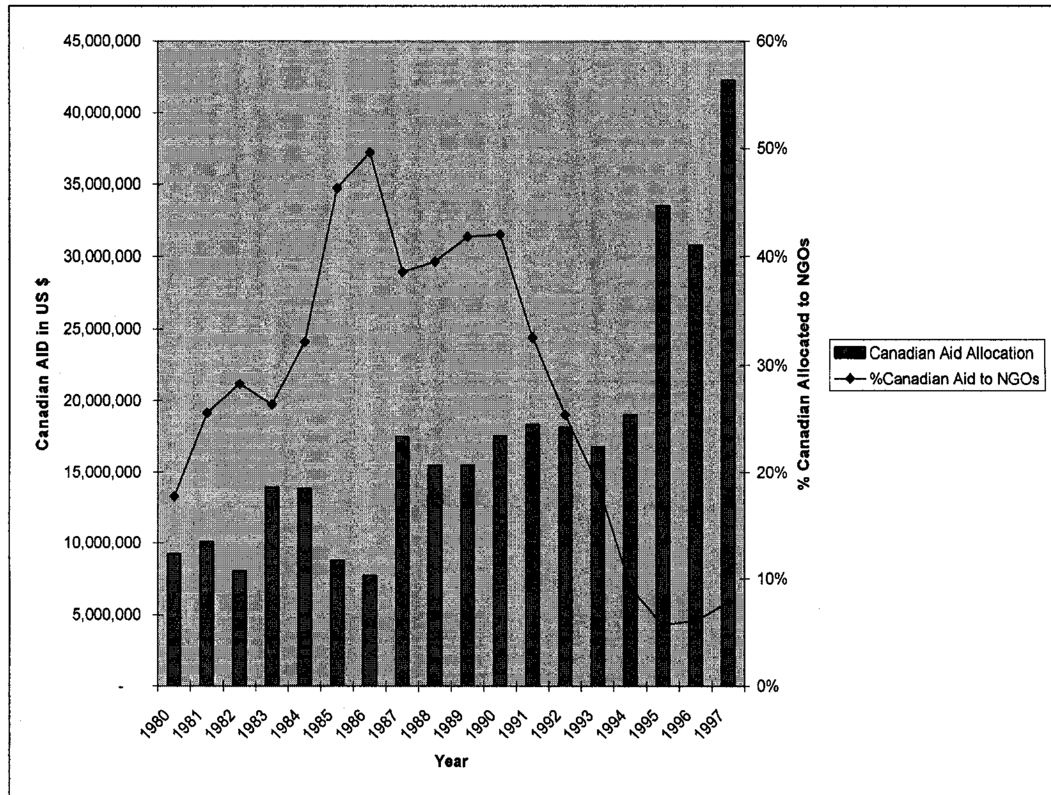
Figure 22

Canadian Aid Allocated to NGOS in Haiti, 1980-1997




Sources: Canadian International Development Agency, USAID

The allocation and distribution of US aid through USAID between 1980 and 1996 shows a different and perhaps a clearer picture of the relationship between foreign aid and NGOs. During that period, US aid allocation to Haiti averaged approximately $23 million annually. The amount allocated to NGOs represented between 15 and 26 percent of the total US aid allocation to Haiti. From 1991 to 1993, virtually all of the US aid to Haiti was channeled through NGOs. Total USA aid channeled through NGOs went down to about 40 percent in 1994 and 20 percent in 1995. It increased to 60 percent in 1996 (Figure 23). The relationship between US aid, NGOs and Haitian politics is much



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stronger. During the military government, all of the US aid went directly to NGOs. The proportion of aid channeled through NGOs decreased after the constitutional government was restored in 1994.

US bilateral aid to Haiti was administered primarily through USAID and took various forms including direct financial assistance, contracts with NGO partners, consultants, equipment and project or consultant costs that USAID incurred. USAID relationship with NGOs has been in the form of actual project or consultant contracts. In 1996 for instance USAID had active contracts with NGOs for over $170 million, excluding contracts with private firms and consultants.

The five largest USAID-NGO contractors with active contracts in 1996 were:

- International Planned Parenthood-- $25,398,050
- International Organization for Migration--$21,329,449
- CARE-- $19,731,377
- Pan American Development --$18,727,662
- Inter-American Institute for Cooperation—$11,601,617 (USAID 1995-1996 Yellow Book)

USAID contracted with Planned Parenthood to provide assistance to increase the availability and effectiveness of family planning services delivery in Haiti. This was the



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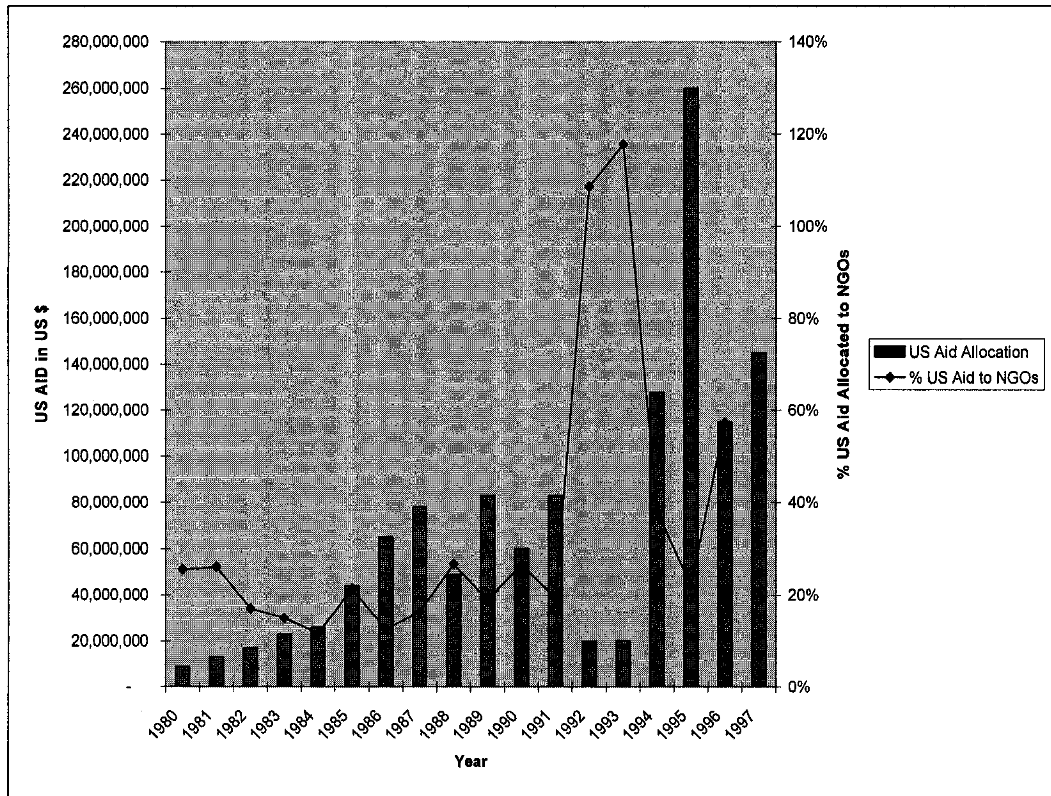
Figure 23

Us Aid Allocated to NGOs in Haiti, 1980 – 1996




Source: USAID

largest NGO contract listed in the 1995-1996 USAID procurement book. International Planned Parenthood (IPP) is the world's largest reproductive care organization. It established an affiliate organization called *Association pour la Promotion de la Famille Haitienne* (PROFAMIL—Haitian Family Planning Association), which provided a wide range of reproductive health services including sterilization methods in clinics in four major cities.



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The International Organization of Migration (IOM), based in Washington, DC, received a two year Contract from USAID in the amount of $21,329,449 for 1994 and 1996 to facilitate community initiatives that emphasized the restoration of democratic principles at the local level (USAID 1995-1996 Yellow Book). In fact the IOM's primary task was to provide former members of the Haitian military, disbanded by President Aristide, with tools, job counseling, and referrals in order to be reintegrated into Haitian society. By early 1996, some 5,300 former soldiers enrolled in the program (Maguire et al 1996). The other large recipients were CARE, the Pan American Development Foundation (PADF) and the Inter American Institute for Cooperation (IAIC).

Of the five largest contractors, two were to implement economic development projects. PADF received a three-year contract in the amount of $18,727,662 to create jobs in infrastructure repairs, clean-up, irrigation restoration, and to provide technical assistance to USAID. In effect, PADF was funded to create a labor intensive public works program. Obviously, PADF could not have assumed the responsibility of maintaining public infrastructure. Therefore, the project was by nature temporary and short-term. The IAIC on the other hand received $11,601,617 for six years to provide support for a program to improve coffee production in Haiti. Generally, the contracts were awarded to the NGOs to support USAID's program in Haiti.



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## Conclusion

Government failures and the absence of accountable governmental structures are justifications for the growth of the NGO sector in Haiti and the support they have received from bilateral and multilateral donors. The number of NGOs in Haiti started to increase significantly, as indicated by the number of organizations registered with the Haitian government or listed in the HAVA Directory, after the US Congress decided in 1982 to channel US development assistance directly to NGOs in order to bypass corrupt and ineffective governments and after the departure of Duvalier regime in 1986. NGOs existed in Haiti as early as the 1950s. Their activities were limited to humanitarian assistance and relief. They did not become key players in the foreign aid network until the 1980s. Their number did not mushroom and Haiti did not become a "Republic of NGOs" until after the opening in the political space caused by the departure of the Duvalier government. After 1986, Haiti became a more open society allowing diverse forms of civic expression and organization. Conditions of government and market failures were not sufficient to ignite to growth of NGOs in Haiti.

Three types of NGOs emerged in Haiti: international NGOs, large local NGOs, and small grassroots and community-based organizations. They report similar missions and activities, but they differ significantly in organizational capacity, staff and financial resources. Community-based NGOs tend not have legal status while large international and local NGOs are more likely to obtain legal status in order to take advantage of tax benefits and tariff-free imports on most goods. Government responses to the growth of



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NGOs have been a series of decrees which speak to the larger organizations and discriminate against small grassroots and community-based organizations. The smaller organizations are more community-grounded but lack the resources and capacity to undertake any kind of projects. They have played an important role in mobilizing and organizing the peasantry and to a lesser extent the urban poor.

Neither the small organizations nor the large international and local NGOs are effective development organizations. The small ones lack the financial and human capital to be effective development organizations while the large ones are foreign aid contractors and part of the aid network without a real development agenda. NGOs received funding for specific projects that are isolated and not integrated within a comprehensive development strategy formulated by the Haitian government. There is no public input or community participation in the design and implementation of large projects such as the labor intensive infrastructure project that USAID funded the Pan American Development Foundation to implement between 1993 and 1996. This approach to community development is short-term and unsustainable. The projects are sporadic and short-term, have no local buy-in, and are foreign aid-dependent. They ended once the foreign aid funding ran out.

NGOs need to rethink their missions and roles in countries such as Haiti. Development agencies such as CIDA and USAID may also have to rethink the manner in which they allocate aid to places like Haiti. Haitian political leaders also need the courage



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to question, challenge and evaluate the country's relationship to international donors, and develop better systems to monitor NGOs and hold them more accountable. If not, as Hancock (1989) argues, many NGOs and international development agencies will continue to be lords of poverty.



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# CHAPTER 5

# PERCEPTION OF NGOs AMONG HAITIAN COMMUNITY DEVELOPMENT LEADERS AND STAKEHOLDERS

NGOs are major partners and players in the foreign aid delivery system in Haiti. They receive important contracts from bi- and multi-lateral development agencies for humanitarian relief, nutrition, health, education and other social service programs. Some NGOs also undertake or sponsor a variety of small scale development projects. Like many other activities in Haiti, these small scale development projects are short-term, erratic, follow a service delivery approach and are not framed within the context of any local, regional or national development strategies. It is difficult to determine their impact and effectiveness. What is certain is the fact there has been no noticeable improvement in the lives and socio-economic conditions of the residents where these programs are implemented. The productive and wealth-generated capacity of these communities has not changed although some residents benefit from social and relief services provided by the NGOs. For the most part, living conditions in these communities worsen and more and more residents from the rural areas are compelled to cross the border to neighboring Dominican Republic looking for work. While peasant and community development leaders are observing a general decline in the country's social, political and economic conditions, they are witnessing a strengthening relationship between NGOs and international financial institutions and aid agencies. This relationship is more pronounced between international institutions and international NGOs. Local actors think that NGOs are more interested in advancing the policies of the international development agencies



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and their host countries than in of promoting and supporting economic development in Haiti. They view NGOs not as local development agents but as agencies that are undermining local and grassroots development efforts by absorbing the limited resources available to support local development initiatives and by partnering with international financial institutions. This view is shared by many peasant organizations, community leaders, and community development practitioners throughout the country.

This chapter focuses on the relationship between perception of NGOs among a selected group of key informants consisting of community development leaders, activists, peasant leaders and other stakeholders and actual data on NGO activities and international support. It will attempt to show that several important community development stakeholders in Haiti see NGOs as self-serving enterprises that have deviated from their core missions and have done little to change the economic and social conditions of poor Haitians and their communities. As a result of this negative perception of NGOs, they lack local support, which isolates them even further from the local population and reinforces the notion that they are ungrounded organizations that are extensions of the international community. NGOs have not built the partnership with local grassroots, private and public institutions that is essential for community economic development. As stated previously, community economic development is a process that includes public and private partnership and enhances the productive capacity (land, labor, capital, and technology) of a national, region, or local economy (U.S. Department Commerce 2003).



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The information in this chapter is based on interviews with 17 community development leaders and stakeholders and on participatory observations of 15 community meetings throughout the country with more than 2,500 participants. These two sources of information represent a variety of community development actors and stakeholders including residents, religious leaders, policymakers, NGO staff, activists, grassroots and community-based organizations, governmental employees, researchers and other professionals and institutions that are engaged in community development work or activism in Haiti. They are not a representative or scientific sample, but a group of stakeholders who are familiar with the work of NGOs and who are themselves involved in community development activities at various levels. Their views provide some understanding and valuable insight on how NGOs are perceived in different parts of the country. Information was also collected from meetings of peasant, grassroots, and other community-based organizations as well community development conferences, seminars and professional associations.

The chapter begins with an overview of the similarities and contrasts between how NGOs defined their missions and how they are perceived by the stakeholders and community leaders. This is followed by an analysis of the factors that stakeholders think influenced the growth of the NGO sector in Haiti. The remainder of the chapter focuses on the various reasons the stakeholders think that NGOs in Haiti are not community development agents and establishes the lack of support for NGOs among that small group.



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**Primary Mission**

The mission of an organization defines its purpose and primary functions. It provides a framework to understand the overall purpose of the organization, its reason for being. It is a guide for potential funders, clients and other stakeholders. Non-profit organizations often undergo a strategic planning process to either redefine their missions or to identify specific programmatic activities to meet these objectives. International and local NGOs in Haiti, including community-based or grassroots organizations, generally define their mission[32] or organizational purpose as the amelioration of the social, economic or political conditions of the poor. This is consistent with how the stakeholders define the mission of NGOs. However, stakeholders think that NGOs have deviated from that core objective, have become a medium for the international community, and have done little to help Haiti out of its economic, political and social morass. By abandoning their core mission, some of the stakeholders argue, NGOs adopt a sort of double or shadow mission which is to advance the policies of donor countries (the US, France and Canada) toward Haiti. They define this shadow mission as a sort of hidden agenda and the basis of the partnership between NGOs and the international financial institutions and aid agencies. Consequently, the stakeholders view NGOs not only as non-local development organizations but also as contributing to the weakening of local institutions.

The view of community leaders toward NGOs reflects a deeper distrust of international institutions among many Haitians. It also shows a disconnect between NGO

[32] Mission is a general statement of an organization's purposed as oppose to goals, which are specific and measurable project outcomes.



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missions and programs and a pervasive apprehension of the increasing role of NGOs in Haitian affairs. Community leaders see Haiti transforming into a "republic of NGOs" which is beyond the control and the reach of the Haitian state and civil society. Back in the 1980s and 1990s, researchers such as DeWind and Kinley (1988), Mathurin et al (1989) and Pierre-Etienne (1997) had already labeled Haiti a "Republic of NGOs." The notion of a republic of NGOs implies an influential and independent sector that is parallel and unaccountable to the state (Pierre Etienne 1997). The energy that fueled and sustained that republic, according to the stakeholders, is foreign aid.

Community development leaders argue that NGOs are better funded and have more financial resources than the government of Haiti. The fact is that some NGOs do have budgets or received contracts that are significantly greater than the budgets of Haiti's largest cities as well as some government ministries. For instance, in 1996, USAID and CIDA allocated about $68 million to NGOs in Haiti. During that same year, the Haitian national budget was 3.4 billion Haitian Gourdes (IMF 2001), the equivalent of US$ 219 million or $14.6 million per government ministry if the budget were allocated evenly among Haiti's 13 ministries and the offices of the Prime Minister and the President. The combined budget of the nine geographic departments was US$4.5 million or 2 percent of the national budget. The combined municipal budget of Haiti's four largest cities excluding Port-au-Prince (Cape Haitian, Gonaives, Les Cayes and Hinche) was about 6 million Gourdes or US$391,000 based on the 1996 exchanged rate. In 1996 ADRA reported an annual budget of US$4 million to the Haitian government. Another



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US based NGO, the International Organization for Migration, received a two-year contract worth $10.7 million from USAID (USAID 1996 Yellow Book)[33]. There is clearly a significant difference between public resources that are available to local communities in Haiti and the allocation of foreign aid to NGOs. For example in many of the large urban centers, with the exception of Port-au-Prince, NGOs are the primary local institutions. Community leaders characterized the role that NGOs are playing, particularly in the secondary urban centers and rural areas, as international intrusions in Haitian affairs. They expressed no form of belonging or ownership of the organizations. They spoke of them as international institutions occupying the local space with no real organizational or programmatic commitment that could leave when ever they wished or when funding ran out.

The community leaders mentioned the fugacious nature of NGO projects as an impediment to long-term development and a discrepancy with their mission. In 1995 the Groupe de Recherche et d'Echanges Technologiques (GERT) built 32 water kiosks in the poorest neighborhoods in Port-au-Prince with financing from the EU. Two years later, only 26 were operational (Morton 1997). It is not clear if the total number of kiosks was ever actually built or if any of them are still operational. An employee of Comite Protos[34] Haiti cited a similar case where Protos received a contract to build a potable water system and public toilets in Carrefour (a suburb south of Port-au-Prince) and in other

[33] Financial data were not available for all NGOs at the Ministry of Planning and External Cooperation. Similarly, public budget and fiscal information are not published systematically in Haiti.
[34] Protos is a Belgium based NGO specializing in drinking water, hygiene, sanitation, and the use of water for agricultural purposes.



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surrounding communities. The project was terminated before completion due to the fact that the funding agency changed its programmatic priorities.

### Factors Influencing the Growth of NGOs in Haiti

The Haitian community development stakeholders interviewed identified three factors that led to the growth of the NGO sector:

1. The reliance of foreign aid agencies and international financial institutions on NGOs as the primary service delivery channel;
2. The failure of the Haitian government to monitor and regulate NGOs effectively; and
3. NGOs marketing themselves as the only credible entities in Haiti that can deliver services to the poor.

### Foreign Aid Agencies' Reliance on NGOs

NGOs were initially funded to work in specific regions of the country (Morton; BARA 1996). From the 1980s through the mid 1990s, the three primary USAID-funded NGOs—CARE, CRS and ADRA—were assigned or worked primarily in the following geographic regions:

- CARE—the Northwest;
- Catholic Relief Services (CRS)—the Southern Peninsula; and



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- Adventist Development and Relief Agency (ADRA)—the Artibonite, Center, North, Northeast and West (Bureau of Applied Research in Anthropology, University of Arizona 1996 and 1997).

In the 1990s, NGOs started to receive contracts from bilateral and multilateral aid agencies to undertake projects that went beyond the typical humanitarian relief, nutrition, and health. They started to diversify their funding base and expanding their geographic service areas. They also expanded their programs and services. The level of support that they received from aid agencies and other international financial institutions increased as well. NGOs became responsible for not only traditional relief and social services but for development, educational, and civil society projects as well (Morton; USAID 1998). In the 1999—2004 USAID Strategic Plan for Haiti, it is stated that extremes poverty in Haiti makes it essential that current service delivery be maintained and increased; this entails support for the NGOs who are, at the present, the prime service providers (USAID 1998: 16). The report clearly states that there is no reason why the government of Haiti itself could not choose to continue the delivery of social services through NGOs or through for-profit firms. It recommends that the delivery of poverty reduction and educational programs be done through NGOs and asks that the Haitian government subscribe to that approach. Governmental incapacity, corruption and weak public institutions, in other words poor governance, is seen as one of the greatest impediments to effective development assistance in Haiti (World Bank 2002) and the justification for the increasing reliance on NGOs to deliver basic and development services. The USAID



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report suggests an interrelated relationship between poor governance and the increasing reliance on NGOs to deliver certain basic services. AID and some NGO representatives attribute the reliance on NGOs to weak and poor governance. The community leaders on the other hand linked weak and poor governance to the international reliance on NGOs and neglect of local institutions by aid agencies and international financial institutions. To many of the community leaders and peasant organizations the relationship between foreign aid and NGOs has evolved into a supply and demand issue irrespective of government capacity. In fact, both the number of NGOs and the proportion of foreign aid allocated to NGOs in Haiti increased significantly after 1986.

**Government Failures**

Haitian community leaders recognized that poor governance and the lack of capacity to deliver basic public services contribute to the growth of the NGO sector. However, they have a different view of the types of government failure that contribute to the growth of the NGO sector. They did not define government failures as those actions of government that lead to an outcome inferior to that which would be observed under optimal market conditions or government interventions leading to greater deviations from efficient use of resources (Krueger 1990). For them, government failure is more than simply public interventions which result in greater social and economic costs than benefits. Their views also differ from the kind of failures described in the NGO literature which maintains that NGOs are more flexible and innovative in providing certain essential services to the poor when government is either unable or unwilling to do so



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(Smilie and Helmich 1993; Paul and Israel 1991; Brown and Korten 1991). Haitian community leaders stated that the Haitian government has failed to regulate NGOs, hold them accountable and protect the public from NGO practices that may have an adverse impact. Therefore, the fact that NGOs can operate freely in Haiti without any public oversight encourages their growth according to the community leaders.

The community leaders accurately assessed that NGOs operate freely in Haiti without public supervision or accountability. The government has no reliable record of the number of NGOs operating in the country, where they are, what they do, their financial operation, or the sources of their funding. Community leaders, government officials and other professionals think that the absence of a reliable reporting system encourages financial mismanagement, patronizing and corruption within NGOs as well as enabling NGOs to undertake activities that adversely impact and hinder local development activities. In January 2001, the Peasant Movement of Terrier Rouge (MPTR)[35] decried food aid programs as one of the activities that impede agricultural production and local development in Haiti. Members of the peasant organization alluded directly to the growing supply of US agricultural products in the Haitian market. As previously, Food for Peace under PL 480 (see chapter 2 for description of PL 480) is a major source of foreign to Haiti and it is administered through four US based NGOs. In January 2001, while President René Préval was visiting the area, MPTR orchestrated a

[35] MPTR is a peasant membership organization in the town of Terrier Rouge, near Ounaminte in the Northeast region of the country. The organization has a peasant cooperative involved in agricultural production. It has access to several acres of publicly owned land.



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public rally to protest the flow of imported foods in the local market while thousands of acres of publicly owned land remain vacant and idle. MPTR's objections were articulated in flyer that the group circulated and posted throughout the town during the President's visit. The content of the flyer is as follows:

- Pwodiksyon nasyonal se lavi dirab pou tout ayisyen
- Aba manje enpote, viv pwodiksyon nasyonal, manje sinister se pwazon pou agrikilti
- Nou bezwen lapè nan vant tout bon, nou dwe jwenn tè pou travay
- Tè se pou peyizan kap travay tè selon atik 247, 248, 248-2 Konstitisyon 87
- Nou menn Mouvman Peyizan Tèrye Rouj (MPTR) kap travay ogmante pwodiksyon lokal e nasyonal.
- Aba eksplwatasyon, aba yon ponyen grandon ki vle akapare tout tè leta kinan men yo. Anmwe, INARA ansanm ak gouvènman vini ban nou tè leta yo pou nou travay, pou nou gen manje. San peyizan, pwodiksyon lokal e nasyonal enposib paske peyizan òganize se motè devlopman dirab peyi a (MPTR Protest poster board, January 22, 2001—Appendix A)

English translation:

- National production sustains the life of all Haitians.
- Down with imported foods. Long lives national production. Foreign relief food is poison for agriculture.
- We need real peace in our stomach, we need land to work.
- According to articles 247, 248, and 248.1 of the 1987 Constitution, land is for small (peasant) farmers.
- We, Peasant Movement of Terrier Rouge (MPTR) are working to increase local and national production. Down with exploitation, down with a few big landowners who want to take all the publicly owned land that they occupy. Help us ...INARA and the government. Give us title to the publicly owned land so that we can work, so that we can feed ourselves. It is impossible to have local and national production without the peasants, because organized peasants are the engine of durable development for the country (MPTR Poster Board January 22, 2001).



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MPTR requested that the Préval government control the supply of imported food through aid programs and redistribute the publicly owned land to peasant organizations for agricultural production. MPTR was referring to several acres of land in the Northeast which encompassed a former sisal plantation called Plantation Dauphin. The former Dauphin Plantation by itself contains over 2,000 acres and has been vacant since 1976 after the operation shut down its operations. The Haitian government purchased the land and attempted several large scale agricultural productions without much success. The total land area that concerned MPTR expands from Terrier Rouge to Fort Liberté and Ouanaminthe (see Appendix 3). Members of MPTR estimated that total land area consists of some 39,000 *carreaux* or 117,000 acres of unexploited public land. It includes the parcel shown in Appendix 4, which borders the main road (leading from Terrier Rouge to Fort Liberté and Ouanaminthe) and shoreline.

MPTR criticized the fact that Haiti receives a large portion of foreign aid from the US in the form of food aid or through PL 480 Titles II and III. Between 1995 and 2005, PL 480 assistance to Haiti averaged $31.5 million or 37.4 percent of total annual US assistance to Haiti (Figure 24). Since 2002, PL 480 Title II: Food Assistance Program has been implemented by four US based NGOs—CARE, Catholic Relief Services (CRS), Save the Children/US, and World Vision International (WVI). PL 480 aims to increase household level food security in the country by focusing on women and children most vulnerable to malnutrition, poor farmers in food-insecure areas, primary school children, chronically food-insecure orphans, and institutionalized elderly and sick



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(www.usaid.gov/ht/food.htm). PL 480 Title III: Food for Development Program consists of grants to the Haitian government of basic U.S. agricultural commodities which are sold in order to finance community development projects. Agricultural products that have been used as part of PL 480 programs include wheat, vegetable oil, corn, soybeans, soybean meal, cotton, wheat flour, grain sorghum, rice, and wood products. Only alcoholic beverages have been deemed ineligible. The only way a commodity is ineligible is when the Secretary of Agriculture determines that the use of the commodity would reduce the domestic supply to a level that is lower than the domestic need.

PL 480 is linked to agricultural production in the US. On the other hand, there have been no systematic and scientific studies that look at the impact of PL 480 on local agricultural production in Haiti. Haitian peasant organizations as well as one international organization (Grassroots International) have condemned the use of PL 480 as aid. They view it as undermining local food production instead of increasing food security and enhancing the ability of Haitian farmers to grow and market their agricultural products (GRI 1996). Similar views were echoed by another peasant organization in Dilè in Ouanaminthe.

Like Terrier Rouge, Dilè is located in the Northeast and within close proximity to the Dominican border and has vast quantities of publicly owned land. The Ouanaminthe Peasant Movement (MPW) is one of the largest and most active peasant



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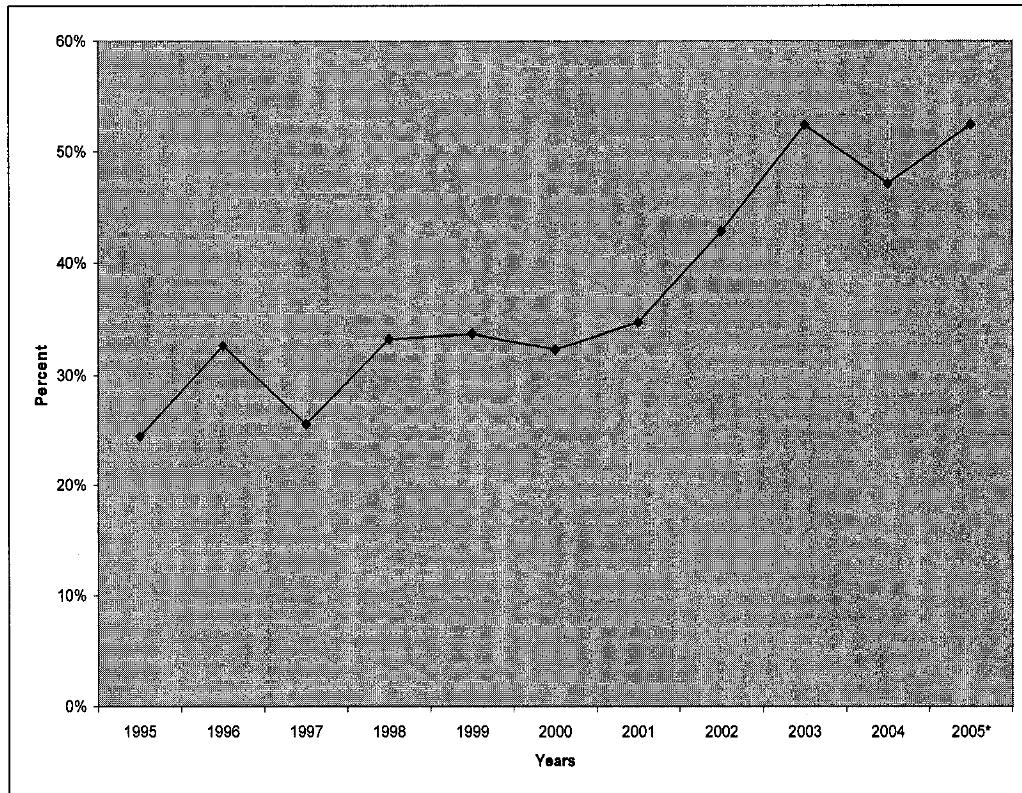
Figure 24

Pl 480 Titles II & III as A Percent of Total US Aid to Haiti

1995-2005




Sources: USAID Haiti country reports

organizations in that area. During a meeting of the organization, the members complained that they did not have any land to work while several acres of publicly owned land were vacant and idle; many of them had to travel to the Dominican Republic seeking seasonal farm work ; and that the local market is flooded with "*manje sinistre*" (food aid).

In both Dilè and Terrier Rouge, the peasants expressed a feeling of abandonment by the Haitian government and a sense that their livelihood is threatened by what they



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see as an infringement on their capacity to be productive and more importantly to feed themselves and their families. At the same time, they witness the proliferation of NGOs as important local actors in the delivery of foreign aid, particularly food aid. To the peasants in Dilè and Terrier Rouge, as one of them stated "*leta pa ba nou moyen pou nou viv*" (the government does not provide the means for us to make a living). This is one form of government failure that community leaders and residents identified. In the midst of this void, NGOs penetrated their coomunities not to enhance their capacity to increase their productivity but to replace local products with imported goods. Therefore, by not providing the peasantry with the means, in the form of land, to increase local agricultural production and by allowing the free flow and circulation of imported goods, the government facilitated the growth or infiltration of NGOs in local areas as PL 480 delivery services. As far as the peasants in Dilè and Terrier Rouge are concerned, their situation is worsened by the actions of both the Haitian government and the NGOs as foreign aid agents.

**Organizational Opportunities**

The community leaders and development stakeholders saw organizational opportunity as the third factor influencing the growth of NGOs in Haiti. This notion fallows from the government failures that the leaders identified as contributing to the increase in the number of NGOs in Haiti. NGOs emerged during a period when an increased level of funds and other resources were available to them and meaningful monitoring and supervision were absent. Basically, Haiti provided a favorable business climate for NGOs. Of the 266 registered NGOs in Haiti in 1997, 56 percent registered



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between 1986 and 1997, and the amount of US aid allocated to NGOs increased by 712 percent. In 1986, 12 percent of US aid to Haiti was allocated to NGOs. By 1996, 57 percent of all US aid to Haiti was channeled directly through NGOs. It is a common practice for the international community to continue supporting NGOs even when aid to the Haitian government is suspended. That was the case between 1991 and 1994 when all of the US aid to Haiti went to NGOs in order to bypass the de facto military regime that had overthrown the Aristide government.

**Poverty**

Poverty is the fourth factor that community leaders identified as influencing the growth of NGOs in Haiti. They talk about poverty as a deficit condition that NGOs used to justify their existence. In other words, the organizations used poverty as a fundraising mechanism. The community leaders did not see poverty as a condition that the organizations are genuinely trying to alleviate. They see NGOs as benefiting from and servicing poverty instead of trying to end or alleviate it. As such, poverty serves their organizational interest.

The Haitian community leaders raised a fundamental question that has been at the heart of the NGO debate. In his 1998 book entitled *Angels of Mercy or Development Diplomats,* Terje Tvedt asked if NGO staff are angels of mercy, government-paid development diplomats, propagandists for a triumphant West, or instruments in a coming clash between civilizations. Tvedt sees elements of all of the



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above in NGOs, but also sees them as becoming more like aid service contractors. David Rieff, in his journalistic account of humanitarianism in time of crisis, is more critical of the work of NGOs. He resolves that however noble, humanitarianism is by definition an emblem of failure, not success (Rieff 2002). Much earlier in 1989, Graham Hancock launched an attack on official aid agencies and spared NGOs. He described aid as "a pervasion of the act of human generosity" (Hancock 1989). In their own ways, the Haitian peasants and community leaders expressed all the views presented above about foreign aid and the work of NGOs in Haiti. They placed the growth of NGOs in a larger context of international development policy and the allocation of foreign aid where poverty is only one of the justifications. As Reif would argue, poverty is also an emblem of failure and a deficit.

**Lack of Organizational Accountability**

The Haitian community leaders I interviewed think that NGOs are influential organizations that are not accountable to any Haitian institutions. The Haitian government does not have an effective and consistent monitoring system to make NGOs accountable and the large and international NGOs do not have a local membership base or local governing structure that would make them accountable. Local grassroots and community based organizations, including peasant organizations, are also not accountable to the government and are less likely to formally register. There is, however, one distinction between the international and large local NGOs and some of the grassroots and community-based organizations. Many of the community-based



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organizations, particularly the peasant organizations, have members who are from the local communities or target areas. These members have become more vocal in recent years and have demanded accountability from the leadership. MPTR was founded from such a process.

Prior to forming MPTR, some of the members belonged to a local organization called Ti Plantè (Small Farmer) of Terrier Rouge, the only agricultural cooperative in the area. Members from the cooperative, mostly women, participated in a training on grassroots organizations and the fundamentals of cooperative management. Upon returning from the training, the members demanded more accountability, gender equity and transparency from the all male leadership. When the leadership was unwilling to comply with the request of the members, the women broke-off from Ti Plantè and formed MPTR based on the concepts and principles that they had learned from the training. When I met the members of MPTR in January 2001, it already had a membership of more than 200 with a gender diverse leadership, a democratic decision-making structure and title to some 900 acres of publicly owned land.

The large local and international NGOs do not have a membership and governing structure that could compensate for the lack of institutional and public accountability. NGOs are locally perceived as imperial or multi-national-like corporations that are free from all local supervision. A teacher in Port-au-Prince described NGOs as having no democratic structure or client accountability eventhough, they are supposed to be



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accountable to the NGO Unit at the Ministry of Planning and External Cooperation (MPCE-UCAONG). NGOs are required to submit annual financial and operational reports to the NGO Unit in order to be in good standing. For the calendar year 1999, only three of the 266 registered NGOs actually submitted the annual report. This was not a surprise to an NGO staff person, a college professor, a NGO consultant and the chief of staff at the Ministry of Education.

A NGO staff person I met at the NGO unit comfortably stated that NGOs are accountable to the countries they represent. In Monrouis in the Artibonite Valley, about 31 miles from Port-au-Prince where I met this NGO staff person, a college professor was almost identical in his observation of NGOs' accountability. He said that NGOs are accountable to their donors and official development agencies. They have no local accountability since their financial base of support is not in Haiti. A consultant who works with several organizations agreed that NGOs have no local accountability. The chief of staff at the Ministry of Education concurred that NGOs are accountable to their funders, the government has no control over them and they have no local accountability. The lack of accountability and the incapacity of the government to monitor NGOs frustrated the staff at the NGO Unit.

A staff person at the NGO Unit explained that NGOs not only violate the reporting requirement, they often submit inadequate reports. Another staff person declared that the benefit of free customs is only reason NGOs have any contact with the



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government, which he said that they misused. He continued to say that they do not follow any regulations or governmental standards. All three of the staff members I met with at the NGO unit agreed that they did not have the means and resources to monitor NGOs and enforce the regulations. They emphasized that NGOs are much better equipped than the government and the resources are simply not available to force NGOs to be more accountable.

**NGO Beneficiaries**

PL 480 Title II is the program that reaches the largest population and perhaps one of the most controversial. Throughout the 1980s and 1990s, it was executed by CARE, CRS, and ADRA. In 1988, AID contracted with Louis Berger International, a Washington, DC consulting firm to evaluate the program. The program consisted of School Feeding (SF), Mother Child Health (MCH), and Food for Work (FFW). In FY 1983 the program provided food for 500,000 children. The evaluation concluded that:

> Because the Title II program is implemented without strategic or operational developmental objectives, the effectiveness of the program can only be judged in terms of what it does, as opposed to what it seeks to do. What the program does is provide supplemental food to children throughout Haiti, through the mechanism of MCH for the under-5's and through SF for the 5-15 age range (Louis Berger International, Inc. 1989).

In 1992, CRS received $3.9 million from USAID to support three a feeding program under PL 480 Title II, CARE and ADRA received $9.2 and $4.5 million respectively. In 1996, Grassroots International, a Boston based grassroots funding



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agency, commissioned a study of the USAID funded food security program in Haiti. The study concluded that "drastically reduced tariffs on imported food—which the US government has insisted upon as a condition for aid—are flooding Haiti with cheap food, undercutting prices for locally grown products" (GRI 1996). Additionally, the study argued that US food aid depresses local prices for basic grains, reducing incentives for Haitian farmers to grow them.

Five years after the Grassroots International study, peasant farmers in Haiti were still criticizing the food aid program as being detrimental to local agricultural production. Peasants in Terrier Rouge and Dilè did not consider themselves benefiting from food programs. In fact, they saw it as an impediment to local production and a menace to their livelihood. However, many families received meals from the program. In the town of Thomonde, in the Central Plateau, PL 480 foods were distributed to local schools. In a meeting organized by the Haitian Studies Association and the local parish priest in 1996, many parents disclosed their dependence on the food the schools provided as part of the PL 480 Title II School Feeding program. In 2000, parents in Les Cayes and Torbeck in the South reported similar accounts.

Amid criticism that food security programs starve agricultural production in Haiti by flooding local markets with cheap food, these programs continue to be a major part of US aid to Haiti. In its 1999 Plan Annuel d'Activités (PAA)—Annual Activities Plan—submitted to the USAID office in Port-au-Prince and subsequently to the NGO



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unit, ADRA stated that its priorities for 1996 – 2000 were to ameliorate child nutrition and agricultural production and increase the income of families that are most at risk of food insecurity in the Central Plateau, the North, Northeast, and West (ADRA 1998). The projected beneficiaries were 15 percent of the population of the three departments and the distribution was as follows: a) 84,500 (37%) Mother and Child Health (MCH); b) 25,000 (11%) Food for Development (FFD/I); c) 115,000 (50%) Food for Education (FFE); and d) 5,000 (2%) Other Child Feeding and General Relief (OCF/GR). The core of this program is the same as it was in 1983, namely Mother and Child Health (MCH), School Feeding (SF), and Food for Work (FFD).

**NGOs and Poverty**

Social services delivery, such as food security and reproductive health, are the primary activities that aid agencies funded through NGOs in Haiti. These programs reflect the donor countries' priorities not the NGOs programming strategy. As previously stated, those activities do not relate to any local, regional or national development strategy. In 1989, Louis Berger International's evaluation of PL 480 Title II program confirmed that some foreign aid funded programs lack strategic or operational development objectives. Social and humanitarian programs by definition are not designed to promote economic development or to address the underlying historical and structural causes of poverty. They do not require or facilitate the kind of private-public partnership that is necessary for local and sustainable economic development. Instead, they perpetuate the notion that population growth is the main cause of persistent



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poverty and underdevelopment in Haiti. This circular cumulative causation approach, which argues that population growth is the main cause of Haiti's underdevelopment, has been a dominant factor in international sponsored development strategies in Haiti since the 70s (see Lundahl 1979). All of the USAID Haiti Country reports in the late 1980s and 1990s identified population growth as the primary cause of poverty and underdevelopment in Haiti. USAID financial support to NGOs reflects that assumption. In 1996, of $171 million in active USAID contracts with NGOs, 38 percent was for health and humanitarian relief while 24 percent was for economic development. About 46 percent of the economic development funding was for an intensive public works project.

The kind of social and humanitarian relief that is channeled through NGOs service rather than reduce poverty. They help the poor to cope with poverty without providing them with the means to get out of poverty. NGOs in Haiti are not known for facilitating the creation of wealth or social capital among the poor. I heard often from people from the Northeast, the Central Plateau and the South that NGOs have been around for years, but the overall conditions of the poor has worsened. NGOs have played a critical role in providing basic health, education and other services in remote and underserved areas. However, the underlying causes of Haitian poverty and underdevelopment described in Chapter 3 have not changed. The poor still lack access to jobs, land, investment capital and quality education. Successive Haitian governments failed to devise or implement any meaningful development policies or strategies. The



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Haitian state remains essentially non-developmental with all the symptoms of a failed state. Living and social conditions in Haiti have generally deteriorated.

NGOs are supposed to compensate for insensitive policies toward the poor and have the capacity to reach the poorest of the poor. Members of the *Coordination des Groupements et Organization Communautaire* (the Community Groups and Organization Committee (COGOC)), an umbrella organization of several community-based organizations in the Southern part of Haiti, perceived the role of NGOs differently. They do not think that NGOs can change the conditions of the poor. They expressed the importance of local organizations in Haiti to organize and mobilize their resources in order to improve their own communities. They felt betrayed by both governments and NGOs. One of the leaders of COGOC stated that the rural population is getting poorer while NGOs are receiving more resources from donor countries. This view is shared by many members of several peasant cooperatives that belong to Mouvman Peyizan Nasyonal Kongrè Papay (National Peasant Movement Papay Congress (MPNKP)), the largest peasant-based umbrella organization in Haiti. In reality Haiti's socio economic conditions remained relatively static during the 1980s and 1990s. Throughout the 1990s Haiti ranked in the bottom 30 countries with the lowest human development index (HDI). HDI measures a country's achievements in terms of life expectancy, educational attainment and adjusted real income (UNDP 1996). Since 1986, Haiti has experienced one political crisis after another while the living conditions of most Haitians have



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deteriorated. Diverting foreign aid from the Haitian government to NGOs did not ameliorate the condition of the poor.

NGOs have not implemented the kind of programs that could demonstrate real commitment to alleviate poverty by changing the socio-economic conditions of the targeted population. NGO projects are relatively short-term while sustainable local development projects require long-term commitment, public-private collaboration and community participation and ownership. Additionally, development problems in Haiti are complex, intense and require large public and private investment. There has been no effort to forge real partnership between the Haitian government, local organizations, NGOs, aid agencies, and the Haitian private sector to assess Haiti's local development needs and design programs to address them. There have been no projects conceived, designed and implemented through collaboration in Haiti. The isolationist manner in which NGOs operate in Haiti further aggravates the perceptions that they are unaccountable and that they have no real commitment to durable and sustainable projects in Haiti.

**NGOs as Development Agents**

Haiti continues to decline economically and the political classes are proven to be incapable of steering the country toward the path of freedom, stability and social and economic justice. A peasant cooperative in the Northeast region of the country was unable to produce plantains because they were not able to transport the seeds from



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another town due to poor road conditions. Another cooperative in the Central Plateau that specializes in basic food processing had to stop producing peanut butter for many weeks due to the fact they could not find a spare part for the machine that processes the peanuts. Members from the cooperative had to travel to the Dominican Republic to purchase the part. These are the types of challenges that local groups interested in fundamental change face. Haiti is full of similar stories of groups and individuals who are diligently trying to improve their lives or undertake community-based development projects that have the potential to transform local communities and ameliorate the living conditions of local residents. These efforts suffer from the lack of public and private sector support. Few NGOs in Haiti provide technical and financial support to such groups. Although Oxfam has for many years helped local groups to develop their capacity, the Oxfam Haiti program has reduced significantly. Protos is another NGO that supported local development efforts. For the most part, NGOs work independently of local community-based organizations and there is no collaboration between them. However, the community leaders did not identify lack of collaboration as a hindrance to NGOs playing a more important role in development Haiti. They named five factors that prevent NGOs from being development agents in Haiti: 1) NGOs lack the necessary investment required to create real impact; 2) they lack competence in community development; 3) they lack adequate planning; 4) they do not have long-term commitment to projects; and 5) they lack the appropriate political approach to development in Haiti.



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**Conclusion**

NGOs have a very negative image in Haiti, but they are perceived as influential organizations with access to financial and human resources that are not available to Haitian-based organizations. Many peasant organizations and community leaders do not view them as development agents or organizations capable of affecting substantial changes in the lives of the poor. The fact is that NGOs are engaged in variety of foreign aid funded activities that are social services and humanitarian in nature. Such activities are by definition non-developmental. Additionally, although NGOs are operating within the context of a non-developmental state, they are independent of the state. They are not effectively regulated and they are not accountable to any Haitian institutions.

It is the role of the government to devise local development policy and to establish a framework within which private organizations should operate. The Haitian government has neglected that responsibility and has failed the population. Government ineffectiveness created a void. NGOs did not by themselves fill that void. The emergence of NGOs as important players in the delivery of services such as food security, reproductive health and small scale development services was facilitated by significant increases in the amount of foreign aid that was channeled directly through them. NGOs have grown significantly in terms of financial resources and project size and have basically become important implementing agents of foreign aid programs. But they have not gained the trust of the population which they intended to help. NGOs are perceived in Haiti as extension of the international community whose primary role is to support a



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foreign aid agenda and which undermine government institutions and local organizations. NGOs lack development objectives or strategies to guide their programs.

Large international NGOs are very entrenched in the foreign aid delivery system and are therefore not likely to change their operational practices or become autonomous organizations unless the foreign aid system is revamped. It is unlikely that large international NGOs in Haiti will become the kind of responsive development organizations that some of the peasant organizations envisioned. Given the influence of aid agencies such as USAID and CIDA and level of funding that they provide to NGOs in Haiti, it will be up to the Haitian government to negotiate foreign aid allocation to the country and the role of NGOs in a manner that is conducive to local development.



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# CHAPTER 6

# CONCLUSION

The main objective of this dissertation has been to determine the role NGOs in community economic development Haiti and to identify the primary factors that led to their rapid growth particularly after 1986. In 1997, 266 NGOs were either registered with the Haitian Ministry of Planning and External Cooperation or listed in a directory published by the Haitian Association of Voluntary Associations (HAVA). A total of 226 or 85 percent had legal status or were formally registered with the appropriate Haitian authorities (HAVA 1997; MPCE 1997). Of the number of registered organizations, 150 or 66 percent registered after 1986. The number of legally recognized organizations represents a small fraction of the total number of NGOs operating in Haiti. A 1997 World Bank study of NGOs in Haiti estimated the number of NGOs in the country to be between 2,420 and 12,420 NGOs. There are no accurate or consistent counts of the total number of organizations classified as NGOs in Haiti.

The difficulty in counting NGOs in Haiti reflects the problem in the NGO sector globally. NGOs are defined differently based on sources. As result, there are many different counts and estimates of the total number of NGOs active in the world today. According to the Union of International Association (UIA), there are more than 63,000 NGOs. On the other hand, the World Resources Institute (WRI) estimates that some 250,000 organizations meet the definition of NGOs. As in the case of Haiti, many CBOs



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and GROs are not included in those counts since they are less likely to duly register or be listed in national and international directories and databases. Definitions of NGOs also grouped into a single category various organization that differ in terms of size, organizational capacity, core activities, and budget and programmatic objectives. Small CBOs and GROs are also classified as NGOs although they are significantly different in a variety of ways from large international and local NGOs and tend to be more locally grounded and less structured. CBOs and GROs lack access to financial resources and do not have the organizational capacity necessary to play a critical role in local economic development. In fact, most non-profit organizations that are operating in the less-developed world are classified as NGOs regardless of the variations cited above.

The NGO sector in Haiti is disorganized and effectively unregulated but receives significant financial support from aid agencies and international financial institutions. Between 1986 and 1997, the US and Canadian governments alone provided them with over $349 million, or an average of $29 million annually. Multinational NGOs such as CARE, CRS, WCS, IOM and the Pan-American Foundation and large local organizations were the primary recipients. CBOs and GROs did not benefit in any significant way from the increased allocation of foreign aid directly to NGOs. Funds allocated to NGOs were not used effectively to promote and sustain local economic development in Haiti. They resulted in no noticeable or sustained impact on the economic and social conditions of the targeted communities and population. In this conclusion, I will summarize the key factors that prevented NGOs from playing a critical part in community economic development in



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Haiti and suggest a framework for community development based on new and more appropriate roles for NGOs, government and other key stakeholders including the international community.

I classified NGOs in Haiti into three general categories: 1) community-based or grassroots organizations; 2) national NGOs; and 3) international NGOs. The number of CBOs and GROs amplified in the years leading to the fall of the Duvalier regime in 1986. Their number further escalated after 1986 and they took the form of civic organizations, peasant movements and associations, church based organizations, peasant cooperatives and many other forms of popular associations. By and large, CBOs and GROs are fledging organizations with limited formal organizational structure often lacking a board of directors. They are also unlikely to have a consistent financial base or trained staff. Many are membership associations with no paid staff, office or operating budget. They lack capacity and ability to be fully engaged in community economic development activities, although they see community development as a priority (Morton 1997). A small number, however, do become involved in micro-enterprise and small development projects, which are unsustainable due to the unavailability of stable source technical and financial support.

Large and medium size national NGOs generally do better than the CBOs perhaps because they are linked to the foreign aid network by serving as subcontractors to the international NGOs. There are three primary sources of support for the funded national



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NGOs: 1) direct aid contracts; 2) aid subcontracts through international NGOs; and 3) contributions through church-based affiliation. A total of 35 or 24 percent of the 148 national organizations which were either listed in the HAVA Directory or registered with UCAONG identified themselves as church-based. The church-based organizations are primarily missions that are affiliated with sister or partner congregations abroad, primarily in the US. They also depend on the partner or affiliate churches for financial and logistical support. These organizations usually operate schools or medical clinics and provide other basic services. Those organizations as well as other national NGOs are not engaged in major development projects which can have lasting impact.

The third group consists of international NGOs of which many are from important donor countries such US, France, Canada and members of European Union. Of 100 international NGOs registered with the Haitian government or listed in the HAVA Directory in 1998, almost half (49) were US-based organizations followed by Canada with 12 , France with seven (7)and nine (9) from other EU member countries. International NGOs are involved primarily in social services and not job creation, workforce development, capital investment, business development, housing development, or other kinds of community building and wealth generating activities. However, it is common in many small towns throughout Haiti that the services provided by NGOs, both international and national, are the only services available in those communities.



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I pointed out that international and national NGOs have become an integral component of the foreign aid delivery network in Haiti, and aid agencies become dependent on them to implement programs. Such programs reflect foreign aid priorities for the country and do not fit within the context of any local economic or social development framework. In effect, the international and local NGOs that function within the aid system are primarily service contractors. Program development and community building are not essential components and do not constitute their core activities. For instance, PL 480 Titles I and II Food Assistance Program is the largest NGO funded program through USAID. It averaged $31.5 million per year between 1995 and 2005. It was implemented by four US-based NGOs—CARE, CRS, Save the Children, and WVI. The program consists primarily of the distribution of surplus US agricultural products. The overflow of imported agricultural products in the Haitian market has been identified as a major contributing factor in the decline of the Haitian agricultural sector (GRI 1996).

As service contractors to aid agencies and international financial institutions, NGOs' programs reflect those priorities and are viewed by the local population as extensions of the international community—its governments, aid agencies, and financial institutions. Local development stakeholders became suspicious of NGOs and do not view them as serving the best interest of the local population. Instead, their stance toward NGOs is that they are agents of international institutions, self-serving, and unaccountable to local institutions. The stakeholders that I interviewed felt strongly that NGOs are non-participatory and divert resources from the Haitian government and local organizations.



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Stakeholders' perceptions of the role that NGOs are playing in Haiti are inconsistent with accepted notions and a core body of research in the field. NGOs are supposed to be mission-driven, participatory, better at serving the poor, independent of government, a response to government and market failures, and have a significant role to play in promoting local, sustainable and just development (Clark 1991; Commonwealth Foundation 1995; Fisher 1998; Koten 1990; Paul and Israel 1991). Both international and local NGOs in Haiti define their missions in those terms. In reality the social and economic conditions of the Haitian poor worsened as more financial resources were allocated directly through NGOs to ameliorate their lives. To many Haitian community development leaders and stakeholders, NGOs have benefited from the country's poverty, even though poverty is the foremost justification for foreign aid and humanitarian relief to Haiti. The inference is that NGOs are funded through a deficit approach that stresses failure. This leads to the question of whether NGOs are "servicing" rather than ending or reducing poverty. The Haitian situation, as it relates to the work of NGOs and the delivery of foreign aid, is a reversion to or perhaps an extension of Hancock's "lords of poverty" (Hancock 1989) and an illustration of Reiff's humanitarianism in crisis (Rieff 2002). Both arguments severely challenged the capacity and ability of NGOs to sincerely combat poverty and be development agents.

Haitian community development leaders and stakeholders alluded to the notion of servicing poverty as a major factor in the growth of the NGO sector. They described it as poverty and organizational opportunities. Poverty alleviation is a major theme in all



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USAID program studies, strategies and budget justification for Haiti. The studies also acknowledge the role of NGOs as key actors in the implementation of USAID programs establishing a relationship between them and aid allocation. As the amount of foreign aid allocated to NGOs increased, so did the number of NGOs in the country in an almost direct relationship. Persistent poverty in Haiti and the availability of foreign aid funds created an environment conducive for the growth of NGOs. This favorable climate was further facilitated by the collapse of the Duvalier regime which opened the Haitian system and allowed a sudden increase in the number of civic organizations. The fact that aid agencies opt to bypass the Haitian government and work more directly with NGOs, may have contributed the weakening of the state. It certainly has not contributed, in any meaningful way, to community economic development. In fact, Haitian society has sunk deeper into economic despair and social chaos.

Organization incapacity, insufficient resources, lack of accountability and misdirected foreign aid are not the only factors that deter NGOs from playing an effective role in community development in Haiti. I have argued throughout the dissertation that Haiti is a non-developmental state that historically 1) lacks political and societal consensus; 2) never effectuates and implements any meaningful development policies and strategies to guide the country and put it on a development path; and 3) has been integrated into the world economy as a small open state. The absence of a public policy local financial infrastructure to support community economic development renders it even more complex for NGOs to play a role in that process. Major public reform and



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transformation in the way in which NGOs operate are necessary to create a climate conducive to community economic development in Haiti. The following systemic changes are necessary in order to build a development framework in Haiti and one through which NGOs can contribute:

1. The state must be transformed into a developmental state with the necessary bureaucratic infrastructure, local institutions, and appropriate public policy to support, promote and sustain community, regional and national development.
2. NGOs must become development agents by creating programs that are comprehensive and consistent with local development objectives. In other words, NGOs have to be transformed into local development agents.
3. The Haitian government must establish a more effective system to monitor and regulate NGOs.
4. There has to be collaborative and strategic partnership between and among the major institutional players that could influence local economic development decisions and directions in Haiti. They comprise Haitian government, the Haitian private sector, the international community including aid agencies and international financial institutions, NGOs and CBOs/GROs.

**Transforming the Haitian Non-Developmental State**

Complete transformation of Haiti into a developmental state is a monumental task and one which is undoubtedly beyond the limited scope of this dissertation. However, there are some intermediate steps that could be taken to create a basic infrastructure at the



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public level to support local economic development. Countries such as Japan, Korea and Taiwan significantly transformed their public bureaucracy and policy infrastructure in order to promote and support development (Evans 1995). Japan created the Ministry of International Trade and Industry; Korea had the Economic Planning Board and Taiwan had the Council of Economic Planning and Development. Mumbai, India is in the process of transforming itself into a world class city. One of the first steps that the stakeholders took was to create Bombay First. Bombay First is an initiative of the Bombay Chamber of Commerce to revitalize the city through private, government and civic partnerships. In September 2003, McKinsey & Company completed a report for Bombay First entitled *Vision Mumbai: Transforming Mumbai into a World Class City* (McKinsey 2003). In that report, McKinsey recommended among other things transforming the government of Mumbai and making it more effective by consolidating and reforming key development and regulatory agencies; and massive public and private investments in infrastructure and development. Similar to the Asian experiences, government has to be central in any meaningful development strategy in Haiti.

Haiti can establish an intermediate development strategy focusing at the national and departmental level. Historically, only the national government has any significant structural base or institutional and financial resources. Departmental governments are non-existent and municipal governments are dysfunctional at best. An effective development strategy in Haiti will require the establishment of a cabinet level agency and several regional development agencies at the departmental level. These agencies are to be



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responsible for formulating development policies and directives at the local and regional levels. An appropriate role for the national development agency includes:

- Formulating national development policies and priorities
- Coordinating development-related activities in other ministries and cabinet level agencies
- Allocating funds for development projects
- Regulating and supervising the regional development agencies

Ideally, there should be a regional development agency in each of the ten geographic departments in the country. This may not be feasible in the short run, but should be attainable within the next 10 years. In order to facilitate the process, regional development agencies (RDA) should first be established in areas with large amounts of publicly owned land or where there are significant local projects already in progress. Such areas should be designated regional development zones (RDZ). RDAs will have to be responsible for the following:

- Establishing criteria for RDZ designation
- Designating RDZs
- Setting regional development priorities
- Formulating regional development plans
- Supporting local projects that are consistent with RDZ priorities
- Undertaking regional development projects



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- Working with municipal/communal agencies in prioritizing and undertaking development projects
- Working with NGOs and community development organizations in undertaking regional development projects

The Northeast and the Central Plateau are two regions that are ripe for such a strategy. The Northeast has a large quantity of publicly owned land that is either vacant or underutilized and which can be targeted for development. The Northeast is ideal for an agro-industrial sector that can create jobs for local residents, increase the productive capacity of the region and contribute to national growth. There are several groups in the Central Plateau that currently engage in small scale development projects. Two projects are relatively comprehensive in that they encompass education, health and small scale development. One group even attempted bicycle assembly operation and a community bank. Another project has a reputable infectious disease clinic, a school and several training programs. A third group has technical training programs and fish farming. If coordinated and adequately supported, these projects could add value to the region and serve as impetus for its development.

In addition to the NDA, RDAs and RDZs, there several other critical steps the Haitian government will have to undertake to facilitate development and to transform itself. If it is to encourage local and regional development, the government will have to change its approach and mind-set to think more comprehensively and big about



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development. It cannot longer have an incremental approach to regional and local development. It will have to invest a significant sum in that endeavor. The establishment of RDZs is a mechanism to help the government and its partners to focus on a specific region at any given time until the capacity exists to take-on multiple RDZs. It will also require significant investment in physical infrastructure such as transportation, utilities, and communication. Simultaneously with establishment of the institutional infrastructure to facilitate development of the country's physical infrastructure, the government will have to focus in creating a climate of safety and security by reforming the justice system and the national police as well as reforming the education system to create a more educated, trained and competitive labor force.

Creating a climate conducive to development in Haiti requires application of location and space-based, human capital, as well as political and social approaches. Most importantly, it requires consensus among the social classes, and the political and economic elites. Haiti will have to become a nation-state with some common goals and objectives that are shared by most. At a minimum, all members of the society, as Trouillot states, will have to feel that they are in the "same boat and it's not going anywhere" (Rotberg 1997). This is tremendously challenging for a state such as Haiti with no history of political and societal consensus or effective governance.



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**Transforming NGOs into Development Agents**

NGOs are significant players in the foreign aid system in Haiti. This is not a situation that is likely to change in the near future. As demonstrated in this dissertation, NGOs have not played a role in promoting and supporting local development in Haiti. While they have become aid service contractors and an integral part of the aid delivery system, they have been ineffective in facilitating local development. On the other hand, international and large national NGOs have the best organizational structure that can be used to support local development in the country. However, these organizations will have to undergo a significant shift in their mind-set and in the way in which they operate. Becoming development agents will also require that some NGOs move from a service delivery, humanitarian relief model to a community building, asset creation, wealth generating, and investment model. Such a transition requires modification in how NGOs design and implement projects, how they raise funds, and how they operate locally. It also requires that NGOs look at community economic development comprehensively and less incrementally. This means that they will have to invest significantly in projects in order to have impacts and adopt a combination of place and people based strategies, a focus on community and human capital development. NGOs whose primary mission and focus is not community building and development should not be funded for development projects.

Development NGOs have to begin by focusing their efforts in specific regions and communities. A precedent exists in the 1980s, when the three major US-based NGOs



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(CARE, CRS and ADRA) served very specific geographic areas. However, they were not grounded in the communities which they served. The geographic assignment was a USAID creation. NGOs will have to assume a different approach. They can become grounded through the establishment of local subsidiaries or affiliates that are locally based and in which the local community has a stake. Community ownership of NGOs could take the form of a local advisory board consisting of local residents. Advisory boards would serve as vehicles for community input and participation. Such a mechanism would result in more transparent operation and would build trust between local residents and NGOs. It would also provide a framework for local accountability.

The geographic focus would enable NGOs to have a much better understanding of the needs of their service areas. A major weakness of NGO projects is that they are sporadic, inconsistent, and do not reflect any local priorities or objectives. By targeting specific localities, NGOs can conduct detailed community development plans and needs assessment. The findings from such assessment could then be used to determine local development priorities. In areas where the local and RDZ priorities overlap, RDA should work with NGOs to achieve such objectives. The outcome would be that those NGOs would stop being aid service contractors and would seek funding to achieve their development objectives and priorities. NGOs would have to make sure that their priorities are consistent with other community priorities or at least are not conflicting with them in major ways. This would prevent and dampen the situation that arose in Terrier Rouge in 2001 where the residents protested the proliferation of PL 480



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agricultural products in the local market as a threat to their livelihood and local development. The Terrier Rouge residents opposed the fact that PL 480 products were being imposed on them while their community development needs were being neglected. To the extent that local residents view NGOs as part of an oppressive system, they will continue to resist, mistrust and oppose them.

Like MPTR in the Northeast and MPP in the Central Plateau, there is a network of grassroots organizations throughout the country. One of their frustrations is the general lack of collaboration and support from NGOs and the fact that all resources are directed to NGOs. Many GRO members see NGOs as hindrances to their development and to community development in general. This does not advance the community development cause in Haiti. NGOs can become more effective if they work with GROs and use them to gain community access, build local trust, and establish local advisory boards. These organizations need technical assistance, funding, and organizational development assistance. Haiti does not have a support system for GROs. NGOs can add value and gain local points by serving as an organizational support system to fledging GROs and CBOs as well as providing training to their members.

Reinventing and transforming themselves to become development agents is a daunting task for NGOs in Haiti, but not beyond their reach. It means that they will have to rethink their business model and relationships with key funders—aid agencies and international financial institutions. They will have to challenge a funding system that



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does not currently support what I am proposing, but which has not produced significant results after years of funding and hundreds of millions dollars later.

**A More Effective NGO Regulatory System**

NGOs are not being adequately monitored or regulated by the UCAONG, the division at the Haitian Ministry of Planning and External Cooperation charged with that task. NGOs are supposed to register with UCAONG. In 1997, only 266 NGOs were listed in a directory published by Association of Voluntary Agencies (HAVA). A total of 43 or 16 percent did not duly register with Haitian authorities. The 223 registered NGOs represent a small fraction of the total organizations that are classified as NGOs and which are operating in the country. Small local NGOs, CBOs and GROs are not registered at all and their number is estimated to be in the 10,000s (Morton 1997).

The NGOs sector is essentially unmonitored. Those organizations that are registered do so in order to benefit from tax-free and duty-free import and income tax exemptions. There are no penalties for not registering. In fact organizations function for years and received funding from aid agencies and foundations without being recognized. Those organizations that are registered are required to file annual narrative and financial reports with UCAONG. Few organizations actually file the reports and on an inconsistent basis. There is no consistent, systematic NGO monitoring system that can hold them accountable.



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The NGOs registration system is also punitive to small local NGOs and CBOs/GROs. For an NGOsto obtain legal status it has to be recommended by an aid agency or two recognized NGOs and have at least Hgds 50,000 (the equivalent of US$1,200 in 2006 exchange rate) in a bank account. When the government decree was issued in 1986, the equivalent was US$10,000. This was an exorbitant amount for CBOs and GROs. Many of them simply did not bother to obtain legal status and opted to operate without properly registering with the authorities. Those small organizations which are able to secure funding are able to do so without having to demonstrate that they are in good standing with the regulatory authority.

The lack of governmental oversight reinforces the notion that NGOs are rampant organizations that are unaccountable and beyond all local control. This is a damaging position for both the government and NGOs. It is further evidence of the failing of government and the impervious tendency of NGOs. This can be corrected if the government would 1) streamline the registration process and make it simple for organizations to register and obtain legal status; 2) require that all organizations be in good standing in other to legally operate in Haiti; 3) clarify the kind of reporting requirements that are necessary for an organization to be in good standing; and 4) reform UCAONG and provide it with the necessary resources to function efficiently. Additionally, public and private funders should not fund an organization which is not in good standing with the Haitian government. This is standard practice in non-profit funding, and Haiti should be no exception. The fact that organizations can be funded



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although they have no legal status in the country and are not in good standing contributes to lawlessness and lack of accountability in the NGO sector in Haiti.

**Collaboration and Strategic Partnerships**

Strategic partnerships and collaboration is a vital facet of the economic development process as illustrated in the Mumbai redevelopment plan (McKinsey 2003) and in the economic transformation of some Asian and Latin American countries (Evans 1995). Public-private partnership is at the core of the development plan for Mumbai. Public-private partnership entails strategic collaboration between key actors which have a stake in development and which can contribute to it. In the case of Haiti, these actors include the government, the private sector, the international community, NGOs and CBOs/GROs.

Key development actors and stakeholders have not collaborated to effectuate a workable community economic development strategy for Haiti. NGOs for instance, have undertaken spurious projects that were uncoordinated, short-lived and had no significant impact on living conditions of the targeted communities. No significant community development projects can be attributed to the Haitian private sector. The US alone invested over $ 1 billion in Haiti between 1995 and 2005. Between 1985 and 1997, the International community invested over $4.2 billion in Haiti. These investments have produced no lasting results. CBOs/GROs simply lack the financial resources, the organizational structure and the technical expertise to make a meaningful contribution to



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community development in Haiti. All of these sectors have a stake in a process that could lead to increased employment, income generation, physical development, a general growth in business, and a more positive outlook for the country.

A partnership between the key actors would constitute a shift and an alternative to the way in which government, NGOs, and businesses operate in Haiti and provide a vehicle for them to pool resources in order to have greater impact. For instance, there was a plan for a port in the Southern coastal town of St. Louis du Sud as a strategy to facilitate international trade in the Southern part of the country without passing through the capital. A private investor was willing to invest in the construction of the port. The Inter-American Development Bank (IDB) paid for the initial engineering feasibility analysis. This is the kind of project that could benefit from partnership between the key actors. For instance:

1. The government could have designated the area an RDZ and target it for significant infrastructure improvement such as new roads and economic development assistance.
2. Businesses could have been eligible for flexible financing and other incentives if they invested in the zone.
3. NGOs could have provided technical assistance to small businesses interested in locating in the zone, building affordable housing for workers who would migrate to the area, and establishing workforce



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development programs to train workers for employment opportunities that could become available in the area.

Another example of how community development in Haiti could have benefited from partnership between key actors. In 1999 a group of Boston-based social investors founded SEED, The Haitian Development Loan Fund. Within four years, the group raised and invested over $1 million in some 30 peasant cooperatives, in the form of loans and capital grants including solar pumps, irrigation systems, hydraulic well drills and tractors. In 2003, loans made to the coops lost over 65 percent of their value due a precipitous decline in the value of the gourdes, the Haitian currency, forcing the group write off the loans and turn the funds over to its Haitian partner. SEED provided medium size capital loans to peasant cooperatives for agricultural production. A partnership with key actors could have helped the funds to mitigate the devaluation and other investment risks as follows:

1. International financial institutions or aid agencies could have subsidized the interest rate and made the loans less costly to borrowers as well as providing a guarantee against currency devaluation.
2. A local financial institution could have taken responsibility to monitor and disburse loan funds and provided the coops with basic financial training.
3. NGOs could have helped some of the coops to market their goods in and outside of Haiti as well as coordinate business and technical training for the coop members.



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There are countless other examples of projects that could have had a better chance of success or had greater impact if they had been part of a partnership among key stakeholders. These projects missed their chance just as Haiti has missed many opportunities. With the election and installation of a new government in 2006, Haiti once again has an opportunity to set the path that could lead to a more desirable, equitable and just society. An effective community economic development agenda could be an outcome of such an effort. NGOs could play an important role in advancing such an agenda, but this will require that 1) Haiti transform itself into a developmental state; 2) NGOs become development agents; and 3) Key actors and stakeholders collaborate and invest massively in community economic development.



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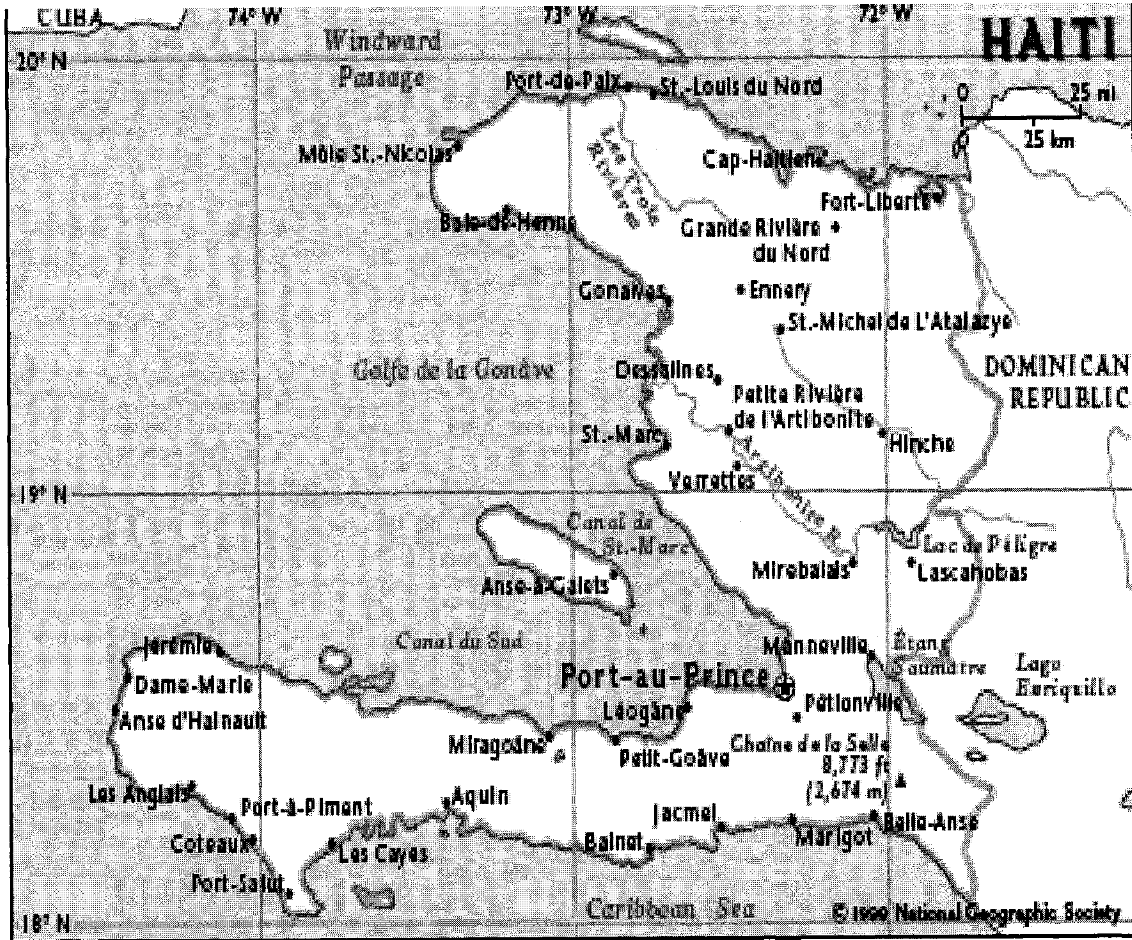
APPENDIX A

Map of Haiti



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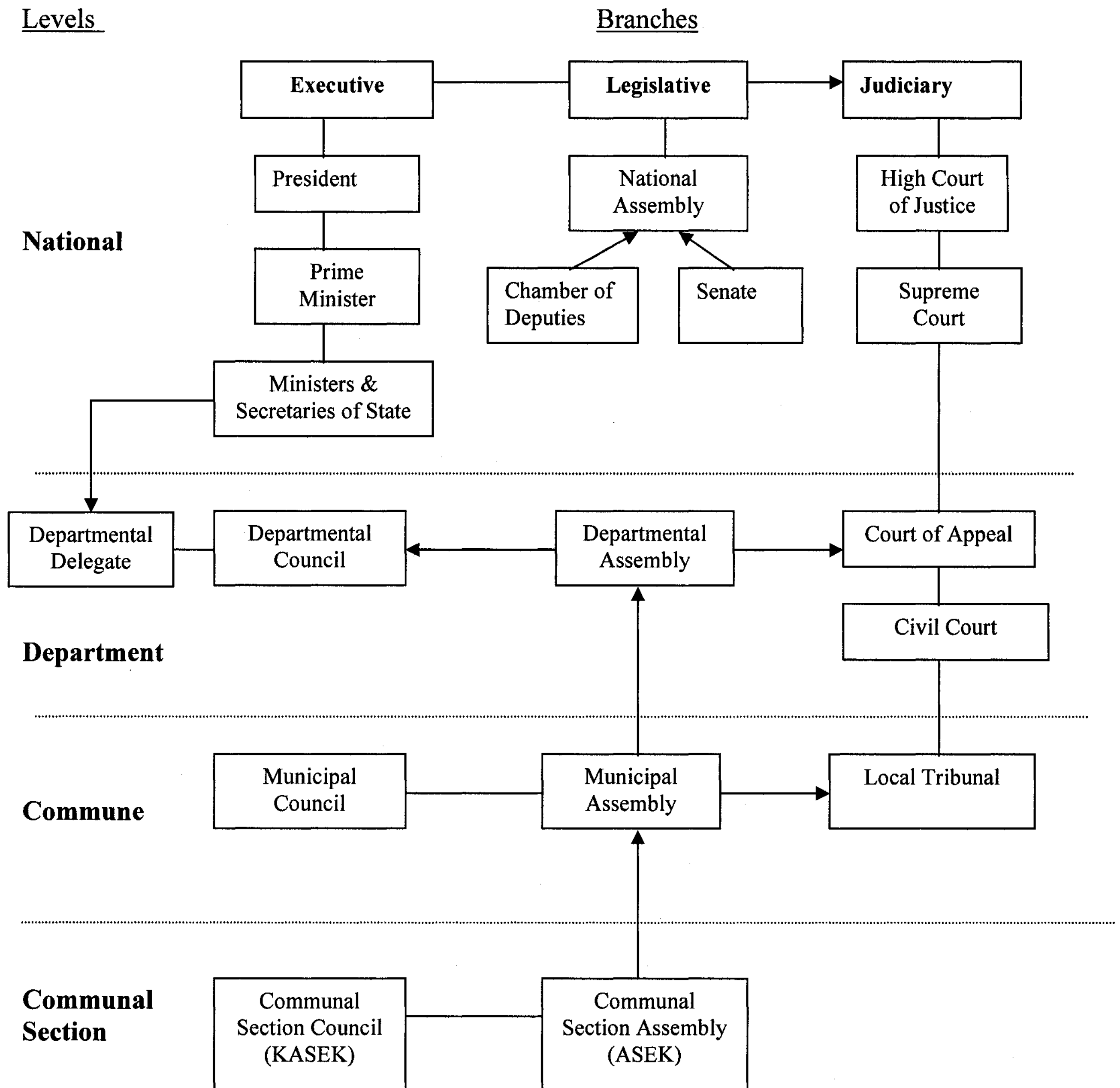
APPENDIX B

Haitian Governmental Structure



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APPENDIX C

Original Note from Terrier Rouge Demonstration

- Pwodiksyon nasyonal se lavi drab pou tout Ayisyen.
- Aba manje enpòte, viv pwodiksyon nasyonal manje sinistre se pwazon pou agrikilti.
- Nou bezwen lapè nan vant tout bon, nou dwe jwenn tè pou travay.
- Tè se pou peyizan ki ap travay tè selon atik 247, 248, 248-1 Konstitisyon 87.
- Nou menm Mouvman Peyizan Tèrye Wouj (MPTR) nap travay ogmante pwodiksyon lokal e nasyonal. Aba eksplwatasyon. Aba yon ponyen grandon ki vle akapare tout tè ki nan men yo.

Annou ini ansanm ak gouvènman vin ban nou tè pou nou travay pou nou gen manje. San peyizan pwodiksyon lokal e nasyonal enposib paske peyizan ogmante se motè devlopman drab peyi a.



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APPENDIX D

Vacant Publicly Owned Land in The Northeast

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APPENDIX E

Haitians Heads of State, Means of Acquiring

Power and Means of Change

1804-2001

| Heads of State | Freely Elected | Profession | Years in Office | Means of Change |
|---|---|---|---|---|
| Jean-Jacques Dessalines | No | Military Officer | 1804-1806 | Assassinated |
| Alexandre Petion (South) | No | Military Officer | 1806-1818 | Died in office |
| Henry Christophe (North) | No | Military Officer | 1806-1820 | Suicide |
| Jean-Pierre Boyer | No | Military Officer | 1818-1843 | Overthrown |
| Rivière Hérard | No | Military Officer | 1843-1844 | Overthrown |
| Philipe Guerrier | No | Military Officer | 1844-1845 | Died in Office |
| Jean-Louis Pierrot | No | Military Officer | 1845-1846 | Overthrown |
| Jean-Baptiste Riché | No | Military Officer | 1846-1847 | Died in Office |
| Faustin Soulouque | No | Military Officer | 1847-1859 | Overthrown |
| Nicolas Geffrard | No | Military Officer | 1859-1867 | Overthrown |
| Sylvain Salnave | No | Military Officer | 1867-1869 | Overthrown |
| Nissage Saget | No | Military Officer | 1870-1874 | Retire after serving constitutional term |
| Michel Domingue | No | Military Officer | 1874-1876 | Overthrown |
| Boisrond Canal | No | Military Officer | 1876-1879 | Overthrown |
| Louis Lysius Félicité Salomon | No | Military Officer | 1879-1888 | Overthrown |
| François Denis Légitime | No | Military Officer | 1888-1889 | Overthrown |
| Florvil Hyppolite | No | Military Officer | 1889-1896 | Died in Office |
| Antoine Simon Sam | No | Military Officer | 1896-1902 | Completed term |
| Nord Alexis | No | Military Officer | 1902-1908 | Overthrown |
| Antoine Simon | No | Military Officer | 1908-1911 | Overthrown |
| Cincinatus Leconte | No | Military Officer | 1911-1912 | Died in Office |
| Tancrède Auguste | No | Military Officer | 1912-1913 | Died in Office |
| Michele Oreste | No | Civilian | 1913-1914 | Overthrown |
| Oreste Zamor | No | Military Officer | 1914 | Overthrown |
| Davilmar Theodore | No | Military Officer | 1914-1915 | Overthrown |
| Vilbrum Guillaume Sam | No | Military Officer | 1915 | Assassinated |
| Sudre Dartiguenave | No | Civilian | 1915-1922 | US Occupation |
| Louis Borno | No | Civilian | 1922-1930 | US Occupation |
| Louis Eugene Roy | No | Civilian | 1930 | US Occupation |
| Stenio Vincent | No | Civilian | 1930-1941 | Overthrown |
| Elie Lescot | No | Civilian | 1941-1946 | Exiled |
| Dumarsais Estimé | No | Civilian | 1946-1950 | Overthrown |
| Paul E. Magloire | No | Military Officer | 1950-1956 | Overthrown |
| Nemours Pierre-Louis | No | Civilian | 1956-1957 | Overthrown |
| Frank Sylvain | No | Civilian | 1957 | Overthrown |



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| | | | | |
|---|---|---|---|---|
| Daniel Fignolé | No | Civilian | 1957 | Overthrown |
| François Duvalier | No | Civilian | 1957-1971 | Died in Office |
| Jean-Claude Duvalier | No | Civilian | 1971-1986 | Overthrown |
| Henry Namphy | No | Military Officer | 1986-1988 | Fraudulent election |
| Leslie F. Manigat | No | Civilian | 1988 | Overthrown |
| Henry Namphy | No | Military Officer | 1988 | Overthrown |
| Prosper Avril | No | Military Officer | 1988-1990 | Overthrown |
| Ertha Pascal-Trouillot | No | Civilian | 1990-1991 | Election |
| Jean-Bertrand Aristide | Yes | Civilian | 1991 | Overthrown |
| Joseph Nérette (military regime) | No | Civilian | 1991-1992 | Overthrown |
| Emile Jonnasaint (military regime) | No | Civilian | 1992-1994 | UN military intervention |
| Jean-Bertrand Aristide | Reinstated | Civilian | 1994-1996 | Election |
| Rene G. Preval | Yes | Civilian | 1996-2001 | Election |
| Jean-Bertrand Aristide | Yes | Civilian | 2001 | |

*Sources: Dupuy1989; Laguerre 1983; Lundahl 1992; Trouillot 1990*



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APPENDIX F

International Trade

Haiti 1960-1998

| Year | Total Import | Total Export | Trade Balance | % Trade deficit |
|---|---|---|---|---|
| 1960 | 58,200,008 | 54,020,040 | (4,179,968) | -7.18% |
| 1965 | 62,120,040 | 44,700,000 | (17,420,040) | -28.04% |
| 1970 | 69,799,984 | 54,400,000 | (15,399,984) | -22.06% |
| 1975 | 165,100,000 | 105,700,000 | (59,400,000) | -35.98% |
| 1980 | 445,899,808 | 316,100,000 | (129,799,808) | -29.11% |
| 1981 | 473,400,000 | 248,600,000 | (224,800,000) | -47.49% |
| 1982 | 444,039,904 | 292,960,000 | (151,079,904) | -34.02% |
| 1983 | 455,119,904 | 285,460,000 | (169,659,904) | -37.28% |
| 1984 | 481,500,096 | 317,340,000 | (164,160,096) | -34.09% |
| 1985 | 468,300,096 | 304,000,000 | (164,300,096) | -35.08% |
| 1986 | 423,299,904 | 291,620,000 | (131,679,904) | -31.11% |
| 1987 | 453,680,096 | 282,420,000 | (171,260,096) | -37.75% |
| 1988 | 452,839,904 | 276,400,000 | (176,439,904) | -38.96% |
| 1989 | 470,920,000 | 288,340,000 | (182,580,000) | -38.77% |
| 1990 | 611,600,000 | 340,000,000 | (271,600,000) | -44.41% |
| 1991 | 400,480,000 | 198,720,000 | (201,760,000) | -50.38% |
| 1992 | 277,150,000 | 74,720,000 | (202,430,000) | -73.04% |
| 1993 | 188,300,000 | 57,400,000 | (130,900,000) | -69.52% |
| 1994 | 216,000,000 | 64,000,000 | (152,000,000) | -70.37% |
| 1995 | 436,000,000 | 130,000,000 | (306,000,000) | -70.18% |
| 1996 | 645,000,000 | 150,000,000 | (495,000,000) | -76.74% |
| 1997 | 520,000,000 | 200,000,000 | (320,000,000) | -61.54% |
| 1998 | 520,000,000 | 220,000,000 | (300,000,000) | -57.69% |

*Sources: World Economic Development Reports; World Economic Indicators; US Department of State, Country Reports*



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APPENDIX G

Trade and External Debt

Haiti, 1960-1998

| Year | GDP | Import as % GDP | Export as %GDP | External Debt | Ex Debt as % GDP |
|---|---|---|---|---|---|
| 1960 | 270,660,000 | 22% | 20% | | |
| 1965 | 347,040,000 | 18% | 13% | | |
| 1970 | 394,400,000 | 18% | 14% | 40,000,000 | |
| 1975 | 721,500,032 | 23% | 15% | 69,700,000.00 | 10% |
| 1980 | 1,461,799,936 | 31% | 22% | 302,500,000 | 21% |
| 1981 | 1,468,800,000 | 32% | 17% | 423,200,192 | 29% |
| 1982 | 1,484,999,936 | 30% | 20% | 536,900,224 | 36% |
| 1983 | 1,629,600,000 | 28% | 18% | 574,199,872 | 35% |
| 1984 | 1,816,400,000 | 27% | 17% | 664,599,872 | 37% |
| 1985 | 2,009,400,064 | 23% | 15% | 717,599,872 | 36% |
| 1986 | 2,243,599,872 | 19% | 13% | 710,399,872 | 32% |
| 1987 | 2,162,400,000 | 21% | 13% | 844,100,096 | 39% |
| 1988 | 2,210,800,128 | 20% | 13% | 818,199,872 | 37% |
| 1989 | 2,349,499,904 | 20% | 12% | 802,500,224 | 34% |
| 1990 | 2,762,200,064 | 22% | 12% | 884,000,000 | 32% |
| 1991 | 2,641,299,968 | 15% | 8% | 747,100,096 | 28% |
| 1992 | 1,512,870,000 | 18% | 5% | 772,799,808 | 51% |
| 1993 | 1,472,200,000 | 13% | 4% | 830,000,000 | 56% |
| 1994 | 1,648,000,000 | 13% | 4% | 866,000,000 | 53% |
| 1995 | 2,327,000,000 | 19% | 6% | 802,000,000 | 34% |
| 1996 | 2,660,000,000 | 24% | 6% | 912,000,000 | 34% |
| 1997 | 3,429,000,000 | 15% | 6% | 1,025,000,000 | 30% |
| 1998 | 3,800,000,000 | 14% | 6% | 1,086,000,000 | 29% |

*Sources: World Economic Development Reports; World Economic Indicators; US Department of State, Country Reports*



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## APPENDIX H

Exchange Rates

Haiti, 1991-1999

| Year | Currency Rate |
|---|---|
| Prior 1991 | 5.00 |
| 1991 | 5.00 |
| 1992 | 9.09 |
| 1993 | 12.43 |
| 1994 | 14.50 |
| 1995 | 14.40 |
| 1996 | 15.60 |
| 1997 | 16.90 |
| 1998 | 16.80 |
| 1999 | 16.65 |
| 2000 | 19.00 |
| 2001 | 25.00 |

*Sources: US Department of State, Country Reports; Soge Bank, Port-Au-Prince, Haiti*



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## APPENDIX I

### Consumption, Import, and Export

### Haiti, 1960-1990

| Year | Consumption | Total Import | Total Export |
|---|---|---|---|
| 1960 | 250,800,000 | 58,200,008 | 54,020,040 |
| 1965 | 340,520,000 | 62,120,040 | 44,700,000 |
| 1970 | 364,880,000 | 69,799,984 | 54,400,000 |
| 1975 | 674,640,000 | 165,100,000 | 105,700,000 |
| 1980 | 1,344,000,000 | 445,899,808 | 316,100,000 |
| 1981 | 1,413,200,000 | 473,400,000 | 248,600,000 |
| 1982 | 1,390,077,952 | 444,039,904 | 292,960,000 |
| 1983 | 1,533,059,968 | 455,119,904 | 285,460,000 |
| 1984 | 1,692,359,936 | 481,500,096 | 317,340,000 |
| 1985 | 1,887,579,008 | 468,300,096 | 304,000,000 |
| 1986 | 2,130,221,056 | 423,299,904 | 291,620,000 |
| 1987 | 2,053,660,032 | 453,680,096 | 282,420,000 |
| 1988 | 2,110,499,968 | 452,839,904 | 276,400,000 |
| 1989 | 2,240,460,032 | 470,920,000 | 288,340,000 |
| 1990 | 2,732,000,000 | 611,600,000 | 340,000,000 |

*Sources: World Economic Development Reports; World Economic Indicators; US Department of State, Country Reports*



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APPENDIX J

GDP and Consumption Per Capita

Haiti, 1960-1998

| Year | GDP | Total Population | GDP per Capita | Total Consumption | Consumption Per Capita |
|---|---|---|---|---|---|
| 1960 | 270,660,000 | 3,804,000 | 71 | 250,800,000 | 66 |
| 1965 | 347,040,000 | 4,143,000 | 84 | 340,520,000 | 82 |
| 1970 | 394,400,000 | 4,520,000 | 87 | 364,880,000 | 81 |
| 1975 | 721,500,032 | 4,920,000 | 147 | 674,640,000 | 137 |
| 1980 | 1,461,799,936 | 5,353,000 | 273 | 1,344,000,000 | 251 |
| 1981 | 1,468,800,000 | 5,448,000 | 270 | 1,413,200,000 | 259 |
| 1982 | 1,484,999,936 | 5,546,000 | 268 | 1,390,077,952 | 251 |
| 1983 | 1,629,600,000 | 5,648,000 | 289 | 1,533,059,968 | 271 |
| 1984 | 1,816,400,000 | 5,754,000 | 316 | 1,692,359,936 | 294 |
| 1985 | 2,009,400,064 | 5,865,000 | 343 | 1,887,579,008 | 322 |
| 1986 | 2,243,599,872 | 5,980,000 | 375 | 2,130,221,056 | 356 |
| 1987 | 2,162,400,000 | 6,099,000 | 355 | 2,053,660,032 | 337 |
| 1988 | 2,210,800,128 | 6,221,000 | 355 | 2,110,499,968 | 339 |
| 1989 | 2,349,499,904 | 6,346,000 | 370 | 2,240,460,032 | 353 |
| 1990 | 2,762,200,064 | 6,472,000 | 427 | 2,732,000,000 | 422 |
| 1991 | 2,641,299,968 | 6,593,000 | 401 | | |
| 1992 | 1,512,870,000 | 6,715,000 | 225 | | |
| 1993 | 1,472,200,000 | 6,870,000 | 214 | | |
| 1994 | 1,648,000,000 | 7,025,196 | 235 | | |
| 1995 | 2,327,000,000 | 7,180,294 | 324 | | |
| 1996 | 2,660,000,000 | 7,346,139 | 362 | | |
| 1997 | 3,429,000,000 | 7,515,814 | 456 | | |
| 1998 | 3,800,000,000 | 7,689,408 | 494 | | |

*Sources: World Economic Development Reports; World Economic Indicators; US Department of State, Country Reports*



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APPENDIX K

GDP Growth by Sector

Haiti, 1960-1997

| Year | GDP | Agriculture (%) | Industry (%) | Services |
|---|---|---|---|---|
| 1960-70 | | -0.7 | 0.2 | 1.1 |
| 1965-73 | 1.7 | -0.3 | 4.8 | 2.5 |
| 1965-1980 | | 1 | 7.1 | 2.7 |
| 1970-81 | | 1.1 | 7.1 | 3.5 |
| 1973-83 | 3 | 0.7 | 5.3 | 3.8 |
| 1973-84 | 2.7 | 0.5 | 4.5 | 3.7 |
| 1980-85 | -0.8 | -1.3 | -2.4 | 0.5 |
| 1980-90 | -0.2 | -0.1 | -1.7 | 0.5 |
| 1990-97 | | -4.9 | -2.7 | -0.5 |

*Sources: World Economic Development Reports; World Economic Indicators; US Department of State, Country Reports*



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APPENDIX L

Government Revenue

Haiti 1980-1988

| Year | Tax on Income | Tax on Goods | Inter Trade | Soc. Sec | Non tax Rev | Other | Rev as % of GDP |
|---|---|---|---|---|---|---|---|
| 1980 | 13.9 | 15.5 | 48.4 | | 12.6 | 9.6 | 10.7 |
| 1981 | 13.9 | 15.5 | 48.4 | | 12.6 | 9.6 | 11.3 |
| 1982 | 17.9 | 8.7 | 26.2 | 0.3 | 8.7 | 27.8 | 13.9 |
| 1983 | 17.9 | 19.1 | 26.2 | 0.3 | 8.7 | 27.8 | 13.9 |
| 1987 | 11.8 | 42.2 | 21.4 | | 14.3 | 10.3 | 10.4 |
| 1988 | 11.8 | 42.2 | 21.4 | | 14.3 | 10.3 | 10.8 |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

*Sources: World Economic Development Reports; World Economic Indicators; US Department of State, Country Reports*



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# APPENDIX M

## Labor by Sector

## Haiti, 1960—1990

| Year | Agriculture | Industry | Services |
|---|---|---|---|
| 1960 | 80 | 6 | 14 |
| 1965 | 77 | 7 | 16 |
| 1970 | 74 | | |
| 1977 | 70 | 8 | 22 |
| 1978 | 70 | 8 | 22 |
| 1979 | 74 | 7 | 19 |
| 1980 | 74 | 7 | 19 |
| 1981 | 74 | 7 | 19 |
| 1990 | 68 | 9 | |

*Sources: World Economic Development Reports; World Economic Indicators*



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## APPENDIX N

### GDP Distribution by Sector

### Haiti, 1994-1997

| Year | Agriculture (%) | Industry (%) | Services (%) |
|---|---|---|---|
| 1994 | 44 | 12 | 44 |
| 1995 | 44 | 12 | 37 |
| 1997 | 42 | 14 | 44 |

*Sources: World Economic Development Reports; World Economic Indicators*



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# APPENDIX O

## Foreign Aid Allocation to Haiti

## Percent of US & Canada Aid Channel to NGOs

## 1980-1997

| Year | Total Foreign Aid Allocation | US Aid Allocation | US Aid to NGOs | % US Aid to NGOs | Canadian Aid Allocation | Canadian Aid to NGOs | %Canadian Aid to NGOs |
|---|---|---|---|---|---|---|---|
| 1980 | 105,000,000 | 9,000,000 | 2,305,082 | 26% | 9,229,000 | 1,636,000 | 18% |
| 1981 | 107,000,000 | 13,000,000 | 3,390,842 | 26% | 10,108,000 | 2,583,000 | 26% |
| 1982 | 128,000,000 | 17,000,000 | 2,915,950 | 17% | 8,014,000 | 2,266,000 | 28% |
| 1983 | 134,000,000 | 23,000,000 | 3,452,426 | 15% | 13,927,000 | 3,665,000 | 26% |
| 1984 | 135,000,000 | 26,000,000 | 3,056,958 | 12% | 13,853,000 | 4,457,000 | 32% |
| 1985 | 153,000,000 | 44,000,000 | 9,418,521 | 21% | 8,801,000 | 4,076,000 | 46% |
| 1986 | 175,000,000 | 65,000,000 | 8,123,259 | 12% | 7,742,000 | 3,841,000 | 50% |
| 1987 | 218,000,000 | 78,000,000 | 12,798,318 | 16% | 17,470,000 | 6,743,000 | 39% |
| 1988 | 147,000,000 | 49,000,000 | 13,137,209 | 27% | 15,492,000 | 6,127,000 | 40% |
| 1989 | 200,000,000 | 83,000,000 | 15,712,244 | 19% | 15,492,000 | 6,480,000 | 42% |
| 1990 | 183,000,000 | 60,000,000 | 15,980,135 | 27% | 17,535,000 | 7,367,000 | 42% |
| 1991 | 182,000,000 | 83,000,000 | 16,072,953 | 19% | 18,331,000 | 5,972,000 | 33% |
| 1992 | 100,000,000 | 20,000,000 | 21,720,765 | 109% | 18,150,000 | 4,605,000 | 25% |
| 1993 | 113,000,000 | 20,100,000 | 23,669,967 | 118% | 16,789,000 | 3,171,000 | 19% |
| 1994 | 557,000,000 | 127,700,000 | 48,549,905 | 38% | 19,059,000 | 1,747,000 | 9% |
| 1995 | 558,000,000 | 260,000,000 | 57,495,637 | 22% | 33,540,000 | 1,914,000 | 6% |
| 1996 | 399,000,000 | 115,000,000 | 66,000,000 | 57% | 30,799,000 | 1,867,000 | 6% |
| 1997 | 573,000,000 | 145,000,000 | | | 42,285,000 | 3,314,000 | 8% |
| | | | | | | | |
| Total | 4,167,000,000 | 1,237,800,000 | 323,800,171 | 26% | 316,616,000 | 71,831,000 | 23% |

Sources: USAID Yellow Book; Canadian International Development Agency; Organization of Economic Co-operation and Development (EOCD)



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# APPENDIX P

## USAID Contracts over $1 Million to NGOs

## Multi-Year Cumulative and Active in 1996

| NGOs | Location | USAID Contract Amount | Contract Period | Project |
|---|---|---|---|---|
| Adventist Development & Relief Agency | US | 6,157,215 | 1996-2000 | Food security & support of PL 480 Title II feeding program |
| American Development Foundation | US | 8,613,565 | 1991-1999 | Democratic reform/civil society |
| American Institute of Free Labor (AIFLD) | US | 1,266,241 | 1991-1996 | Support labor movement |
| CARE | US | 19,731,377 | 1992-2000 | Food security, PL 480 Title II feeding program, productive land use system, humanitarian assistance |
| Catholic Relief Services | US | 6,279,002 | 1992-2000 | Support of PL 480 Title II Feeding Program, Food security. |
| Child Health Institute | Haiti | 2,985,001 | 1988-1996 | Monitor and evaluate child survival health intervention |
| Development Alternatives | US | 4,283,710 | 1994-1997 | TA to USAID for program for the recovery of the economy & evaluation of the Central Bank |
| Eye Care Inc | Haiti | 1,546,255 | 1989-1996 | Decrease infant mortality. |
| Foundation Hatienne pour L'enseignment Privee (FONHEP) | Haiti | 11,314,288 | 1989-1997 | Improvement in private sector primary education. |
| Haitian Development Foundation | US | 3,578,537 | 1991-1997 | Stimulate growth of the Haiti economy |
| Inter-American Institute for Cooperation | OAS | 11,601,617 | 1990-1996 | Support for Coffee Revitalization |
| International Foundation for Election | US | 4,553,596 | 1995-1997 | Election support |
| International Lifeline | US | 1,679,262 | 1992-1995 | Support a PL 480 Title II Feeding Program |
| International Organization for Migration | US | 21,329,449 | 1994-1996 | Democratic reform |
| International Planned Parenthood | US | 25,398,050 | 1986-1996 | Family Planning |



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| | | | | |
|---|---|---|---|---|
| National Democratic Institute | US | 3,382,000 | 1991-1996 | Democratic reform |
| Pan American Development Foundation | US | 18,727,662 | 1993-1996 | Create jobs in area of infrastructure repairs, clean-up, irrigation restoration and provide TA to USAID Haiti Plus project. |
| Planning Assistance | La Paz (Mexico) | 2,327,827 | 1994-1996 | Implement job creation & infrastructure development |
| Research Triangle | US | 1,046,197 | 1994-1996 | Support education policy reform & planning process |
| Save the Children | US | 1,844,355 | 1994-1997 | Mother and children health and nutrition program. |
| Societe Financiere Haitienne | Haiti | 2,000,000 | 1995-1997 | Establish loan guaranty fund |
| SOFIDES | Haiti | 1,072,395 | 1991-1995 | Generate new sources of employment |
| Southeast Consortium | US | 5,966,538 | 1995-1996 | TA to USAID for Haiti Plus projects |
| Union des Cooperatives de la Region du Sud | Haiti | 3,994,686 | 1988-1996 | Assist peasant farmers in Southwest |
| Total | | 170,678,825 | | |

Sources: USAID Yellow Book



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