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Research for Action 40

Towards the Abyss?

The Political Economy of
Emergency in Haiti

Mats Lundahl

Research for Action

UNU World Institute for
Development Economics Research
(UNU/WIDER)

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Mats Lundahl

This study has been prepared within the UNU/WIDER project on the Wave of Emergencies of the Last Decade: Causes, Extent, Predictability and Response, which is co-directed by Professor E. Wayne Nafziger, Senior Research Fellow, and Professor Raimo Väyrynen, University of Notre Dame, Indiana, USA.

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FOREWORD

Humanitarian emergencies take on a variety of forms. Not all of them are acute, violent and dramatic enough to make the headlines of the international newspapers. Some proceed at a much slower and quieter pace, which nevertheless, little by little, brings economies towards the abyss in terms of per capita income, nutrition and other indicators of human welfare. One such case is that of Haiti, a country which for many decades has seen a slow but steady decline of the economy, coupled with a dismal political situation. Haiti's plight is analyzed in the present publication by Mats Lundahl.

Lundahl discusses five related problems: (1) the economic causes of the emergency in Haiti; (2) the role of politics in the gradual deterioration of the economy; (3) the conflict between the Haitian state and the population of the country; (4) the period 1986-94, when this conflict entered an acute phase; and (5) the most important present and future factors that threaten to throw Haiti back into an acute emergency situation - at a lower income per capita than in the early 1990s.

Real GDP per capita has declined in Haiti for at least half a century, presumably more. At the root of this decline Lundahl puts the interplay between population growth and soil erosion pushing people out of the countryside.

Lundahl goes on to sketch the devastating turn that politics took in Haiti during the nineteenth century, when a predatory state was created. The predatory tradition has continued to dominate politics until the present time. The citizens have been taxed without receiving very much in return from the powerholders. On the contrary, one of the leading themes in Haitian history, examined by Lundahl, is the gulf that developed between the rulers and the ruled - a gulf which reached such proportions that an acute emergency developed from 1986 to 1994.

During this period, the conflict between the state, represented mainly by the military, and the population at large was brought into the open. The predatory state was challenged by the Lavalas mass movement backing Jean-Bertrand Aristide who in December 1990, in the first democratic elections in Haiti, was elected president by a landslide majority. Lundahl sketches the events leading up to the removal of Aristide by the military, the subsequent international sanctions against Haiti, their devastating effects on the economy and the restoration of democracy by international forces towards the end of 1994.

The 1991-94 sanctions put Haiti in an economically much more vulnerable situation than at any point hitherto in the history of the country. This poses a formidable challenge for the future, that Lundahl skillfully analyzes.

This study is a part of UNU/WIDER's effort to analyse the meaning and causes of these events. The paper is a part of a research project on the political economy of complex humanitarian emergencies, co-directed by E. Wayne Nafziger, UNU/WIDER Senior Research, and Raimo Väyrynen. The research project seeks to use economic and political analyses to explain factors contributing to humanitarian emergencies and to develop early-warning and preventive strategies. Lundahl's paper is a pathbreaking effect to explain Haiti's humanitarian emergency in the 1990s. Students of the Haitian political economy will look to this paper as a major contribution to explaining Haiti's humanitarian emergency. I strongly recommend this study to researchers and policy-makers with an interest in complex humanitarian emergencies.

Giovanni Andrea Cornia
Director, UNU/WIDER
August 1997

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Mats Lundahl
Stockholm, August 1997

ABSTRACT

Towards the Abyss? The Political Economy of Emergency in Haiti analyzes the various factors that have contributed to create a protracted humanitarian emergency situation in Haiti. The first section deals with the economic causes, the interplay between population growth, erosion and falling rural incomes, the failure of import substitution in manufacturing and the rise and near destruction (during the 1991-94 sanctions episode) of the export assembly sector.

Thereafter the role of politics is examined: the degeneration of government into a kleptocracy during the nineteenth century and the perpetuation of the predatory state until the present. The economic consequences of this are highlighted. The third section deals with the antagonistic relation between the state and the masses, the exploitation of the latter by the former and the failure to stimulate development of the state. Section four analyzes the open conflict between the rulers and the population from 1986 to 1994, the failure to break away from the predatory state, the rise and fall of Jean-Bertrand Aristide and the fatal impact on the economy of the 1991 coup d'état and the ensuing international economic sanctions. Finally the most important present problems are examined: the fragile judicial system, the weak economy and the failure to obtain even a minimum consensus in politics. All these may in the future contribute to put Haiti back into an acute crisis situation.

I EMERGENCY IN HAITI

For the past four decades, news from Haiti has seldom been of the positive kind. On the contrary, whenever the country has made the international headlines the story has usually been one of disaster: violations of human rights, AIDS, hunger, boat people, corruption, dictatorship, political violence and turmoil. Much of what has been reported has been widely exaggerated or taken out of context; Haiti has always had a bad press (Lawless, 1992) and many observers have chosen to concentrate on the dark aspects altogether and neglect the brighter sides of life in the country. Still, there is no smoke without fire, and even when the errors have been sorted out, the fact remains that in many respects the Haitian case can be described as an emergency in human or humanitarian terms.

Raimo Väyrynen (1996:19) defines a humanitarian emergency as a 'profound social crisis in which a large number of people die and suffer from war, disease, hunger, and displacement owing to man-made and natural disasters, while some others may benefit from it.' Haiti does not quite meet this specification. It can hardly be argued that the death toll has been 'extensive' and the recent tense political situation in the country did not develop to the point of civil war or wholesale violence. Still, the situation of the country in terms of per capita income, nutrition, health and refugee flows has been serious enough, not only during the last few acute crisis years, but for several decades, to warrant an analysis in emergency terms. Even though Haiti could not be classed as a disaster case in the sense of, say Rwanda or Liberia, it is a country where large numbers of the population for a long time have been living close to the subsistence level and where, in addition, the long-run trend of the average standard of living appears to be a downward one.

These characteristics can be fit into the emergency framework. Väyrynen (1996:36) makes a distinction between three main types of humanitarian crises: (1) violent ones, with large numbers of deaths from wars and external and internal displacement of people, (2) poverty crises, producing extensive human suffering as a result of hunger and disease, and (3) complex humanitarian crises, where violence, displacement and poverty interact and produce an entrenched social crisis. In this classification, Haiti belongs either in the second or the third category. Väyrynen (1996:37) also identifies a fourth category: simple emergencies, where only two of the four elements war, displacement, disease and hunger are present. This definitely includes Haiti, on both the hunger and the disease criterion, and also on that of (external) displacement, whereas physical violence has escalated to the threshold value suggested by Väyrynen that sparks off (internal) displacement and other adverse consequences on only one occasion in the recent past. Finally, the case of Haiti may be thought of as a protracted, rather than accelerated, crisis (Väyrynen, 1996:13):

Emergencies seldom come as a bolt out of the blue, but require a long gestation period and escalate only after triggering conditions transform a latent conflict into an emergency. [...] Especially protracted, accumulating crises may result, in a given period, in relatively few deaths from warfare or starvation. Various coping mechanisms can also keep the manifest costs of an impending disaster in check, even though its risk keeps growing ...

It is precisely here that we find Haiti. Arguably, it could also be classified as a 'potential' rather than an actual emergency (Nafziger 1996:4). The secularly declining living standard has produced a terribly strained situation, where extraordinary events, be they natural, like droughts or hurricanes, or man-made, like civil strife, easily increase the number of poor, push more people abroad, worsen the food situation and increase human suffering the general to the point where the protracted emergency turns into an acute one.

The remainder of the present paper will deal with the identification of the main causes of the emergency conditions prevailing in Haiti. Broadly speaking, the country's plight is the result of two interrelated sets of factors, one economic and one political. These cannot always be separated in practice. In particular, politics in Haiti has always been based on economic interests, and the political game has had a profound impact on the economy. In addition to this interplay, however, a set of purely economic factors exists that operates regardless of what happens in the political arena. To the latter mechanism we will devote the first section, moving on to the interaction between politics and economics in the second part. This will make it possible to disentangle some of the most important processes that are contributing to pushing Haiti and its people, slowly but steadily, closer and closer to the humanitarian abyss. The third section identifies some long-standing, but latent, conflicts in Haitian society. Fourth, the causes and consequences of the acute 1991-94 crisis will be dealt with, against the background of the findings of the first three sections. Finally, an examination will be made of Haiti's future, and the main obstacles to economic development will be identified against the background of the recent political changes in the country.

II THE FUNDAMENTAL ECONOMIC CAUSES OF PROTRACTED EMERGENCY IN HAITI

A widely accepted definition of economic development states that development takes place when an economy displays a sustained increase of real GDP or GNP per capita over several years while at the same time the distribution of income does not become more unequal and the number of absolute poor defined according to some convention does not increase (Meier, 1996:7). With this perspective, human deprivation and emergencies, at least protracted ones, derive from low or negative growth or increasing inequality, through the effects that this has on those at the bottom of the income ladder. Alternatively, turning the reasoning on its head: only under exceptional circumstances do we observe humanitarian emergencies in situations characterized by high and steady growth, shrinking income differences and escape from poverty by ever larger population segments.

In World Bank statistics Haiti is classified among the low-income economies, with an estimated GNP per capita of US\$ 230 in the wake of the economic sanctions against the country in 1994 (World Bank 1996:188). Other estimates by international organizations yield slightly higher figures: US\$ 250-260 (International Monetary Fund 1995:2, Inter-American Development Bank 1995a:28).¹ At any rate, Haiti is by far the poorest country in the western hemisphere, ranking fourteenth from the bottom in the world, according to the World Bank (1996:188). This static figure is bad enough. What is worse is that it hides a long-term downward trend. Even though no completely reliable time series of GDP or GNP exist for Haiti, there is little doubt that production and income are being gradually reduced and that this has been going on for several decades, with the exception of the 1970s and early 1980s.

According to one set of calculations, carried out by the *Institut Haïtien de Statistique* (Vilgrain, n.d.:45), out of the 36 years that elapsed from 1921 to 1956, only six were growth years, and the international team that produced Haiti's first national income figures at the beginning of the 1960s estimated that GDP had been falling at an average rate of about 0.1 per cent per annum between 1945 and 1959 (Mission Conjointe, 1962:80). The longest available time series is that of the *Institut Haïtien de Statistique*, running from the fiscal year 1954/55 to 1987/88. This series points to a falling real GDP per capita, from an average of 866 1975/76 gourdes during the first five years to one of 795 for 1964/65-68/69, i.e. an 8 per cent reduction over 15 years. Thereafter the figure increases gradually, reaching 1,009 gourdes 1979/80-1983/84, to fall again to 948 gourdes 1984/85-87/88. During the latter period GDP per capita was a mere 9.5 per cent higher than 30 years before (Vilgrain, 1995:155). The growth rate for the entire period did not reach 0.5 per cent per annum, which in turn means that in order to double GDP per capita in real terms 150 years would be required (Vilgrain, 1995:72). Quite probably, the situation was even worse, since the figures are quite likely to overestimate growth rates, building on too optimistic assumptions with respect to the development of agricultural production (Lundahl, 1979:103-05).

The late 1980s saw further economic decline. Real GDP decreased slightly in 1988/89 (USAID/Haiti 1989:1) and this trend continued in the early 1990s, with a 3 per cent reduction from 1989/90 to 1990/91 and one of 15 per cent the following year (International Monetary Fund, 1995:19). At the end of 1994 real GDP was about 30 per cent lower than in 1991 (Inter-American Development Bank 1995b:1, International Monetary Fund 1995:2), with per capita income falling with 5 per cent in 1991, 16.5 per cent in 1992, 4.6 per cent in 1993 and 14.4 per cent in 1994 (Inter-American Development Bank, 1995b:Table 4).

Thus, for whatever they are worth,² the aggregate figures on the Haitian economy indicate sustained stagnation and most of the time also a reduction of the real GDP per capita in Haiti. The reasons are to be found above all in the decline of agriculture and the failure to develop the non-agricultural parts of the economy. The agricultural sector is the sector on which during the past half-century three-fourths or more of the Haitian population, directly or indirectly, have been dependent for their living, and the increasing inability of this sector to provide adequate incomes for the rural inhabitants has pushed the latter into unemployment in urban areas or into a search for alternatives abroad.

Exactly what has taken place in agriculture is difficult to pinpoint on the quantitative level, because nowhere is the statistical quality worse in Haiti than when it comes to this sector, which consists of more than one million family farms fairly evenly spread across the entire territory with the exception of the most mountainous parts. According to the statistics used in the national accounts agricultural production per capita has shown a steady downward trend for the past forty years, with an average for 1984/85-1987/88 that was almost 20 per cent below that of 1954/55-1958/59 (Vilgrain, 1995:123,155) and with output falling in absolute terms during the subsequent five or six years, with around 7 per cent between 1991 and 1994 (International Monetary Fund, 1995:22, 2, Inter-American Development Bank 1995a:2). Even though these statistics are shaky,³ there are good reasons to believe that, on the whole, they convey a reasonably accurate picture of where things are going in the longer perspective. Perhaps the most solid underpinning of them comes from the interplay between population growth and soil erosion: a process that in the long run slowly and steadily, but at an accelerating pace, tends to make rural per capita income decline (Lundahl, 1979:Chapter 5).

The Haitian population is believed to grow at somewhat less than 2 per cent per annum (International Monetary Fund, 1995:iv, Inter-American Development Bank, 1995b:1) and the rural labour force grows at approximately the same pace unless outside work can be obtained (cf. below). Whatever labour stays in the countryside in principle has to be accommodated on the existing land, since the agricultural frontier was effectively closed some time during the last quarter of the nineteenth century (Murray, 1977:410). This accommodation cannot take place unless the composition of output changes. This follows from a simple application of the Rybczynski (1955) theorem. Provided that relative prices do not change, in an economy with two types of activities carried out with the aid of two production factors, land and labour (the use of capital is so scant that it can safely be neglected), when the labour force grows, labour-intensive activities will

increase and land-intensive activities will contract in absolute terms. Otherwise, factor intensities must change and with them both relative factor prices and relative commodity prices.

In Haitian agriculture the land-intensive goods tend to be those that protect the soil, notably coffee — a perennial crop growing on the mountainsides — while labour-intensive goods are food crops sown or planted and harvested one or more times every year. The latter require that the soil is laid bare precisely during those ecologically critical periods when the tropical rains fall. Increasing their production while uprooting the coffee trees with their protective root systems in mountainous terrain (and Haiti is more mountainous than Switzerland) increases the risk that the soil will be washed off the mountainsides and into the valleys below or into the sea. The land area available for cultivation purposes shrinks and it becomes more difficult for the rural population to eke out an existence.

The above, however, only constitutes the first round in the erosion sequence. Once the land has started to shrink no more population growth is needed, but the process will continue by itself. It does not matter whether the man-land ratio increases because the population grows on a constant land area or the land area shrinks with a constant population. The Rybczynski theorem applies in the same fashion in both cases. Again, the output of labour-intensive goods will increase and the output of land-intensive goods will contract. Again, some land will be rendered worthless for agricultural purposes. The process feeds itself even in the absence of population growth and since the population continues to grow, there is a strong tendency for it to become cumulative.

The logic of the Rybczynski theorem applies at given relative commodity prices. In practice, however, relative prices change over time, but in the Haitian case price changes have tended to reinforce, not counteract, the Rybczynski effect (Lundahl, 1979:214-20, Bourdet and Lundahl, 1991).

Population growth leads to erosion also through an increasing demand for fuel: wood and charcoal (Lundahl, 1979:195-204, Stevenson, 1989). No economic substitutes to these two exist for the poor and the result has been massive deforestation — to the point where there are hardly any forests left in the country. Whatever is left will presumably be gone in one or two decades unless a drastic change in wood-cutting patterns takes place. The situation was particularly bad during the 1991-94 international sanctions against Haiti, when the price of oil and gasoline went up drastically and much of the (urban) demand for energy that would normally be satisfied from other sources spilled over into the charcoal market instead.

The inevitable result of the accelerating erosion process is a secular decline in the production capacity of the agricultural sector and hence of peasant incomes. In this way a powerful incentive for outmigration from the countryside is created (Locher, 1978, Ahlers, 1979, Lundahl, 1979:623-35, Marshall, 1979, Icart, 1987, DeWind and Kinley, 1988, Saint-Louis, 1988, Martínez, 1995). Unfortunately, however, the cities do not have too much to offer in terms of employment and income either. Between 1950 and 1971 a mere 55,000 are believed to have been absorbed by manufacturing (Lundahl,

1979:634). Estimates of industrial employment from the 1980s generally range between 7 and 10 per cent of the total, between perhaps 200,000 and 300,000 people altogether (World Bank, 1985:7-8, 1988: Country Data Sheet, 1989:4), but these data are exaggerations since they include traditional handicrafts. Reality is closer to the conclusion drawn in a World Bank report in the mid-1980s: 'The rural unemployed moved to the towns ... where most remain unemployed: 62,000 unemployed left the countryside in 1971-82 and 57,000 new urban unemployed appeared' (World Bank, 1985:7).

The manufacturing sector in Haiti consists of two different segments: an import-substituting one which in the past has worked behind high tariff barriers, and an export-oriented small-scale assembly one facing international competition. The former has been a failure in almost every way (Lundahl, 1997:76-80), including from the employment point of view: 'With no penalty attached to the import of equipment and supplies, most large plants were highly capital-intensive, and the employment they generated through implicit taxation of the population was small ... a few thousand workers' (Fass, 1988:33-34). After the fall of Jean-Claude Duvalier (Baby Doc), in 1986, the entire import substitution sector got into severe trouble, as protection was gradually removed. A number of government-owned companies had to close for lack of competitiveness, with adverse effects on employment.

The export assembly sector, on the other hand, grew rapidly from the mid-1960s to the beginning of the 1990s, with employment in 1990 amounting to about 46,000 people in more than 250 firms (Inter-American Development Bank, 1995a:36), with each employee on average presumably supporting three or four people (World Bank, 1981:23). However, as a result of the international sanctions against Haiti between 1991 and 1994, both this figure and employment elsewhere in manufacturing and handicrafts declined. At the beginning of 1995 a nadir had been reached (Inter-American Development Bank, 1995a:36):

During recent years industrial production has continued to deteriorate seriously with respect to both export manufacturing and production for local consumption. For instance, out of 252 firms existing in 1990 in the assembly sector only 44 are still operating today. During the same period the labor force decreased from 46,000 to less than 5,000 workers.

It is worthwhile mentioning the handicraft sector, which represented important export earnings for Haiti (\$10 million per year average between 1985 and 1990). It is estimated that this sector employed about 60,000 artisans, most of them living in rural areas of the country. There is little doubt that a great majority of them have ceased activities and sold their equipment and tools.⁴

The overall situation is not any better for industrial enterprises working for the local market, which with only few exceptions have ceased production. In addition to the loss of income during the political crisis period, plants and equipment have suffered considerable damage due to

lack of maintenance, exacerbated by the embargo on spare parts and other essential consumables.

An estimated 130,000 workers were laid off during four months in 1994 (Inter-American Development Bank, 1995a:41). At that time, tourism had been practically dead for several years, as a result of the repeated human rights violations and the world recession in the early 1980s, the periodic political turmoil after the fall of Baby Doc in 1986 and the presence of the AIDS disease throughout (Lundahl, 1992:17-19). As a result, unless the Haitians migrating from the rural areas can make it into the government sector, their only realistic alternative is to make do in the informal urban sector where competition is very hard and earnings usually very low. Data on urban incomes are not good. The only systematic study refers to Port-au-Prince in the mid-1970s and indicates that around half of the population of the capital in 1976 should have been 'ultra-poor' in the sense that they would have to spend 75 per cent of their income or more to obtain 1,500 calories per day — a situation which is not likely to have changed during the following ten years (Fass, 1988:89-95) and one which quite probably underwent a deterioration in connection with the difficulties facing the Haitian economy during the first half of the 1990s.

Thus, it should be clear that the standard of living in Haiti for the majority of the population is precariously low and that strong economic mechanisms which tend to lower it even further are at work. The inevitable result of this has been a strong migratory current out of Haiti. We will come back to that below, since understanding the migration picture also requires an understanding of Haitian politics. However, already at this stage we may conclude that since migration, being mainly illegal, for the present time does not appear as a viable large-scale solution of Haiti's problems, unless a way is found to reverse the income-depressing mechanisms, over time the likelihood that the protracted or potential emergency will turn into an actual one will increase. The first obstacle to overcome then will be the political one. Haiti has one of the most unfortunate political legacies of the western hemisphere, one which has had an impact for so long that breaking with it represents a more or less complete *volte face*. In the next section we will analyze this legacy.

III THE ROLE OF POLITICS

Haiti's plight is not the result of economic factors only. At least in the past political factors have loomed large in the emergency equation. Haiti would have been faced with a tremendous development problem even without the country's unfortunate political heritage, and once politics is added to economics the obstacles to development appear as virtually insurmountable, because historically, the contribution of politics has been nothing short of disastrous.

To understand the role of politics fully we must go back in time to the beginning of Haiti's existence as a sovereign nation. The wars of liberation between 1791 and 1803 ended with an unresolved conflict between Haiti and France. The colonial power did not recognize Haiti's independence, when this was proclaimed on 1 January 1804; it would take France until 1825 to do so formally, and in the meantime the Haitians were living under constant fear of a French return.

To forestall this, arms and ammunition were necessary, and this, in turn, required foreign exchange. On the verge of the French Revolution, the economy of Saint-Domingue had rested mainly on exports of sugar and coffee, in that order. Sugar was grown on large plantations, of 150-300 hectares, while the size of a coffee plantation rarely exceeded 100 hectares (Lepkowski, 1968a:48-49). To secure the supply of foreign exchange, the first Haitian rulers, Toussaint L'Ouverture, Jean-Jacques Dessalines and Henry Christophe, all resorted to the same method: they put the ex-slaves back on the plantations and made them work there under military supervision.

They had a second reason for doing so too: the perceived need of a labour-free income for an emerging Haitian elite that would not work the land themselves (Lundahl, 1984a, 1985a). The Haitian rulers were faced with a situation where free labourers or peasants would simply have ignored the needs of the state since following the decline of the population with an estimated 140,000 between the outbreak of the wars of liberation and the census year of 1805 (Lundahl, 1984a:85), an 'unlimited' supply of land (Hansen, 1979) existed which allowed the prospective workers an independent existence away from the authorities. As a result (cf. Domar, 1970), the only way the ex-slaves could be made to produce an income for a non-working elite was by tying them to the soil.

The return to the colonial plantation system lasted until 1809, in southern Haiti (ruled at the time by Alexandre Pétion) and another ten years in the northern kingdom of Henry Christophe (Lundahl, 1985b:181-82). Then, it broke down for both supply and demand reasons. The sophisticated capital stock needed on the plantations had been destroyed during the wars, the administrative costs imposed by the forced labour system on a weak and poor state were onerous, and the access to export markets was impaired by the disruptions caused by the Napoleonic wars and the emergence of competitors on the world sugar market, notably Cuba (Lundahl, 1979:269-77).

Pétion's 1809 decision to redistribute state land to his army officers and soldiers was the beginning of the first land reform in Latin America. It had two main effects. The positive one was that it spared Haiti the pains of the *latifundio-minifundio* polarization that has characterized most Latin American states. The negative one was that it sealed the fate of Haitian politics at least until the mid-1990s. After the fall of Pétion's and Christophe's successor, Jean-Pierre Boyer, in 1843, Haitian politics degenerated completely, into a competitive race for the presidency — just for the sake of private income. Once the Haitians had been released of their bonds nobody was interested in working on the plantations anymore. The ex-slaves could go where they liked, with the result that the elite were deprived of their preferred income source. Short of working the soil themselves, the only device that remained at that point was that of taxation, but taxation of course required control of the state, and there were many contenders for that control (Lundahl, 1985b).

Haitian politics between 1843 and 1915 is a sad story. The population at large was not involved other than marginally, and then mainly as armed support for those wanting to topple the sitting president.⁵ When Pétion died, in 1818, no more than 600-700 people were playing active roles in politics, out of an elite population of a few thousand (Lepkowski, 1968b:139), and this group was to remain small for the next century. During that period, a recurrent pattern of insurrection, revolution and coups developed. According to one source, Haiti experienced more than a hundred more or less successful uprisings between 1843 and the landing of the United States Marines in 1915 (Heinl and Heinl, 1978:404). Although the exact magnitude may be disputed, there is no doubt whatsoever about the fact that the period was exceedingly turbulent from the political point of view. The country saw no less than 22 presidents come and go, with the vast majority leaving office involuntarily. Presidents Guerrier (1844-45), Riché (1846-47), Hyppolite (1889-96) and Auguste (1912-13) all died in office, and Nissage-Saget (1870-74) retired at the end of his constitutional period. The other 17 were all deposed by a *coup d'état* or a revolution (Lundahl, 1985b:187). Why then did Haiti during the second half of the nineteenth century and the beginning of the twentieth display such extraordinary political instability?

The clue to the answer to this question is the small size of the cliques that were fighting each other for power. These can be analyzed as distributional coalitions or special interest groups in the sense of Mancur Olson (1965, 1982), i.e. small groups that strive to redistribute resources or incomes from society at large to the group and which in the process use up resources that would otherwise have been employed in the production of goods and services wanted by the citizens. As demonstrated by Olson such groups can constitute themselves with relative ease precisely because they are small and can overcome the free rider problem that characterizes any situation where a good or benefit that is collective for the group in question is to be produced. Against this we have to set the difficulties faced by large, inarticulate groups like the Haitian peasant masses to organize for the vague purpose of obtaining a government which in some sense is 'better' than the existing one. Thus, the small cliques had an inherent advantage over the population at large.

This advantage was reinforced by a difference in kind between the small and large groups with respect to gains and costs. In his work on the economics of war and revolution Gordon Tullock (1974:36-46) makes the important observation that for the common citizen (i.e. the members of the large group) the benefits to be expected from overthrowing a sitting government have the character of a public good; a government which in some vague sense is 'better' than the sitting one will take over. Against this, he will have to set the risks that he will face if participating in a revolution, including, in the extreme, that of losing his or her life. Hence, it goes virtually without saying that the incentives to participate in an uprising are zero for the common man or woman. The situation the member of a small distributional coalition is completely different. For such a group, the incentives are almost exclusively of a private kind. Taking over the government will secure good positions and incomes for the 'inner circle' pulling off the revolution or coup. This makes them a lot more willing to take risks than the citizen in general. Often, the risks involved are small as well, notably in the case when the coup makers are already part of the ruling establishment and have access to good information with respect to the strengths and weaknesses of the incumbent president. In such cases, coups tend to be quick, bloodless affairs instead of drawn-out civil wars with large casualties on both sides.

The above explains the motives and incentives behind the Haitian nineteenth-century political pattern. What it does not explain, however, is the frequency with which uprisings took place. If we are to understand that we must look at the situation facing the incumbent ruler (Lundahl, 1985b). All the presidents who held power in Haiti between 1843 and 1915 can safely be classified as kleptocrats (cf. Andreski, 1966:62-69), i.e. their main use of office was as a device for extracting a personal income far beyond the legally permissible. Thus, income was an important argument in their utility functions. It was not the only one, however. In order to extract an income through their office they had to survive in power. Hence, security, defined as the probability of remaining in power, entered their utility functions as well.

Both income and security were in turn dependent on the size of the ruling clique or in-group. The larger the group, the easier it was for the ruler to obtain revenues from the citizens in the form of taxes or otherwise, but at a marginal rate that presumably was decreasing with the size of the group. The costs for this in turn ought to have been increasing, at an increasing marginal rate. Thus, ruler income will increase with the size of the in-group, but only up to a certain group size. Thereafter the combination of decreasing returns and increasing costs will make income decrease again.

The probability of surviving in office is dependent on the size of the in-group as well. As the size increases, the likelihood that the ruler will be overthrown by outside forces decreases, presumably at a decreasing rate. On the other hand, as group size increases, the likelihood that internal conspiracies are formed should increase, and at an increasing rate at that. Hence, the relationship between group size and the probability that the ruler will remain in power resembles the income curve. It peaks at a certain group size and thereafter, as the likelihood of insider coups continues to increase, it decreases again.

Only by pure chance should we expect that the income and security curves peak at the same polity size. In general the peaks do not coincide, but there will be a tradeoff between income and security considerations at the margin. Either a larger polity size will imply more security but less income or vice versa. In the case of nineteenth-century Haiti, income is likely to have peaked at a lower size of the ruling clique than security. Most of the rulers seem to have preferred income over security at the margin. Furthermore, it was costly to increase tax revenues in a country where communications were notoriously bad. In practice, export and import duties accounted for the overwhelming share from the 1870s onwards and once this source was exhausted, it would have been of little avail to add members to the polity. (Instead, beginning in 1874, the Haitian governments resorted to foreign and domestic loans to fill the coffers when these were empty.) Finally, the marginal cost of increasing security was high. From the early 1880s a pattern began to develop whereby 'revolutionaries' hired mercenary peasant troops (*cacos*), secured a loan from some merchant to finance the operation and marched on the capital to throw the president out. These *cacos* were in the revolution business for the sake of money and cared little about who hired them, and with the competition for power that existed at the time there were many bidders for their services.

These factors together created a situation where the size of the ruling clique was too low to guarantee survival in office. The army of the sitting government could not prevent outside forces from toppling the president from time to time. The plausibility of this explanation is further borne out by the fact that those presidents who did survive for longer periods — Soulouque (1847-59), Geffrard (1859-67), Salomon (1879-88), Hyppolite (1889-96), Simon Sam (1896-1902) and Nord Alexis (1902-08) — all without exceptions made use of special devices to boost security. These ranged from paramilitary organizations, spy networks, and secret police forces to a system of loyal warlords in the provinces.

The tumultuous political pattern continued until the beginning of the American occupation in 1915. Between that year and 1934, the year when the occupation formally came to an end, an effort was made by the occupation forces to straighten out the situation so as to end the disorder. The recipe followed by the Americans was the same as that employed in the other areas under direct American control in the Caribbean and Central America: Cuba, Nicaragua and the Dominican Republic, where the old, often regionally based, armies were dissolved and modern constabularies under American supervision and control were trained. This was to change the rules of the political game in Haiti, but hardly in any positive way. In the other three countries, the new rulers came directly out of the ranks of the new armies: Batista, Somoza and Trujillo. In Haiti, it would take slightly longer and the road to new dictatorship would be a slightly more roundabout one, but the outcome there differed only in degree, not in kind from that of the neighbouring countries. However, from the end of the 1930s, the Haitian constabulary, the *Garde d'Haiti*, was a 'political' army.

This fact was to have an important influence on events in Haiti until the year 1957, when François Duvalier (Papa Doc) began his long presidential rule. The predatory facets of Haitian politics were merged with those of the praetorian state, where the army

exercised the effective power and decided for how long the sitting president would be able to retain power. Presidents Lescot (1941-46), Estimé (1946-50) and Magloire (1950-56) were all ousted by the army, and during the turbulent months between the fall of Magloire, in December 1956 and the election of Duvalier in September the following year, whatever power existed in Haiti was wielded by the military, not by the four nominally civilian provisional governments that were sworn in before the military decided to form a junta and govern directly until the elections could be held. What the military did not change, however, was the kleptocratic character of the Haitian state. The Haitian heads of state between the end of the American occupation and 1957 were as intent on making as good a personal living out of the presidency as ever their nineteenth-century predecessors. What differed was rather that the probability of remaining in power was now by and large exogenously defined, by the armed forces.

The army became deeply involved in civilian matters during Lescot's time in the presidency, but not as a coherent force with common or similar interests (Laguette, 1993:88):

Some officers who felt that they were being discriminated against because they were black or because of their peasant background constituted their own cliques. Other cliques emerged because of their anti-American and pro-socialist leanings. Still others functioned because they were pro-mulatto and pro-bourgeoisie. The army was, politically speaking, a divided institution and was truly a reflection of social society. Each one of these cliques aligned itself with a segment of civil society with similar political sensibilities and affinities.

With the support of important parts of civil society, the army stepped in on three occasions from 1946 to 1957 when it felt that the political situation had got out of hand, confiscating the properties of Lescot in 1946 and Magloire in 1957 (Laguette, 1993:93, 97-98) in the process.

Lescot, Estimé and Magloire could rule only with the support of the army. Initially, François Duvalier could not do without the military either. He was the candidate of the strongest army faction in the 1957 elections and would almost certainly not have been elected without the support of Colonel Antonio Kébreau, who at the time was becoming the most powerful officer in Haiti. Once in the saddle, however, he proceeded to reshape his power base completely (Lundahl, 1984b). An eager student of Haitian social and political life, Duvalier understood the crucial role of the military as a power player. It was hence of vital importance for him to build a political platform which allowed him to free himself from the ties that the army had imposed on his immediate predecessors. This, he immediately set out to do, beginning with the army itself. Kébreau was dismissed in 1958, and thereafter a long series of reshuffles took place. An estimated 200 officers were removed during Papa Doc's first eleven years as president (Pierre-Charles, 1969:78). New ones, loyal to the president only, were appointed and the army was rendered more or less useless.

Thereafter, in rapid succession, the remaining obstacles to dictatorial power were crushed one by one: the political opposition, the business sector, the Church, the mass media, the unions, the educational system, the administration and the judiciary. His opponents in the 1957 elections were killed or forced to leave the country, the businessmen were forced to stay out of politics and were furthermore subjected to periodic blackmail by the government, the Catholic Church hierarchy was Haitianized and packed with *Duvaliériste* priests, the media were censored and controlled, virtually all the trade unions were forbidden, the schools were brought under close supervision and admission was controlled, both on the teacher and student sides, the parliament and the cabinet were given purely nominal roles, the public administration was taken over completely by Duvalier supporters and the courts ceased to make justice. Finally, in 1964, Duvalier declared himself *président à vie*, and in 1971 extended this prerogative to his son, Jean-Claude.

Papa Doc chose to build a new power base that concentrated all the threads in his own hands (Lundahl, 1984b). This base rested on three pillars: the *tonton macoutes*, the voodoo clergy and the so-called *chefs de section*, i.e. the military heads of the local rural administration, simultaneously the heads of the local police. The *tonton macoutes* were a paramilitary force (possibly consisting of as many as 100,000-200,000, when Baby Doc fell in 1986) (Fass, 1988:5) that served two main purposes: that of infiltrating the army and render it more loyal to the president, and that of intimidating the population at large (Laguerre, 1993:114-23). The *houngans* and *mambos* (male and female voodoo priests) had never been organized even on the local level and the only times they had entered politics had been when elections were imminent and candidates for political office had needed votes. However, no systematic attempt had ever been made to incorporate them into the centre of politics in Haiti. This, Duvalier changed, by coopting them into a structure headed by himself and where the only loyalty existing was that extending from the individual priests to the president. In most cases, the role as a *houngan* or *mambo* merged with that as a *tonton macoute*, which made the system doubly efficient. Finally, Duvalier chose to make use of the traditional system of semi-military administration of the countryside. The *chefs de section*, previously usually local notables, were henceforth appointed directly by the president, frequently picked among the local *macoute* bosses.

The new order created by Papa Doc worked well. The president could simply do what he liked without meeting any opposition. However, it had the distinct long-run disadvantage that it was completely dependent on Duvalier's person. This was to show up when power was transferred to Jean-Claude Duvalier on his father's death in 1971. Jean-Claude was not François. He was only nineteen years old when he took over and could not play the same cards as his father. Lacking political experience altogether, he became dependent on technocratic advisors who were usually recruited among the members of the traditional elite. He was also under considerable pressure from the United States to change the horrendous international image of Haiti that had been created from 1957 to 1971.

Baby Doc chose to rely less on the old *Duvaliériste* garde and the *tonton macoutes*. A new elite unit, the *Léopards*, was set up in the army, mainly to reduce the influence of

the *tonton macoutes*, and Haiti was given a somewhat more investor-friendly image abroad. Still, little changed below the surface. Papa Doc had continued the kleptocratic tradition from the nineteenth century, and Baby Doc in this respect had the clear advantage of being able to build on what his father had created. It is no exaggeration to state that the two Duvaliers represent the climax of the predatory state in Haiti. Duvalier *père*, with a presidential salary of US\$ 24,000 per annum, managed to amass a family fortune estimated to be in the order of 180-200 million in the mid-1970s, i.e. of roughly 10 million for each year in power (Lundahl, 1985b:211), a figure which had increased to an estimated 1.6 billion by the time Duvalier *fils* was forced out of office, i.e. with at least 150 million every year up to 1986 (Lundahl, 1992:19).

Plunder on this scale had severe consequences for the economy — on many levels — and clearly contributed to increasing the vulnerability of the poor to subsequent events. In the first place, resources were drawn out of normal economic activities into the seeking and creation of political rents of various kinds instead (cf. Bhagwati, 1982). The precedent for this was set at the highest possible level, beginning in 1979, with the acquisition or creation of government monopolies in soybean oil, wheat flour, sugar (two mills) and cement, none of which ever was able to produce on commercial terms but all of which could be used to enrich the presidential family. Public utility companies were made to charge as much as the traffic could possibly bear (Danielson and Lundahl, 1994:57). The ministries were affected as well. Dumarsais Estimé had introduced a system of unbudgeted accounts in the 1940s, and this was brought to perfection by Papa Doc, in spite of regular protests from the IMF during many years. The instrument employed was the tobacco monopoly, the *Régie du Tabac et des Allumettes*, which collected taxes not only on articles related to tobacco but on a wide range of other goods as well. These funds went either to the presidential family or to the *tonton macoutes*. Jean-Claude took this system one step further by routinely using all the ministries and state enterprises to write checks when the need arose (Abbott, 1988:250).

Nor did the private sector escape government intervention. One branch of activity that has seen very stiff competition from time to time is coffee exporting. Nevertheless, Jean-Claude Duvalier's father-in-law entered the competition in 1975, with little more than one per cent of total sales, expanding rapidly until he held no less than 40 per cent of all export permits seven years later (Bourdet and Lundahl, 1989: 92,96). In addition he ran lucrative smuggling rackets in sugar, flour, rice and textiles (Fass, 1988:35). The message was clear. 'Entrepreneurship' became perverted, since strong signals were emitted from the presidential palace that the fattest profits were to be had if prospective investors chose to collaborate with the government (cf. Baumol, 1990).

Gradually, unproductive activities drove productive ones out of the market. The returns to the latter fell, since it was difficult to avoid predation by the state or by individuals with good government connections when projects were successful. This was unfortunate in itself, since it provided the wrong kind of signal for the future: to choose rent-seeking instead of normal economic activities and once this happens, the economy may easily slide into a 'trap' where returns to productive pursuits become so depressed in relation to redistribution that few people will choose production. An equilibrium is established which becomes locally stable (Andvig and Moene, 1990, Murphy, Shleifer and Vishny,

1991, Acemoglu, 1995). The move from productive to unproductive activities was doubly unfortunate as it coincided with a low-water mark of politics in the history of Haiti. The degeneration process that started some time during the nineteenth century by the time of Jean-Claude Duvalier's presidency had run its fatal course for close to a century and a half. Its main result had been that of creating an institutional setting that ensured that the selection of politicians had been entirely negative. Thus, a 'Double Gresham's Law of Predation' was in operation, whereby politicians and entrepreneurs both were pushed into highly doubtful pursuits. Simon Fass (1988:26) has provided a summary of the relations between the public and private sectors that is worth quoting at some length:

While certain factions of the political class derived their subsistence and power from monopoly profits inherent in government taxation, other factions derived them from monopoly profits associated with restrictions on export and import trade, and on the domestic distribution of certain locally produced commodities. The distinction between public and private monopolies was always blurred. Governments did not allocate commercial privileges without receiving something of political or economic value in return, and holders of the privileges did not usually allow government to modify allocation patterns without exacting a price. [...]

Another cause for blurring the distinction, other than the evident fact that government was often just a convenient name attached to a private industry, was direct involvement by government in certain import and distribution activities that it traditionally would have allocated to non-governmental factions. Historically, private commercial interests opposed this kind of involvement, among other things because it added to the wealth of whichever factions took control of the government and thus tended to upset the balance of power within the class. But under François Duvalier, these interests did not have strength enough to prevent the initiatives, and from 1957 onward government extended itself further into what had been exclusive spheres for nongovernmental taxation. These extensions largely took the form of investments in import-substitution industry ...

To this could be added the extension of special privileges in such areas as exports, domestic trade and imports. Despite many claims to the contrary, it is not known with any degree of accuracy what the distribution of incomes and property looks like in Haiti (Lundahl, 1996). Nonetheless, few would doubt that the result of all this was a tremendous concentration of urban incomes (Fass, 1988:32):

The additive effect of restrictions on export, import, and certain kinds of domestic trade was to create and sustain substantial wealth among a very few families, perhaps numbering between 100 and 200, and lower the lower but nonetheless important levels of wealth and local power among a few thousand. Such wealth required redistribution to individuals

attached to government and to relatives within the extended family system, but what remained was not inconsequential.

The concentration of wealth and income, above all in the hands of the presidential family, had strong efficiency implications as well. Since the government interfered with the working of the competitive market, prices provided no guidance for resource allocation. Taxation of the produce sold via the domestic network of marketplaces is a case in point; taxes on export products and the use of tariffs quotas on imports are other. Inside the government sector, efforts were concentrated not on productivity-enhancing measures (cf. Findlay and Wilson, 1987), but on simple redistribution of incomes from the citizens to the ruling clique. X-efficiency losses arose in both the company sector and the public administration (cf. Leibenstein, 1978, 1989), i.e. resources that were allocated to a given use produced less than the maximum possible. The best example of the former is the more or less total breakdown of the state monopoly companies after the fall of Baby Doc and the ensuing deregulation by Minister of Finance, Leslie Delatour. Without special privileges, they could not survive (Lundahl, 1992:408-09). The bureaucracy, in turn, provided no or little assistance unless direct payments were made for the services.

Not only did static efficiency suffer. Growth did so too. Private investment was held back because investors could not be certain to reap what they had sown. In the best case they could keep part of the fruits of their efforts, and lose the remainder in the form of a 'tax'. Still, exactly as in the case of sharecropping (cf. Johnson, 1950), the volume of investment was reduced below what would have been forthcoming without predation. In the worst case, investment was blocked altogether, the prospective investors not daring to take the risk of making a partial or total loss as a result of government interference. In the public sector, investment was simply neglected, with the exception of projects yielding immediate kickbacks, like the construction of the new international airport, during Papa Doc's presidency, which was financed several times by tax money, or the variety of 'joint ventures' with foreign capitalists that usually never got off the ground (Lundahl, 1984b:64-65), while the important agricultural sector received very little (Lundahl, 1979:Chapters 7-11). During the Duvalier years it appears that as much as 80 per cent of the government revenue came from the provinces and that 80 per cent was spent in the capital (Maguire, 1995:4).

A third area of investment that suffered was education, presumably both from the supply and demand sides, in a fashion that once more tended to produce a 'trap' which it is difficult to break out of. The 1971 census revealed an overall illiteracy rate in the neighbourhood of 80 per cent, rising to 90 per cent in the countryside. Rural education was starved of funds, and a heavy burden fell on the private sector to supplement where the public sector failed. The quality of both the equipment, insofar as it existed, and the teaching was dismal. The language of instruction — French — was alien to the vast majority of the pupils and served more as an obstacle than as a vehicle for learning (Lundahl, 1979:Chapter 10). To this, the demand aspect must be added. In the situation that prevailed in Haiti, the economic returns to education were low. What paid off was the accumulation of 'political' capital which was profitable for the individual but simply

imposed costs on society in general (Lui, 1996) and the relation between educational achievement and income was erased to the corresponding extent.

The human capital actually accumulated was used for a different purpose in very many cases: as a means of facilitating emigration to countries with better political regimes and less distortions in the wage and salary structure. Especially the Papa Doc years were dark ones for Haiti in this respect. For example, the entire class of nurses of 1960 emigrated, and so did two-thirds of the physicians who graduated between 1960 and 1968. Thousands of primary and secondary school teachers left the country during the same period (Lundahl, 1979:428, 430, 474). As a result, GDP suffered.

The lack of investment in physical and human capital is also likely to have retarded technological change in Haiti. Murray, Shleifer and Vishny (1993:412-13) have convincingly argued that whereas private plunder usually hurts current, everyday, production, predation by the state rather affects innovative activities, for the simple reason that successful setting up of new companies is often dependent on a number of inputs supplied by the government sector, like business permits and tax documents, import licenses, export permits etc., and innovations have a tendency to come from new rather than established firms, especially in an environment where the latter have been protected from competition.

Thus, at the end of the Duvalier period, the Haitian economy was in a sad state. Even with the best of governments the majority of the population, the peasants, would have been fighting their literally uphill battle to secure an income from a shrinking resource base. However, Haiti, with a brief intermission during the American occupation, was ruled by kleptocrats that spared little effort to ensure that as much as possible of the national income would end up in their own pockets. The Haitian rulers had managed to create a redistributive system that worked remarkably well given the constraints posed by the general underdevelopment of the country — a system which, however, was strongly regressive, hurting the poor majority and benefiting the rich minority. This was the situation when Baby Doc fell from power, in February 1986. During the next five to eight years, political events would force Haiti into what may almost be classified as an acute emergency. To these events, and the conflicts they entailed, we will soon turn, but before that it is necessary to examine some of the conflicts that had built up during the previous 180 years.

IV THE STATE AND THE MASSES

Haiti has always been a conflict-ridden nation. This is hardly surprising in a society that emerged out of not only colonialism but slavery as well. The wealth of the French Saint-Domingue colony rested on the labour of approximately 450,000 slaves serving some 40,000 whites and those of the 28,000 mulatto *affranchis* (who had been manumitted or were the descendants of freed slaves) who owned slaves (Moreau de Saint-Méry, 1958:28). From time to time, the slaves signalled discontent with their working and living conditions. Uprisings took place in 1679, 1691, 1697, 1703, 1719, 1734 and 1751 (Lundahl, 1988:204), but such violent outbreaks of voice, to use Albert Hirschman's (1970) term, were not typical. Rather, in the general case, discontented slaves chose *marronage*, i.e. running away from the plantations. *Petit marronage*, deserting the plantation temporarily, and usually for a short period only, was a milder form of voice, while *grand marronage*, attempting to leave the plantation for good, becoming a *marron*, represented the main exit option.

The conflict between slaves and slave owners was a non-cooperative zero-sum game. As James Leyburn remarked in his classic study of the Haitian class society, 'If slaves ever had reason to rebel, the Negroes of Saint-Domingue did.' The Haitian revolution and the ensuing wars of liberation sprang out of this conflict, fueled in addition by the 'utterly heartless ... callous, ruthless, ... even fiendish,' treatment of the slaves by their masters (Leyburn, 1966:22). Thereafter, the conflict between slaves and masters was a thing of the past. During the preceding years, however, another conflict with its roots in the slave economy had been built into Haitian society: a conflict between the slaves themselves that was to manifest itself up to the present time (Barthélemy, 1989).

In Saint-Domingue there were two kinds of slaves, *bossales*, who had come directly from Africa and who were used for work in the fields, and *créoles*, born in the colony and mainly performing lighter duties around the house. After independence, this difference was translated into diverging views of the state, with the *créole* heritage getting the upper hand among the rulers who, as we have seen, saw the state as the best means of securing a private income for a non-working governing clique. This explains the relapse into plantation crops. As we know, however, the ex-slaves — notably the ex-*bossales* — resisted this move and the system broke down under its own weight. The Haitians turned into peasants who withdrew as far away as possible from the sticky hands of the *otorite* [authorities].

The peasants had very good reasons for this. From the point of view of the powerholders they were there only to be exploited: 'The masses in Haiti see the state as a body which comes to tax, confiscate or imprison and the less they have to do with it the better. They will, however, resist what they perceive to be an excessive intervention in their daily lives' (Nicholls, 1996:xiv). To avoid this, they carried the exit tradition from the colonial period into a new setting, where emphasis was put on avoiding conflicts with the representatives of the state. The principle of hierarchy was rejected and rural society

endeavoured to operate as much as possible in parallel with and without the knowledge of the state that built on the *créole* heritage. Still, the conflict between the citizen and the state remained. In a society where the predators need a prey it was simply not possible to remain completely outside.

This conflict was brought into the open as soon as the slaves had revolted against the French *colons*. For the reasons already dealt with — export revenues and elite incomes — the early Haitian rulers decided to maintain the plantation system. The interests of the ex-slaves, however, lay elsewhere. Already during the wars of liberation they had ceased working on the plantation crops and concentrated on the food provision plots that they had been given by the slave owners. Most of them simply stayed on the plantations, but neglected the cash crops (Murray, 1977:57-65). Others, when threatened by the war activities, ran away and took advantage of the free access to land once the French had lost control.

The two interests were completely incompatible (Lundahl, 1984a, 1985a, Trouillot, 1990:43-50), and the revived plantation system could work only in the short run and under exceptional circumstances (Hedlund, Lundahl and Lyttkens, 1989). In the longer run, it was doomed and the ex-slaves turned their backs on the elite and the state. Complete isolation was impossible, however. The peasants could exist without the state, but the state could not do without the peasants. 'The fact of the matter was that the state had chosen to live at the expense of the nation — and in this choice lay the seeds of future divisions', summarizes Michel-Rolph Trouillot (1990:64).

The development of the gap between the state and the peasants went hand in hand with the opening of another, related but not perfectly correlated, gulf: that between the elite and the peasants. During the course of the nineteenth century two very distinct, and very different, groups of Haitians emerged — groups that had so little in common that one foreign observer even viewed them as 'castes' (Leyburn, 1966). This division was finished as early as by the time Boyer fell from power, in 1843. By then it was clear that the French would not return to invade the island. French *moeurs* were now imitated by the elite and the French language and French education were seen as a link to a superior civilization. Hand in hand with that went the Roman Catholic faith. The peasant masses, on the other hand were *kreyòl* speakers who worshipped the gods of the voodoo pantheon that had emerged in the crossroads between African and European culture. Complementing the division was skin colour, with the elite generally being more light-skinned, often close to endogamous, and the separation between those who worked with their hands and those who did not have to, simultaneously an economic division.⁶ The political class — those ruling or aspiring to rule the country — were found exclusively among the elite and among the black army officers who aspired to elite status or at least challenged the elite. The rest of the Haitians were ruled.

For many decades, the main contact between the state and the peasants was that of conscription into the army on the one hand and taxation on the other. Until the recent abolition of the army, Haiti always was an overmilitarized country (Lundahl, 1979:375-83, Laguerre, 1993). Dessalines, Christophe and Pétion all kept large standing armies to defend the country should the French return. This was understandable. However, the

conclusion of the treaty with France in 1825 did not lead to any reduction. Between 1821 and 1844, Haiti occupied the eastern part of the island as well, and to that end maintained an army that was double the size of that of Great Britain and most other European nations in relation to the total population. In 1848, 65 per cent of the government budget was absorbed by military expenditure and the share was to remain high all the way up to the beginning of the American occupation in 1915. The exact size of the army varied, with a peak of 40,000 in 1840, falling thereafter to half that size or less in the late 1850s and 1860s and below 10,000 as the 1880s approached (Laguette, 1993:44). These soldiers were usually conscripted without their consent in a random fashion among the rural population and had to serve in units where the discipline and the morale were both low, as a result of irregular and inadequate pay.

The forced recruitment of soldiers took needed hands away from agriculture, but the conflict between the state and the civil society was manifested also through the tax system. Not only did the peasants have to serve in the army. In addition, they had to finance both the military spending and whatever other expenditures the rulers chose to indulge in. Taxation of agriculture began immediately after independence, when Dessalines introduced a levy of one-fourth of the output value to be paid by all owners of agricultural property. In 1807, this was converted into a system that punished coffee — the main peasant export crop — and favoured sugar — an estate crop. Coffee was hit again when Boyer in 1825 was forced to pay an indemnity to France for the damages caused during the wars of liberation in exchange for the formal recognition of independence. During the remainder of the nineteenth century, the peasants would be hit both by coffee export taxes and by taxes on imports of necessities without receiving anything in return (Lundahl, 1979:391-95, Trouillot, 1990:59-64). As Trouillot (1990:61) expresses it, 'The state was spending, but it was the peasant who was footing the bill.'

The regressive system of taxation continued to plague Haiti also after the American occupation. The masses have had to pay import duties on such items as cotton cloth, soap, flour, rice, fish, oil, cigarettes, kerosene etc., while luxury items, such as fine liquors, have been either absent from the list of dutiable goods or have been given favourable treatment. In the late 1960s, excise duties on flour alone yielded fifteen times as much revenue as luxury foods and together with cigarettes and oil it contributed 80 per cent of the total excise revenues. At the same time, coffee taxes were shifted backwards to the producers to an extent corresponding to between 40 and 50 per cent of their potential incomes from coffee growing (Lundahl, 1979:395-97). Finally, until 1974, a market tax had to be paid on all domestically sold agricultural produce that entered a marketplace (Duplan and LaGra, 1974).

The Haitian peasant has been subject to taxation but has received few benefits from the government (Lundahl, 1979:298-314). In the nineteenth century only unsystematic efforts were made to develop agriculture, with 6 per cent of the budget in 1885-86 and 3 per cent around the turn of the century being earmarked for the Department of Agriculture — money that produced few tangible results. During the American occupation an effort was made to improve agricultural techniques, but since the prevailing philosophy was that no development would be possible without the

introduction of large-scale plantations, the peasants again received next to nothing. The occupation was followed by twenty years of *ad hoc* measures when the situation was seen to call for it, but without any long-term vision of what was needed, with the expenditures of the Department of Agriculture accounting for around 3 to around 7 per cent of total government spending from the beginning of the 1930s to the beginning of the 1950s, a figure that was to fall during the latter decade. During the first ten years of Papa Doc's presidency a mere 8 per cent of the expenditure publicly accounted for went into agriculture.

His son did as little, or less, to stimulate agricultural development. When a World Bank team, in 1985, summarized the extent of government support to agriculture, it was forced to conclude that more than 50 per cent of the personnel of the Department of Agriculture were stationed in the capital, performing purely administrative tasks, that those who occupied the key posts were frequently changed, that eight ministers had come and gone in as many years, that the budget was too small to allow ministry vehicles to operate, and that in 1983 only 22 per cent of the funds budgeted for agriculture were ever released by the Department of Finance and 18 per cent actually paid out, less than half of which went into investment, the rest being spent mainly on wages and salaries (Banque Mondiale, 1985:iv-v).

The Baby Doc regime (under pressure from the American and Canadian governments) in addition was responsible for the virtual eradication of Haiti's population of black creole pigs after an outbreak of African swine fever (DeWind and Kinley, 1988:82-88). The latter was a measure that was felt by the vast majority of the Haitian peasants, the pigs being their only capital, 'which might be sold to cover such emergencies as sickness or a funeral, or to help to pay the boat fare to the Bahamas or Florida' (Nicholls, 1996:xix). The pink Iowa pigs that were supplied as substitutes were only allocated to farmers who could supply pens with concrete floors and use imported feed. 'Any good that western governments might have done through aid programmes over a decade was more than outweighed by this disastrous policy of pig destruction' (Nicholls, 1996:xix).

The conflict between the Haitian peasant masses and the state runs like a *Leitmotiv* through Haiti's entire history. The common Haitian has expected little good to come from the government. For many decades, the Haitian social scene consisted of the elite and those challenging the elite on the one hand and the peasants on the other. Haiti did not have much of a middle class to speak of. Of course, in the countryside there was always a class of peasants with middle-sized landholdings (Nicholls, 1985:219):

... these men are in the position to offer occasional employment, to make loans and give credit to their poorer neighbours, thereby building a whole structure of dependence and patronage. In addition to owning land, many of them also act as *spéculateurs* — agents of coffee exporters — who buy from peasant producers in their region. Each of them has built up a constituency, based on financial dependence and even on affective ties ...

This class had a counterpart in urban areas (Nicholls, 1985:219-20):

The latter part of the nineteenth century saw the rise of an urban middle class of some significance. This class was constituted mostly by members of black families who had managed — by luck, hard work, corruption or by rising through the ranks of the army — to achieve a level of literacy and education which enabled them to become school teachers, clerks, and civil servants, or to save enough money to establish themselves in small businesses.

These middle class elements hardly served as a stabilizing and moderating factor in Haitian society, however, the way the middle class did, for example in Europe. On the contrary, as David Nicholls has pointed out, the rural middle class was often involved in the revolutionary business of the nineteenth century, and, so was, from time to time, the urban one (Nicholls, 1985:219-20). During the American occupation of Haiti, a significant shift of power, away from the provinces and the smaller towns, to the capital, the 'Republic of Port-au-Prince', took place, and this shift quickly eroded whatever influence the rural-based middle class had been able to wield, increasing to a corresponding extent that of the middle strata in the capital.

The size of the urban middle class increased during the American occupation and the two decades following it (Wingfield and Parenton, 1965, Nicholls, 1996:147-48), and during the presidency of Dumarsais Estimé (1946-50) this class entered the political arena, in his support. This support was inherited by François Duvalier. The 1930s and 1940s had seen the development of a *négritude* movement, which put stress on the African cultural heritage, in Haiti — a position completely opposed to the traditional French-inspired elite one — and Duvalier had taken active part in it. During the 1957 elections he was hence the candidate of the black middle class, rural as well as urban, and he was to use its members to his own advantage: 'The *noiriste* rhetoric of the Duvalierist regime appealed to this class rather than to the very poor, and it was through this class that the government was able to control the masses' (Nicholls, 1985:222). Thus, the middle class failed to bring democracy to Haiti (Nicholls, 1985:222-23):

The black middle classes, rural and urban, which formed the keystone of François Duvalier's power structure, were not accustomed to receiving many benefits from the state and their loyalty could therefore be purchased at a modest price; they knew that they were unlikely to improve their lot by switching support to opposition groups.

It was from this class that the bureaucrats, administrators and professionals needed in the public administration, including the army, were recruited (Dupuy, 1989:147). Duvalier used the black middle class as a weapon to gain control over the traditional elite (Dupuy, 1989:163-64). Instead of serving as an instrument for bridging the span between the elite and the masses or the state and the masses, the middle class contributed both to increasing and accentuating the existing conflicts and to creating new ones.

This was the situation that Baby Doc inherited in 1971 and failed to handle. He gradually lost contact with the groups that had supported his father, including the middle class. Basing himself on the traditional, more light-skinned, elite automatically meant alienating the old *Duvaliéristes*. In 1985, the year before Baby Doc's fall, David Nicholls (1985:228) summarized the situation faced by the president:

... there has been a major change in Duvalierism. The regime of Jean-Claude has increasingly come to depend upon elite support and his wooing of these groups has had the effects of alienating many of the *noiristes*. A number of *macoute* leaders in recent years have voiced disquiet with the way things have been going, and some of them no longer see any probability of future benefits; they are unwilling to stick out their necks very far to preserve a government from which they have little if anything to gain. The marriage of Jean-Claude to Michele Bennett, the daughter of a rich and ruthless mulatto businessman, set the seal on these developments. While it is unlikely that these erstwhile Duvalierist supporters will initiate a revolution, they can now no longer be depended upon to resist a serious attempt to overthrow the government, as they could in the past.

The elite, upon which the regime now relies heavily, is very much less dependable than the black middle classes. This elite is composed of groups many of which live off the state and whose members expect the government to ensure that their standard of living is maintained. If it fails to do this, they are likely to look around for other presidential possibilities.

Gradually, from 1971 to 1986, Baby Doc and his clique became more concentrated on increasing their own incomes while neglecting those of the wider defined support groups, to the point where it completely overshadowed all other aspects of government (Abbott, 1988:249, 250, 251):

The financial system that evolved over the decades of the Duvaliers' rule reflected their phenomenal greed, their total failure to grasp that the consequences of their bludgeoning thieving was the permanent paralysis of national development. Indeed, the Duvaliers showed a genuine inability to distinguish between themselves and the state. The state was theirs, and they used it as they saw fit. [...] Duvalierist thieving had absolutely no sense of proportion. [...] Few Haitian officials raised their eyebrows ... for Haitian ministers traditionally worked with drawers full of cash in their offices, and money being carted about in sacks was commonplace. As state embezzlers the Duvaliers were right in line. It was only the staggering amounts that seemed outrageous.

The consequences of this attitude rapidly showed up when during the early 1980s a number of events served to stir popular discontent (Maingot, 1986-87:80-83): the pig slaughter in 1982, food riots in Gonaïves in 1984, a drought in early 1985 that made the

output of important foodstuffs fall with as much as 20 per cent and dried up the main hydroelectric dam of the country. People gathered to the cities, wage rates fell, the rate of inflation increased and the black market rate of the dollar soared. The Baby Doc regime either undertook measures that aggravated the crises or did nothing (Maingot, 1986-87:81):

In none of these cases can one point to a single government initiative which appeared to be a serious and concerted effort to deal with, or, hopefully, to head off the developing, and escalating, crisis. By 1985 it had become clear that the government had virtually abdicated responsibility, if not sovereignty ...

It was only a matter of time before the regime would fall. At the end of 1985 the lot of the common citizens had deteriorated to the point where they decided that they had had enough, and once the masses started to move, the conflicts between the erstwhile and current supporters of the Duvalier clique ensured that no effective measures could be undertaken to suppress popular discontent. The black middle class felt pushed into the background, and the traditional elite sensed that the historical moment had arrived when they had no more use for the Duvaliers. The *tonton macoutes* had lost terrain to the army, and the army had suffered a devastating blow under François Duvalier that still paralyzed it. For once, the masses had the upper hand and the state was in retreat. It was, however, only a matter of time before some of the forces that had crystallized from 180 years of political degeneration would once more be in motion and prey on the population. The next eight years would be years of open conflict — a conflict that provoked an acute humanitarian emergency in Haiti.

V THE YEARS OF OPEN CONFLICT

The *Conseil National de Gouvernement* that took over in February 1986 contained both military officers and civilians. At the outset the military were too weak to run the show themselves. Fourteen years of Papa Doc rule had had its impact: 'So successful was his policy [of placing the military under presidential control] that a whole generation of officers had grown up, into whose conceptual world the notion of a military coup hardly entered' (Nicholls, 1996:xxvii). It was, however, only a matter of time before they had constituted themselves, in accordance with the Haitian political tradition, as a redistributive coalition à la Mancur Olson, and started to prey on the population. They had the advantage of small size while the masses were large, split and politically inarticulate, and in addition exploited by a number of rapidly emerging political party leaders.

The eight years from the fall of Baby Doc until the return of Jean-Bertrand Aristide from exile in October 1994 were to be dominated by the predation on the many by the few, with the difference that this time a large-scale popular movement would be constituted that would oppose the traditional political pattern. Presidential elections were scheduled to be held in November 1987, but were interrupted by violent actions by former *tonton macoutes* with the tacit support of the army leadership. When elections were finally held, in January the following year, they were rigged by the military. The puppet put in the presidential saddle, Leslie Manigat, however, unwisely chose to rebel against the real powerholders and was quickly thrown out again. General Henri Namphy took over, but was ousted in September 1988 and replaced with Brigadier General Prosper Avril, who in turn was forced to leave office in March 1990, when he was replaced by a civilian provisional president. New presidential elections were scheduled for December.

These elections were swept by a new force in Haitian politics: a candidate with widespread and genuine popular backing. This candidate was Jean-Bertrand Aristide, an ex-Salesian father, and a representative of the *ti legliz*, a grassroot Catholic movement inspired by Latin American liberation theology. Aristide, who gave priority to improving the situation of the poor, had emerged as something of a symbol of the resistance to the Baby Doc regime during the first half of the 1980s (Wilentz, 1989), and in 1988 he had been expelled from the Salesian order because of his political activities. Aristide won a landslide victory, obtaining no less than two-thirds of the votes in the elections⁷ and was installed as president in February 1991.

It did not take long for the new president to get on a collision course with the traditional forces in Haitian politics. Aristide was backed by *Lavalas* ['flood'], a grouping that was not a political party in the traditional sense, but a mass movement open to everybody who wanted to join forces to bring about change in Haiti and put an end to the old system and who were prepared to give those formerly excluded from the political decision making an opportunity to make their voice heard. The organization was based first and foremost on the urban youths, the marginalized, the urban poor and on rural

grassroot and peasant organizations, but it also received support from civic and educational networks, exiles and elements of the private business sector. Fluid and loose in structure, it was held together by Aristide's own charismatic and messianic personality (Dupuy, 1997:86-88).

The economic programme of Aristide and *Lavalas* was not as radical as many observers feared, after having listened to the new president's rhetoric in the past. This rhetoric had pointed to capitalism as a 'deadly economic infection', claimed that the United States had exploited Haiti and argued that the poor one day would rise up and take what rightfully belonged to them (Aristide, 1991:6-7, 9). Rather, the programme was based on middle of the road, social democratic principles. The private sector, notably agriculture, but also manufacturing industry, was seen as the source of productivity and wealth. Agriculture was to play a leading role in the reconstruction of the economy. The peasants were to be freed from whatever legislative and other discriminatory measures they had been subjected to in the past, credit and savings institutions were to be created, a land reform (mainly redistribution of state land) was to be carried out and service structures designed to satisfy the basic needs of the rural population were to be created. The overall objective was to modernize the sector and promote agribusinesses. The import-substituting segment of manufacturing should be opened to international competition to enhance efficiency and in the state-owned companies waste and corruption should be eliminated. The important role of the export assembly industries was recognized. Thus, the private sector was given a leading role in the economy. The role of the state, in turn, would mainly be to ensure that the benefits generated would be shared not only by a minority but that the poor would have a share too, by making tax collection more efficient, by eliminating the privileges previously extended to the already wealthy via the state apparatus and by eliminating corrupt practices within the state apparatus. The objective was to move from 'misery to poverty with dignity' (Dupuy, 1997:93-103).

The economic programme of the new government was not a controversial one, with one exception: the elimination of corruption within the government machinery. This was to cause Aristide's downfall. As he set about reforming and trimming the civil service, the state bureaucracy turned against him because this interfered with the perceived time-honoured 'rights' to use public office for personal gains. More important, he quickly got into conflict with the military, for much the same reason. When the Haitian army had been reorganized during the American occupation, the result was a hybrid between an army proper and a police force. The same type of personnel served in both functions, and the police was under military, not civilian, control. Through the police branch the military came into daily contact with the population and it was through this branch that most of the lucrative business activities of the army were carried out. This contact made it possible to extort bribes in innumerable ways (Laguerre, 1993:148-61). The army also controlled the border trade, including smuggling — not least of drugs (Perusse, 1995:14-16). Aristide's decision to fight these practices immediately put him on a collision course with the army. The new president forced many of the leading officers who were connected with the old regime into retirement and abolished the *chefs de section*. The military felt especially threatened by Aristide's plans to set up a police

force under civilian control, separated from the military, since this struck at the heart of their illegal activities (Dupuy, 1997:116-18).

At this point, Haiti had become what may be termed a quasi-praetorian society. Samuel Huntington (1968:194-97) uses the term praetorian society to denote a situation where the social forces are all politicized, confronting each other in a direct and naked way. No effective political system exists that can mediate legitimately in group conflicts and there is no agreement on the methods to be used for moderation. 'Countries which have political armies also have political clergies, political universities, political bureaucracies, political labor unions, and political corporations' (Huntington, 1968:194). Such elements were clearly present in Haiti in 1991, although not to the full extent of what Huntington's term implies. However, democracy — and democratic control — had not taken effective root, so there was little to prevent a direct confrontation between the president and the armed forces.

In this, the army was backed by the elite, the National Assembly and the Catholic Church. To a large extent, the alienation of the wealthy was the president's own fault, since in his public messages Aristide kept threatening the established interests with increased mass militancy unless they chose to cooperate with him in his social reform project, but, threats or no threats, the business sector would presumably have opposed such measures as the increase of the minimum wage anyway. Also, he failed to condemn his supporters when these threatened the opposition in the National Assembly with *Père Lebrun* [necklacing], which, together with endless conflicts over a variety of issues, earned him the enmity of the parliamentarians. The Church, finally, as we have already pointed out, had been in conflict with the new president ever since he first began to take serious part in politics (Dupuy, 1997:115-35).

The conflict between Aristide and his adversaries quickly reached maturity, and on the last day of September 1991, after a mere seven months, the military had had enough and overthrew the president and instead installed a military junta led by General Raoul Cédras. This move was to throw Haiti into an acute humanitarian crisis. The plunder of the many by the few had continued after the fall of Baby Doc and more was to come. When Cédras was finally forced into exile in October 1994, after the American-led invasion, he is believed to have accumulated as much as US\$ 100 million, on a monthly salary of US\$ 900, and his Chief of Staff, Philippe Biamby, in spite of his reputedly more austere lifestyle, had taken several million out of the country as well (Perusse, 1995:116). Reputedly, drug smuggling alone brought tens of millions of dollars into the hands of the military each year (Schultz, 1996:12).

The economy suffered tremendously from 1991 to 1994, because of the economic sanctions imposed on Haiti by the international community at various times between the coup and Aristide's return in October 1994. Sanctions were imposed both on trade and financial flows and in addition, the assets of the leading coup makers and officers were frozen abroad (Perusse, 1995). An OAS mission visited the country in 1991 but when it proved impossible to come up with any solution to the political impasse the OAS and the United States froze the assets of Haitian government members abroad, strangled the country's financial transactions with the rest of the world and prohibited exports there.

Venezuela, Haiti's main supplier of oil, and Mexico, cut off their supplies (Perusse, 1995:25-26, McCalla, 1995:10).

As a result of these sanctions, the export assembly sector lost tens of thousands of jobs and the number of boat people who attempted to make it from Haiti to Florida increased. At the end of 1991, almost 8,000 had been picked up by the American Coast Guard (Perusse, 1995:27). The boat people problem was not a new one. The first refugees who had chosen the dangerous route across the high sea from Haiti to Florida had appeared in 1972 and by 1981 45,000 Haitians were known to have arrived illegally in the United States by this route. To these had to be added an unknown number who had made it without being detected (DeWind and Kinley, 1988:1). During the next decade more than 23,000 were intercepted at sea by the Coast Guard (McCalla, 1995:7).

The reasons for the boat people exodus is a hotly debated issue. While the official position of the United States has been that Haitians leave their country for economic reasons, human rights advocates have maintained that the outflow is a result of human rights violations and political persecution during the Duvalier period and the subsequent military governments (see e.g. DeWind and Kinley, 1995, McCalla, 1995). The truth lies somewhere in between. It cannot be denied that the secular economic deterioration exerts a tremendous push on poor people to leave the country, but it is simultaneously clear that it has not been the only cause. During 1990, when the hope for a political change began to spread, as well as in 1991, up to the September coup, the number of refugees intercepted dropped to one-third of the figure for each of the three preceding years, while after the coup it increased drastically, to the highest levels since 1980 (McCalla, 1995:9, 11, Perusse, 1995:27). The issue is complicated, furthermore, by the fact that the political situation has been partly responsible for the deterioration of economic conditions. Hence, disentangling the 'real' causes of the boat people problem, let alone their relative influence, becomes a hopeless exercise.

In the context of the 1991-94 economic sanctions, however, the chain of causation is clear. An outflow existed already before the sanctions were begun, but as the combination of sanctions and government predation directly caused by these began to bite among the poor and the extent of political repression at the same time increased, the outflow increased. Reportedly, in the island of La Gonâve 20,000-30,000 of a total population of 80,000 attempted to leave the country (Daskal, 1996). In 1992, the United States began to repatriate Haitians picked up by the Coast Guard. In April that year the economic sanctions were renewed both by the OAS and the United States and in May they were tightened. In October, 38,000 people had left Haiti since the coup and United States intelligence estimated that another 100,000 were ready to go at the end of the year (Perusse, 1995:38-39). The military remained firm in the saddle.

It was evident that the sanctions had failed. The solution was rather to be sought in negotiations between the exiled president and the military, and the United Nations took on a more active role to that end. In the meantime the United States had got a new president, Bill Clinton, who realized that the solution of the boat people problem had to be found in Haiti itself. An improvement in the political conditions prevailing in the country would reduce the outflow of people. Diplomatic efforts to bring Aristide back

led to nothing, however, and further pressure had to be brought on the Haitian government, but it was not until July, when the Security Council of the UN decided to implement a global oil and arms embargo and freeze the foreign assets of all the Haitian cabinet ministers that General Cédras was driven to the negotiation table. At Governors Island, the conditions for Aristide's return were set down and sanctions were lifted. The Governors Island accord came to nothing, however. Violence reached new heights in Port-au-Prince and paramilitary units blocked the landing of United States uniformed advisers in military and police matters in October.

The answer was new sanctions. The United Nations again banned oil sales to Haiti and the officers who had been involved in the landing incident again had their foreign assets frozen. The United States sent naval units to Haitian waters to make sure the embargo was respected. All this was of no avail. The military were not bothered by the sanctions. On the contrary, it gave them an opportunity to profit from their control of smuggling of the prohibited commodities, selling at prices way above those normally prevailing. The border with the Dominican Republic leaked severely. Gasoline bought on the Dominican side for one US dollar per gallon was sold on the Haitian side for as much as 10 dollars (Perusse, 1995:67). This was to continue all the way up to the return of Aristide. In 1994 the UN Department of Humanitarian Affairs even reported that the trade with illegally imported goods had expanded to the point where it had begun to marginalize both formal and informal legal trade (Daskal, 1996:6).

During 1994, the pressure on Clinton to do something about Haiti gradually hardened, and at the beginning of May, the Security Council, in response to an American petition, decided an almost total trade embargo, exempting only medicine, food and cooking oil. All private air traffic to the country was prohibited and the foreign assets of the military were again frozen. It would take a few more months before troops landed in Haiti. The American Congress was split with regard to both the intervention and the refugee questions. However, an opinion poll made by *Time* and the CNN in May revealed that two-thirds of the American population were in favour of an invasion and only 18 per cent explicitly against. At the end of the month, the United Nations could finally persuade President Balaguer in the Dominican Republic to close the border. The United States, Canada and Panama stopped all air traffic to Haiti (while France continued). All Haitian assets in the United States were frozen. At the end of July, the Security Council gave the United States a mandate to set up a temporary 6,000 man multinational force to create a stable situation until February 1996. In September, the three leading generals, Cédras, Biamby and the Chief of Police, Michel François, received an ultimatum: resign or be arrested. The following day, ex-president Jimmy Carter arrived in Haiti to persuade the coup makers to depart and on 19 September the first American troops could land without meeting any resistance. On 15 October, Aristide was back. Two days before, the last of the three coup generals had left. The sanctions episode was over. Before that, however, an estimated 65,000 Haitians had tried to reach the United States by boat, another 35,000 had attempted to escape from Haiti in other ways (Fuller, 1995:4, 2) and 300,000 had been internally displaced (Human Rights Watch *et al.*, 1994:2), i.e. more than one out of every twenty Haitians had to leave home.

The sanctions had by and large misfired. They failed to bring the military government down and instead hurt the already poor. Real GDP per capita fell with close to 12 per cent per annum on average 1992-94 (Inter-American Development Bank, 1995b:Table 4). The prices of such necessities as rice, beans, corn and cooking oil increased with between 50 and more than 300 per cent during the same period and the distribution network for them broke down. The black market price of oil increased until, in August 1994, it was between 12 and 18 times as high as the official one. Imports and exports both fell drastically 1991-94, with 69 and 80 per cent, respectively, and the poor were hit both ways. The volume of coffee exports (the most important peasant export crop) was reduced with one-third and exports of mangoes, which had emerged as an important crop in the 1970s and 1980s, were virtually wiped out. On the import side, only the food aid supplied by international organizations remained at its former level. Not only consumption was hurt in this way, but imports of intermediates and investment goods fell as well, with 86 per cent, endangering the future growth of above all the assembly sector, which as already pointed out, had to lay off close to 90 per cent of its labour force, in spite of the fact that these industries were partly exempted from the sanctions in 1992. Altogether, manufacturing output fell as the fuel price skyrocketed and the capital equipment wore out. In the public sector, the budget deficit increased as the government attempted to maintain employment, raising salaries. This had to be financed by printing money. In 1993, the broadly defined money supply was growing at more than 35 per cent per annum — a rate that was unsustainable. The following year, 12,000 people had to be taken off the government payroll and the state enterprises were given instruction to cut employment by 10 per cent. The net result of all this was that the average Haitian was subjected to a substantial income squeeze (Daskal, 1996).

The impact was strong in rural areas. Jennifer Daskal summarizes the results of a series of field interviews carried out a year after the sanctions had come to an end (Daskal, 1996:8):

As inputs became increasingly expensive and export markets inaccessible, agricultural and livestock production declined, with the exception of expanding charcoal production. Given that over half of [the] food consumed by rural households in Haiti is purchased, participation in the market was crucial for the well-being of the household. As prices rose and incomes fell after 1991, markets shrunk due to insufficient demand and consumption fell. Public distribution of foodstuffs, under the leadership of international NGOs, played a growing, but insufficient, role in providing for basic needs. Households increasingly relied on the sale of assets — cashing in on insurance goods — to fill a gap between desired and actual consumption. This helped prevent large-scale malnutrition in the short-run, but increased vulnerability in the long-run.

The price of simple hand tools increased 50-100 per cent in 1992, and the price of fertilizer doubled. As exporting became increasingly difficult, food production took on increased importance. At the same time, as a result of the oil price increases, the attraction of charcoal production increased, in some areas fivefold. The fatal mechanism that we explored in the section on economics received an increased impetus.

Deforestation increased with up to 30 per cent in certain areas and the erosion process was sped up. The incomes generated by participation (by the women) in the marketing system for food crops were drastically reduced as markets became inaccessible when transport costs increased — in some areas tenfold — from 1992 to 1994. Crops were simply left to rot in the fields since consumers could not afford to pay the price increases.

With incomes from agriculture and trade declining rural households were caught in a trap from which they could not escape other than by selling assets (cf. Lundahl, 1979:516-18). During 1992 and 1993, the sales of livestock increased quite dramatically, to the point where entire villages were virtually stripped of goats and pigs. Increasingly, the sales took place at falling prices as demand was reduced in the face of shrinking incomes. To some extent, the situation was mitigated by food distribution by international aid agencies. Thus the USAID increased the number of food relief beneficiaries via NGOs from 350,000 to 1.3 million from 1991 to 1994. Much of this aid, however, did not reach the neediest because of transportation and organization difficulties. Often these groups were simply not targeted.

The results were increased child malnutrition, reduced school enrolment, reduced investment in physical capital, increased indebtedness and a shift in the distribution of income in favour of the better-off who were able to dissave without having to part with all their assets and who could possibly also take advantage of the buyer's market and accumulate assets by buying from the poor. The vulnerability of the latter in turn increased and they faced increased difficulties when it came to re-establishing production and trade activities after the end of the sanctions. Thus, the gap between rich and poor increased as a result of the sanctions, or, ultimately, of the coup. Economically, the masses — urban as well as rural — were in a structurally more desperate situation when the sanctions ended than say, ten years earlier.

On top of the economic difficulties created by the coup and the ensuing sanctions there was the problem of internal displacement — a new phenomenon in Haiti. This affected no less than 300,000 individuals, i.e. 4 per cent of the entire population. From October 1991 to February 1994, one in six or seven of all adults had to go into hiding (Human Rights Watch *et al.*, 1994:2). A modern form of *marronage* had been created by the military. In August 1994 three human rights organizations described the situation (Human Rights Watch *et al.*, 1994:2):

Since the September 1991 coup, forced displacement has become part of the Haitian military's strategy to neutralize the opposition to its regime. By keeping Haitians permanently on the run, the army has endeavoured to disrupt their capacity to organize. In short, by killing thousands and displacing scores of thousands more, the army has sought to choke the political, social and economic structures that could pose a challenge to its illegal regime.

Between the fall of Baby Doc and the military coup that ousted President Aristide a large number of civic organizations had appeared on all kinds of levels in Haiti

(Americas Watch and National Coalition for Haitian Refugees, 1993): peasant associations, grassroots development committees, trade unions, student associations, women's organizations, block associations and church groups. All had become very active filling the political and administrative vacuum that arose in the wake of the Duvalier dynasty. In rural areas farming cooperatives were formed, literacy campaigns were organized and a variety of development projects saw the daylight. In the cities, trade unions — suppressed under the two Duvaliers — organized around both professional and political issues, community development projects sprang up and the radio stations and the press began informing and mobilizing people (including those in the countryside) in the struggle for democracy. Civil society in Haiti quickly became 'remarkably advanced' for a nation so economically underdeveloped (Americas Watch and National Coalition for Haitian Refugees, 1993:3):

In contrast to many other countries emerging from dictatorial rule, where pluralism among political parties was not matched by social and ideological diversity, political parties in Haiti were among the least developed parts of civil society. Rather, the strength of Haitian civil society lay in its breadth and diversity outside the narrow realm of electoral politics. This development allowed the Haitians a considerable voice in local affairs, even as their ability to influence national politics was limited by an unrepentant army intent on preserving the spoils of power.

Unfortunately, the military set out to crush the emerging civil forces. The dreaded *chefs de section* who had been abolished by Aristide were reinstated by the military to handle local affairs in the countryside. Meetings were banned and the members of the civic organizations — including the non-political ones — were killed, beaten, tortured, arrested, intimidated and persecuted in a number of ways (Human Right Watch *et al.*, 1994, Danroc and Roussière, 1995). Not only individual activists were harassed but their families as well.

The consequences were devastating for the victims. What usually happened was that the main breadwinner in the family had to leave home and work so that family income was drastically reduced. Frequently, those persecuted did not have time to escape but were arrested which in turn meant that their families had to spend their savings and/or go into debt to have them released. In other cases, houses were sacked and even burned, leaving the family homeless. In rural districts crops had to be left rotting in the fields since nobody dared help to gather them, and new crops were not sown or planted, all of which of course had a tremendous negative impact on the standard of living. In some cases even the land belonging to those who had to go into hiding was lost. It was taken over by the supporters of the military. In the cities, those who held jobs lost them when they had to hide and were unable to get them back once the military had departed. Also those who hid the internal refugees suffered, having to feed another mouth, running the risk of being detected. Finally, displacement from the cities to the countryside contributed to spreading such diseases as AIDS and tuberculosis which had not been common in rural areas before (Human Rights Watch *et al.*, 1994:26-27).

In 1994, Haiti was in what was probably the most difficult humanitarian situation the country had experienced during its entire existence as a sovereign nation. It had been sliding slowly towards the political abyss ever since the French *colons* had been driven out, and per capita income had been shrinking for at least fifty years if not more. However, these forces were operating very gradually and mainly in the long run. The political system of Haiti — kleptocracy — had hardly been seriously questioned before the fall of Jean-Claude Duvalier. The country was in a protracted, and mainly potential, emergency situation.

The entry of Jean-Bertrand Aristide on the political scene changed all this. Suddenly, the incumbent kleptocratic clique was challenged — by a completely new force: a genuine mass movement, intent on its fall and on the establishment of democracy in Haiti. This was completely unprecedented and hence called for drastic measures on part of the military, measures that catapulted Haiti into an acute humanitarian crisis. During the three years 1991 to 1994 the slow downward economic trend was abruptly broken, in the downward direction and in a non-marginal fashion. A large dent was made in the average income curve — a dent whose weight fell disproportionately on the poor and persecuted. By the time Aristide came back to take up the presidency his countrymen were far worse off than when he left.

VI THE FUTURE

When the military left Haiti the country was back on the slow downward economic path — but from a lower level than in 1991. Can Haiti escape that path, or is the country doomed to continue sliding towards an abyss that it will reach in the not too distant future? Forecasting is a notoriously difficult activity that economists had better stay away from and we will not go into any crystal ball exercises here. What can be done, however, is to note the main changes since Aristide's return on the one hand, and the main remaining obstacles to economic and political development on the other.

The main reform undertaken has been the — long overdue — abolition of the armed forces and the substitution of a police force under civilian control for the old military-controlled police. The armed forces were reduced from about 7,000 to zero in 1995 and 1996 (Neild, 1995:vi) and a new police academy was created. The first class entered in February 1995 and a year later its numbers had increased to 5,300 (Human Rights Watch *et al.*, 1997:3). During this period, the existing paramilitary terror groups were either dissolved or at least forced into hiding. Again, the *chefs de section* were abolished. All there were steps in the right direction, but presumably only necessary, not sufficient ones. Several problems connected with the police and the judicial system as a whole remain, and these will have to be solved before the Haitian citizens can feel that they are protected, and not persecuted, by the law.

The police force itself constitutes one of these problems. Between the beginning of operations in July 1995 and the end of 1996 the new police force was responsible for at least 46 killings. A number of former army officers and soldiers have made it into the new police force, in many instances even to command positions, and have brought some of the worst practices of the old army, like torture and summary executions, with them. This has shaken the confidence and trust of the population in general, especially since the judicial system is doing very little to prosecute and convict those responsible for the human rights abuses (Human Rights Watch *et al.*, 1997).

The judicial system as a whole needs thorough reform (O'Neill, 1997). Often, people take the law into their own hands since the local courts and magistrates do not function. Arrest warrants are frequently issued on vague rumours and suspect evidence and by people who have no right to issue such orders. Many judges are afraid to convict members of former terror groups. Verdicts are made on dubious grounds and corruption continues to loom large in the justice system. Education and equipment are lacking. Haiti at this point does not have a judiciary that can guarantee that criminals are arrested, tried under satisfactory conditions and convicted for their crimes. Nor does civil law work very well. Contracts must be honoured and the courts must not make decisions in favour of those who pay well or are otherwise influential. The result of this is of course that transaction costs are far from negligible. Uncertainty spreads and investment, domestic as well as international, is held back.

This brings us to the second, and largest, problem facing Haiti in the future: the reconstruction and restructuring of the economy (Lundahl, 1997). Haiti is one of the poorest nations in the world on a per capita basis. The interaction between population growth and soil erosion in agriculture exerts a strong downward influence on this figure as time goes by. There remains no doubt whatsoever that the *moun andeyò* [people outside], i.e. the peasant majority, must be made part of whatever economic development that will take place in Haiti, but doubts are so much stronger when it comes to the capability of the agricultural sector itself to contribute to this development. At present, its inability to produce sufficient incomes pushes people out of the countryside, into the cities and out of the country. This will continue also in the immediate future.

The inability of agriculture to produce a decent standard of living for the average Haitian means that the solution in the first place must be sought outside that sector. At any rate, if agriculture is to change in such a way as to guarantee those who remain in the sector a productivity which is high enough to break the downward income trend without jeopardizing the extremely vulnerable Haitian ecological system, large numbers will have to find employment elsewhere. This will be difficult. The assembly industries suffered a terrible blow during the sanctions episode. Many companies left Haiti and will probably not return unless conditions change drastically. Also, whatever output increases there will be in the assembly sector will generate nothing but miserable wages, since the comparative advantage of these industries lies in the wage/productivity relationship. In the import-competing sector, the issue of privatization of the low-productive remains unresolved. Here, the past looms as large as ever (Schultz, 1996:14):

Lest it be forgotten, the Haitian private sector has been no less predatory than the state. In general, these are not free marketeers. The economic elites have never been that interested in investing in Haiti under competitive conditions, and they are reluctant to face more efficient foreign competitors. Even now, some of the most powerful families oppose privatization and continue to make huge profits by controlling the import of flour, cement, generators and other key items.

Switching into high-productivity branches will be extremely difficult for the industrial sector. In the first place, this requires a qualified, well-educated, labour force, since high-growth sectors are usually also high-technology sectors, and the well-educated worker is a species largely unheard of in Haiti. The growth of the educational system, in quantity as well as in quality terms, has been stunted both by supply and demand factors. As we have already dealt with, the predatory state never put much money into something that did not yield an immediate benefit for those in power, but demand has been lacking as well and when it has been present it has been because education facilitates moving abroad. Education is an activity with economies of scale in the sense that the more you know the easier it is to accumulate even more knowledge. In Haiti, education did not pay off — did not serve as a vehicle for social and economic advancement — in a system that built exclusively on political contacts. Hence, demand remained low and so did, hence, the returns to education. Haiti may be trapped in a low

education trap that it will require massive efforts to break out of (cf. Becker, Murphy and Tamura, 1990).

The international division of labour contributes to locking Haiti into a low-productivity trap as well. The country's present comparative advantage is found in the wage level. Low-technology products are exported and high-technology goods are imported because the latter require research and development activities or at least continuous adoption of new technologies. In a situation characterized by intra-industry trade, the trick often consists of developing specialized intermediate goods in intimate cooperation with the producers of final goods using the particular input and this is usually a great deal easier when a developed industrial structure already exists which creates a large demand for such goods and where there is abundant experience of producing them. Again, massive efforts tend to be required to make the transition from low-productivity and low wages to high productivity and high wages (Rodrik, 1995).

Thus, to conclude, getting economic development going in Haiti is a tremendously difficult task. It is even doubtful whether much investment will be forthcoming in the 'traditional' assembly sector, and moving up the productivity ladder is at best a long-term undertaking, one which can hardly be undertaken without large and sustained foreign assistance. During 1995 Haiti received foreign aid corresponding to 25-30 per cent of GDP (CSIS Watch, 1996) and international donors in early 1996 had pledged US\$ 1.8 billion to support the country's Emergency Economic Recovery Programme and medium-term economic development strategy over five years. However, with Haiti no more on the list of domestic political issues, the United States cut back its aid drastically during 1996 and at the same time a number of foreign lenders, headed by the IMF and the World Bank, withheld their funding since the privatization of state enterprises promised by Aristide had failed to materialize (Schultz, 1996:15). Comparatively speaking, however, these are minor issues. What Haiti needs is not short-run support for stabilization and structural adjustment but a massive, sustained inflow over a long period. It will take decades, in the best case, to turn things around, and Haiti completely lacks the means to defray the investments in physical and social infrastructure — notably education — that will be necessary (but not sufficient) to put the country on a growth path.

Politically, Haiti is far better off today than ever before. The transition from the first democratically elected president to the second was effected smoothly, but this does not necessarily mean that democracy is in Haiti to stay. The elections held after Aristide's return to Haiti have eloquently demonstrated that this fragile plant needs to be nurtured and supported if it is going to take root firmly. With the United Nations troops gone the Haitians will by and large be left to themselves to forge a *modus vivendi* between *Lavalas* and the traditional bourgeoisie that views the mass movement as a threat to their position and who viewed the coup against Aristide with a certain amount of sympathy. This will not be an easy task (Schultz, 1996:3):

The upshot [of the culture of predation] has been the development of an elaborate syndrome of destructive/self-destructive political behavior marked by authoritarianism, paternalism, personalism, patronage,

nepotism, demagoguery, corruption, cynicism, opportunism, racism, incompetence, parasitism, rigidity, intolerance, rivalry, distrust, insecurity, vengeance, intrigue, superstition, volatility, violence, paranoia, xenophobia, exploitation, class hatred, institutional illegitimacy, and mass apathy, aversion and submission.

The above makes up a formidable list of obstacles that must be overcome — so formidable that at first sight it may seem incredible, but it is not. Haiti is a country where social capital in the sense of Robert Putnam (1993) or social trust in the sense of Francis Fukuyama (1995) has by and large been lacking. ‘Norms of reciprocity and networks of civic engagement’ (Putnam, 1993:167) have had a hard time developing in a political culture where everything revolves around the person and where parties are typically discarded once the elections are over and where the winner takes everything.

Relations between *Lavalas* and the bourgeoisie are strained, but not only that. There is also a third group, one which is completely hostile to democracy as such, namely the ex-*Duvaliéristes* (Fatton, 1995), and, what is worse yet, the *Lavalas* movement has split. Aristide’s successor, René Préval, was handpicked by Aristide as the *Lavalas* candidate in the 1995 presidential elections. However, he did not receive a very enthusiastic backing from the sitting president and after his inauguration in 1996 a breach opened between him and Aristide. The ex-president is suspected of wanting to make it back to the presidential saddle before the legal expiration of Préval’s term at the turn of the century and is pointed to as the instigator of manifestations and strikes of various kinds to bring Préval down.

The *Lavalas* movement has split as well. Préval has in the past received support from the *Oganizasyon Politik Lavalas (OPL)*, founded in 1991, when Aristide was absent from Haiti, but not whole-heartedly. Not least, important parts of the OPL have been against the government economic programme which it considers too ‘neoliberal’. Aristide, in turn, founded the *Fanmi Lavalas* towards the end of 1996, as a response to the growth of the OPL and as a platform for himself. The relation between these two *Lavalas* parties has been very uneasy. Increasingly, since Préval was sworn in at the beginning of February 1996 confrontation politics has carried the day. Aristide left no room for the opposition while he was in power. On the contrary, he launched a campaign against the losing parties, alleging that there was no place for them in the political life of Haiti. The same type of tactics has been employed against Préval, albeit in a less direct manner. Haiti is very far from the consensus that appears to be a necessary but not sufficient condition for the country to move ahead economically.

It is in this environment that a ‘pact’ must be forged which makes it possible to move forward — away from the humanitarian abyss and not towards it. This pact must include the *moun andeyò*. The representatives of the latter — the grassroots leaders — have now, encouraged by their constituencies, understood that they can no longer remain outside formal national politics and have hence sought, and obtained, political office in the various elections (Maguire, 1997). That may, however, add even more fuel to a possible future political fire, since their appearance on the national scene brings the have-nots in direct contact with the elite and with the middle class that demonstrated that it did not

care for them when this class made it to the fleshpots during the Duvalier era. This is the situation that President Préval has to handle. He is not to be envied. The lack of consensus-building mechanisms means that the process of consolidating democracy could easily be derailed in Haiti. This would lead to an immediate economic crisis and a second acute humanitarian emergency, from an economic level that is lower than what it was in 1991.

NOTES

1. PNUD (n.d.:2) indicates a GDP per capita figure of US\$ 212 for 1992.
2. Cf. the note of caution sounded by Catanese (1995).
3. Possibly, agricultural output has been underestimated with as much as 50 per cent (Dupuy, 1997:43), but even so, the trend is presumably a downward one (Dupuy, 1997:25).
4. Other estimates of the artisan population run considerably higher, at least 400,000 at the beginning of the 1990s (Fleurant and Mangonès, 1996:12). Presumably, the difference, or at least part of it, is due to the inclusion or exclusion of part-time workers.
5. At times, however, peasant discontent with the sitting government constituted an additional reason for uprisings (cf. Nicholls, 1985:167-85).
6. The relative importance of these factors in the determination of the class structure of Haiti is a complicated theme which we cannot go into here. See e.g. Leyburn (1966), Nicholls (1996) and Trouillot (1990, especially Chapter 4) for an introduction to the theme.
7. This was more than what Nelson Mandela obtained in the 1994 South African elections: close to 63 per cent (Meredith, 1994:184).

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