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Foreign aid and the failure of state building in Haiti under the Duvaliers, Aristide, Préval, and Martelly

Terry F. Buss*

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Abstract

After receiving at least US$20 billion in aid for reconstruction and development over the past 60 years, Haiti has been and remains a fragile state, one of the worse globally. The reasons for aid failure are legion but mostly relate to highly dysfunctional Haitian regimes, sometimes destructive US foreign policy and aid policy, and ongoing issues about how to deliver aid, all in the context of devastating natural disasters. The over-riding cause of aid failure has been the social, cultural and historical context which has led to domination by economic and political elites who have little interest in advancing Haiti, and who are totally self-interested—Haiti's fatal flaw. Donors can go far to improve aid effectiveness, but Haiti will languish until its leaders and people find common ground and compromise in managing their country.

Keywords: aid effectiveness, fragile states, foreign policy, donors

JEL classification: F35

*Carnegie Mellon University, Adelaide, email: tbuss@cmu.edu.au

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Acronyms

CIDA	Canada's International Development Agency
FDI	foreign direct investment
GAO	General Accounting Office (of the United States)
GoH	government of Haiti
HDI	human development index
HIPC	highly indebted poor country
HRF	Haitian Reconstruction Fund
IDA	International Development Association
IDB	Inter-American Development Bank
IMF	International Monetary Fund
IHRC	Interim Haiti Recovery Commission
MFDs	Millennium Development Goals
NGC	National Governing Council
NGOs	non-governmental organizations
OAS	Organization of American States
ODA	overseas development assistance
UNDP	UN Development Programme
USAID	US Agency for International Development
WGI	Worldwide Governance Indicators

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www.wider.unu.edu *publications@wider.unu.edu*

UNU World Institute for Development Economics Research (UNU-WIDER)
Katajanokanlaituri 6 B, 00160 Helsinki, Finland

Typescript prepared by Liisa Roponen at UNU-WIDER.

> If the whole international community cannot solve the problem [the 2010 Haitian earthquake] it raises a lot of questions over the effectiveness and utility of cooperation and international aid.
>
> Prime Minister Jean-Max Bellerive[1]

1 Overview

Why, after pouring billions in aid from bilateral, multilateral and charitable donors over six decades, has Haiti remained the poorest country in Latin America and the Caribbean and among the poorest in the world? And, what can the international community learn from aid efforts in Haiti that might inform assistance to other fragile states? Although answering these questions is 'wickedly' complex, complicated. and controversial (Australian Public Service Commission 2007), and there remains little agreement among policymakers, scholars and aid workers, and possibly even among Haitians, about what went wrong in Haiti and how to fix it, much can still be learned about fragile states. Haiti in some ways can be seen as an evolving state in which a handful of military dictators and 'democratically' elected leaders traded places in a series of coups, leading to several distinct stages of reconstruction and development. These periods can be mapped into US foreign policy actions which in turn drive donor policy. These periods can be compared with aid efforts to tease out what can be learned about cause and effect, success and failure, and the role of luck in weathering the deadly natural disasters that plague Haiti.

Most observers would agree that political, social, cultural and economic factors, at present, but with strong roots evolving in the past 200 years, are at play. Haiti may be and has likely always been fatally flawed: the perpetual instability infecting and literally eating away at every aspect of governance in Haiti; negative consequences of racism, and distribution of wealth and lack of social mobility and social justice, leading to a huge impoverished Black population nearly totally dominated by a powerful mulatto minority and an emerging Black elite; endemic corruption at every level and in most aspects of society; and lack of leadership from any quarter capable of or willing to break the chains binding this dysfunctional society. Sadly, in the view of many observers, it may be the case the political and economic elites have a vested self-interest in maintaining the conditions in Haiti that keep it a fragile state.

Aid either failed to improve Haiti, or according to some, may have made things worse.[2] Aid has been tied to US foreign policy which led to instability of and insecurity in aid provision; decision makers offered aid programmes that assumed Haiti had become more normalized, when in reality it was barely out of the conflict phase in each of its coups, made worse by disasters; decision makers built a government that could only minimally manage its affairs, creating a highly dysfunctional, aid-dependent system; decision makers wrongly believed that rushing to hold elections where there was no real tradition of or intention to create a democracy would solve Haiti's problems; and decision makers ill-timed or ill-conceived everything from privatization, decentralization, planning, economic development, and civil

1 Quoted in Chen (2010).

2 The US and others flooded Haiti with cheap rice under food security programmes with the unintended consequence that poor Haitian farmers were put out of business (*The Economist* 2013). The same thing happened to Haitians who produced drinking water locally.

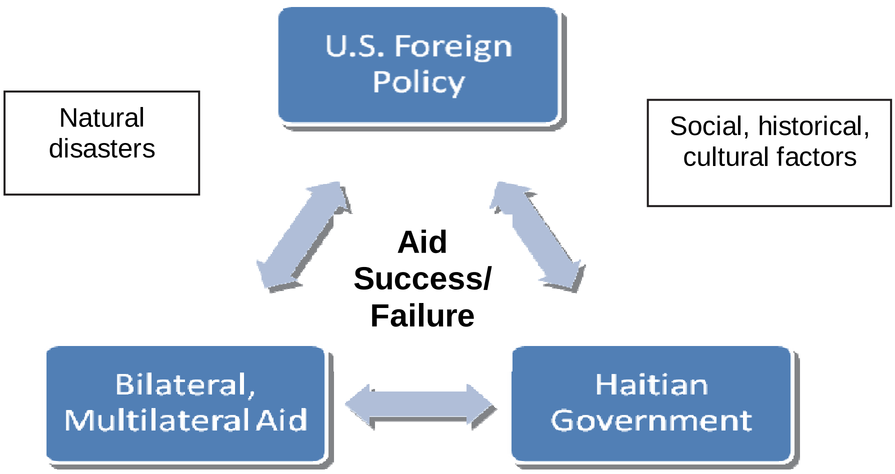
service reform initiatives. Some observers have complained that donors have tired of investing in Haiti and were anxious to move on to other challenges in other countries.[3]

Lessons learned are not difficult to glean from Haiti. It seems clear that Haiti needs to sort out its governance issues once and for all, resolve its racial and class issues, distribute wealth more widely through economic development, and build wide consensus about what the country is, where it should go and how it should get there. This will be difficult if those in the elite believe that the current, and long-standing, state of affairs is in their best interest. On the aid side, it needs to be depoliticized, distributed consistently over the long term, allocated based on consensus, commitment and capacity of Haitians, very carefully targeted, and accountable and transparent. Donors need to rethink what programmes and investments are appropriate for conflict, reconstruction and normalization efforts; when and how democratization should be pursued; how to build capacity to absorb aid and spend it; and how the myriad of donors can best work together in partnership with Haitians.[4] And, the United States, along with other countries and international organizations, needs to rethink the potential long-term impacts of embargoes, boycotts, aid suspensions, aid tying, and delayed aid disbursement. Donors need to be sure that aid and policy is not only geared to be effective, but also that it is not supporting and perpetuating the fatal flaw.

2 Haitian regimes, foreign policy and aid

Most observers would agree more or less that aid to Haiti has failed in most sectors with a few notable exceptions. Although there is disagreement on causes for the failure, most would agree that blame in part can be assigned to lack of good governance by different Haitian

Figure 1: A model of aid impact



Source: The author.

3 'In a period of 10 years (1994-2004), two multinational forces had to be despatched to Haiti. Between 1993 and 2001, no less than six different United Nations Missions were deployed to the country, each generally considered a failure. Each time, there seemed to be an urge to exit rapidly, to the extent that there was often pressure from key governments to "spin" the results of United Nations Missions positively for domestic consumption or to justify an early withdrawal of military or police contingents. It was only from 2004 on that the international community recognized the need for a long-term commitment in order to secure the future of Haiti' (UNDP 2006).

4 These issues are addressed in a broader context at OECD (2013) and Picard and Buss (2009).

regimes, destructive US foreign policy responses to Haitian regimes and geopolitics of the region, and ineffective bilateral and multilateral aid provisioning to Haiti, all in the context of 200 years of Haitian culture, society and history (see Figure 1) (see Gerard 2010; Fatton 2002; Dupuy 2006; Buss 2008a). If this weren't enough, Haiti is one of the most natural disaster-plagued of countries.

2.1 Haitian regimes

Haitian regimes can be grouped into three general periods beginning in 1957. Governance has only slightly advanced over the past six decades.

Authoritarian rule: 1957-86

Authoritarian rule[5] best describes the Haitian state under Francois Duvalier (1957–71) or Papa Doc and his son Jean-Claude (1971–86) or Baby Doc. Papa Doc was 'democratically' elected with support and financing from the United States and most importantly the Haitian military. Duvalier eliminated any opposition candidates. In 1959 following an attempted coup by the army—they were upset because he abandoned them after gaining their support—Papa Doc launched a reign of terror unparalleled even in the turbulent region at the time. The regime killed some 50,000 people. Papa Doc downsized the army and replaced its officers with loyalists. He executed those who did not support him. Next, he formed the *tonton macoute*, a 10,000-strong paramilitary group of thugs (literally) to do his bidding. He then proceeded to run a police state—replete with death squads, kidnappings, show trials and violence—in which Haitians lived in fear. Papa Doc eventually declared himself 'President for Life' violating the 1957 constitution he promulgated. Papa Doc centralized all administration in Port-au-Prince, leaving very weak provincial/municipal governments without decision-making power or resources. Baby Doc, only 19 at the time, took over at his death and continued these policies.

Papa Doc was fervently anti-communist. He made the party illegal in Haiti and intimidated anyone having those inclinations. At the time, his regime offered an important counterweight to the emerging Communist dictatorship under Fidel Castro in Cuba. Papa Doc extracted military aid and other assistance in exchange for his hard line stance on leftist organizations. The Port-au-Prince airport was a bribe by the United States for his cooperation. He often went too far in his relations with the United States: Papa Doc drew President Ronald Reagan's ire when he requested funding and technical assistance to train the Haitian army using a battalion of US Marines, then tricked the marines into training his *tonton macoute*. Reagan suspended aid for a period.

Both Duvaliers were extraordinarily corrupt. Much aid money flowing into Haiti ended up in their pockets. Foreign investors paid massive bribes to invest in Haiti. And Haitian entrepreneurs were exploited through extortion and intimidation. Duvalier sought power mostly by taking over the government apparatus, while not meddling in the economy, which is not to say he did not exploit business people. By the end of their respective reigns, the Duvaliers had amassed estimated billions, while quite literally destroying the country's economy and soul.

5 A good glimpse of the horrors of what Haitian life was like under the Duvaliers is portrayed in the film, *The Comedians*, starring Richard Burton and Alec Guinness.

Ironically, Papa Doc tried to gain support from the people by launching his 'noirisme', a black power movement, to appeal to Haitians of African descent, against a small power elite of French-African descent—mulattos. Just to hedge his bets, he also was a fervent practitioner of voodoo, as were other leaders of the *tonton macoute*, which furthered his populist support. He was excommunicated by Rome when he replaced foreign Catholic priests with loyal Haitians so he could control the church. The combination of terror, populism, and voodoo was an effective tool for intimidating the population, not to mention elites, many of whom began to flee the country. Even though Papa Doc publicly hounded the mulatto elite, he did not do so wholeheartedly, as his strategy was to control the government apparatus, not the economy.

The regime finally ended when a coup by the military deposed Baby Doc and the United States ushered him off to France in exile in a US transport plane. Baby Doc and the United States actually negotiated the terms of his departure, and, unbelievably, accepted his recommendations for a replacement government drawn from the military. Human Rights Watch estimated that he took about US$500 million to US$1 billion with him to France. Baby Doc is now in Haiti trying to reclaim US$2 million in still frozen accounts that he stole from the state. He claims to be in Haiti to help his country. Unbelievably, no one except Human Rights Watch, a human rights NGO, has interfered with him by taking him to court.

Political instability: 1987-2004

The military junta who overthrew Baby Doc created a National Governing Council (NGC) to rule the country. In 1987 another Haitian Constitution was approved in a free and fair nationwide referendum to correct the Duvaliers' excesses. But elections for president were aborted by the NGC once they saw the likely voting outcomes. Leaders in the NGC were soon overthrown in a coup by another military junta. These leaders in turn were attacked by yet another military junta, but that coup failed. Being a pariah regime in the international community, the military junta aggrandized themselves through drug trafficking. During this period the military juntas were unable or unwilling to control the *tonton macoute* who were terrorizing the country as usual. Eventually, under pressure from the George H.W. Bush Administration, the military junta stepped down, and an Interim Government was appointed.

In 1990,[6] Jean-Bertrand Aristide was elected president in a free and fair election. Aristide was a former Roman Catholic priest who had been expelled from his Silesian Order for political activity, espousing 'liberation theology' and violence among other things. Aristide ran for office against the Duvalierists, the Catholic Church, and wealthy, mulatto aristocrats, while courting leftist as well as anti-American groups. Violence continued under Aristide as his supporters avenged grievances under the Duvalierists, military juntas, and mulatto elites not to mention the Catholic Church. Eight months after taking office, yet another military junta successfully staged a coup against Aristide. Aristide's enemies had had enough. Aristide was exiled and sought refuge in the United States.

The military junta supported yet another wave of terror taking revenge on Aristide supporters, although many terrorists simply attacked anyone they liked because there was no way to stop them. The military junta clung to power for nearly four years. Aid was suspended and an economic embargo was imposed during this period. Businesses shut down and many people fled the country further wrecking the economy.

6 See Morales (2005a) for a more detailed examination of this period.

After lobbying the Bill Clinton Administration for three years (Morales 1995), Clinton restored Aristide to his presidency with an invasion force of 20,000 US Marines. The military junta gave up without a fight and went into exile; they were given amnesty. For many Haitians, this tarnished Aristide's legitimacy as president and would carry over into a future regime. It also further tarnished the reputation of the United States. Unfortunately for Aristide, the constitution limited Haitian presidents to one five-year term, so Aristide was out of office a few short months after he was reinstalled by the United States.

On his return to Haiti in 1994, Aristide decided not to risk his presidency in another coup, so he disbanded what was left of the army and retired its officer corps. This was seen as an affront to the United States who wanted a strong, friendly military in the region. As we will see, some of these officers eventually helped overthrow his government in 2004. In the army's place, Aristide, modelling himself after the Duvaliers, empowered a group of loyalist thugs—the *Chimere*—to intimidate opponents. They were not on the scale of the *tonton macoute*, but were just as violent. For some reason, Aristide appointed numerous Duvalierists, drug kingpins and human rights violators to government posts, often at the expense of his loyal supporters, causing resentment in the ranks. He likely did so to gain favour with the power elite. This would not bode well for stability in the future.

While in office, Aristide opposed privatizing Haiti's extensive state-owned firm sector which served as a 'candy jar' for extracting money from the state and as a place to employ political supporters. Aristide's failure to privatize led him to run afoul of donors and some entrepreneurs who wanted to grow the economy and reduce rampant corruption emanating from this sector.

Aristide's close associate and past prime minister, René Préval, was elected president in 1995. Even with a turnout of about 30 per cent and an opposition boycott, not to mention questions of fraud, key bilateral and multilateral donors considered the election free and fair; while many Haitians and the opposition did not. Aristide and Préval were frequently lumped together with many fearing that Préval was doing the bidding of Aristide. In reality, Aristide was undermining Préval on numerous occasions, especially when Préval was pursuing initiatives favoured or mandated by donors. Aristide formed his own party in 1997 to contest parliamentary elections and in 2000 to run for president. Aristide was positioning himself for another power grab.

In 1997, elections were held for local government and parliament. It was a highly fractured affair with Communists, neo-Duvalierists, Aristide's party, supporters of Préval and numerous small parties. Again, parties in opposition decided to boycott the elections because of apparent fraud and abuse. Préval's prime minister quit in protest over the flagrant, fraudulent elections. Others in the electoral commission—a body that oversees the polls—were forced to flee the country when Aristide's C*himere* came after them. Préval tried four times to appoint a prime minister, but failed. Parliament rarely had a quorum to conduct business. Préval dissolved parliament and began ruling by decree from 1999 to 2001, making much of what he did illegal. His rationale for not holding elections to correct the 1997 fiasco was that parliament had only served part of its term and it would be a waste to hold elections for the two years remaining.

In 2000, Aristide again ran for president and won. Numerous irregularities occurred, all of which consistently benefitted Aristide's party. Opposition parties again boycotted the elections. Turnout was estimated at between 5 per cent to 20 per cent. Bilateral and multilateral donors withheld aid because of the flawed elections. Aristide's *Chimere* supporters, the National Police, and other agitators unleashed a wave of violence on opposition groups, placing the country once again in turmoil the lasted for several years. This reign of terror, coupled with two severe tropical storms, produced damages at 5.5 per cent of GDP.

In 2004,[7] parliamentary terms expired, and Aristide mimicking Préval began ruling by decree, having failed to hold required parliamentary elections. This led ex-supporters from Aristide's paramilitary groups, ex-military and gangs, possibly egged on by elites and even the United States and the Dominican Republic, to overthrow Aristide. The United States, having tired of Aristide's machinations, invited him to board a plane for the Central African Republic, then South Africa where he remained in exile. (Aristide claims that he was kidnapped.) A US-led multinational force arrived in Haiti to stabilize the country, followed by a more permanent UN stabilization force. Again, the United States had become associated with meddling and use of force. Violence continued with the anniversary riots of the 1991 coup against Aristide.

In 2012, Aristide was allowed to return to Haiti. He reportedly wants to help his country.

In Aristide's place, key donors supported Haiti in forming a Transitional Government to administer the country from 2004 to 2006, after which new presidential elections were to be held. The Transitional Government were technocrats, mostly non-political, who swore not to run for office in future elections.[8] The Transitional Government won the confidence of donors and aid began to increasingly flow to Haiti. Violence plagued Haiti during this administration: it was impossible, for example, to visit Port-au-Prince a few blocks from the historic presidential palace because it was held by *Chimere* and gangs. And, the Transition Government was accused of engaging in extra-legal activities against its opposition.

Transition to democracy: 2006-present

In 2006, Préval once again emerged to win the presidency. As in the past, the election was delayed several times and plagued by fraudulent activities which called into question its legitimacy. Participation was low and boycotts by opposition groups were ongoing. After his election, Préval chose not to antagonize opposition groups, especially economic elites, as had been the practice in the past. He also successfully courted the United States, Cuba and Venezuela, a great fete of diplomacy. He was quit adept at convincing bilateral and multilateral donors to reengage with Haiti and fund its reconstruction. Préval's government seemed to make some progress in the country. Préval raised eyebrows when he tried to amend the constitution so he could serve another term. Unhappily, during 2008, Haiti was devastated by a hurricane that created food shortages and massive food price increases, as 40 per cent of the harvest had been destroyed. Violence and protests periodically erupted as Haitians tried to cope, forcing Haiti's prime minister to resign. Armed gangs participated in the protests to destabilize Préval's government, on one occasion firing on UN peacekeepers. Préval failed to get parliament to approve his next two choices for prime minister. In 2009, the Provisional Electoral Council—appointed by Préval—excluded Aristide's political party, of which he was still head, from participation in elections for parliament, essentially disenfranchising much of Haiti's electorate. Only 11 per cent of voters turned out; but it was considered a free and fair election.

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7 For a detailed overview of this period see Morales (2005b).

8 See World Bank (2004).

In 2010, a devastating earthquake rocked the country killing 230,000 people and all but destroying the capitol region. Many government buildings including the presidential palace and all but one ministry were destroyed. The civil servant death toll was high. Préval failed to lead Haiti during this catastrophe and even withheld support for donor supported national organizations created to manage aid and reconstruction.

In 2011, Michel Martelly was elected president in an election delayed by the quake and one that was deeply flawed. Only 23 per cent of voters participated. Unfortunately for Martelly, parliament was under control of opposition parties, making governance difficult. It took five months to appoint a prime minister. Martelly's prime minister, in office for only four months, suddenly resigned over disagreements about Martelly's citizenship—he was accused of having taken permanent residency in the United States. Two attempts by Martelly to appoint a new prime minister failed. Parliamentary elections were delayed for a year because of disagreements over who would supervise them. For some reason, Martelly regularly visits Baby Doc at his home and defends him in press conferences. Martelly has hired Duvalier's son to serve in his government, along with other former Duvalier followers. Many Haitians believe Martelly to be a Duvalierist. Martelly also campaigned to restore the Haitian army. In an attempt at mischief, in May 2013, 15,000 Haitians lined the streets to support Aristide as he returned from a court hearing, an ominous omen for some.

The stage could once again be set for conflict. The President of the National Assembly on 12 September 2013, denounced Martelly in a speech in the parliament for his inept government and called on the Haitian people to rise up against the government. Martelly in 2013 accused a senator and former wife of a Haitian president of plotting a coup against him. Martelly and his family are under an ongoing investigation for corruption. To his credit, Martelly in September 2013 has asked the Organization of American States (OAS) to visit Haiti and assess whether a free and fair election would be possible. The next election will be telling on how or whether Haiti is progressing: it is already 18 months past schedule.

2.2 US foreign policy responses

US foreign policy directed towards Haitian regimes determines how aid is delivered to Haiti. And this in turn, as covered in subsequent sections, shows that the fatal flaw is either not being addressed or to some extent may be furthering Haiti's dysfunction.

Only France and Canada have much long-term interest in Haiti: the French likely because of their shared colonial past and the Canadians because they have concerns about the hemisphere and host a large expat Haitian community in Montreal. They basically support US policy in Haiti. Venezuela has a huge interest in Haiti, but has not overtly tried to counterbalance US foreign policy even when Hugo Chavez was alive. Other countries not so involved also tend to defer to the United States. Among multilateral donors, only the OAS opposes US foreign policy on occasion, but the OAS has few resources and little influence for Haiti. Other donors—the World Bank, International Monetary Fund, and Inter-American Development Bank—tend also to defer to US policy.

There are three distinct US foreign policy epochs associated with Haiti's regimes and the geopolitical situation in the Caribbean and Latin America. Each can be understood in terms of US/Soviet bloc cold war competition, US presidential and Congressional relations, strength of advocacy groups for Haiti, and most importantly US/Haiti relations (Buss 2008a; Loesch 2001). These policies either helped to determine the characteristics of Haitian regimes or were precipitated by them.

Eisenhower through Carter

During the Eisenhower through Carter administrations, US foreign policy focused entirely on negating Soviet influence in the Americas, particularly in Haiti which is next door to Cuba and the United States. Under the Dwight Eisenhower Administration's *Food for Peace* programme, the United States began providing humanitarian aid to Haiti in 1955 following Hurricane Hazel's destructive impact, and continued to provide food security funding across US administrations to the present. The John Kennedy Administration discontinued all but humanitarian aid when Papa Doc declared himself president for life in 1963. After the United States found that 80 per cent of aid had failed to reach poor people, Kennedy dispersed humanitarian aid through non-governmental organizations (NGOs), setting an important precedent that persists today. Haiti was also excluded from participation in the US *Alliance for Progress* initiative in Latin America. Papa Doc demanded that he have control over all US aid, in the process ruining any chance of receiving much aid in the future. The Lyndon Johnson Administration continued to suspend most aid to Papa Doc. So strained had the US/Haiti relationship become that Johnson was in the process of drawing up plans for yet another invasion of the island. The Richard Nixon Administration restored all aid to Baby Doc in 1973 again in the hopes of counterbalancing Castro in Cuba and based on promises of reform by Baby Doc. Presidents Gerald Ford and Jimmy Carter continued Nixon's policies for the most part.

Reagan through GHW Bush

Under the Ronald Reagan Administration, aid continued to flow to Haiti again to contain Soviet advancement in the region because of the cold war. But, the United States became increasingly concerned that US businesses in Haiti were under threat, drugs were being transported, and failing economic conditions were beginning to produce illegal immigrants in larger numbers. Reagan also granted trade privileges that boosted the Haitian economy. In the 1987 elections, Reagan suspended, then restored, then suspended aid again as a result of the military junta's interference. With Aristide's election in 1990, the American Left marshalled a great deal of enthusiasm for this new 'democratic' administration, which kindled greater interest in Haiti. Following the coup, the George H.W. Bush administration placed an embargo on Haiti, froze government assets, stopped arms shipments, and suspended American business activity. Even though the boycott brought Haiti to its knees, it was selectively enforced. But, the embargo wiped out the Haitian garment industry which has only recovered some in the past few years. Bush also began intercepting Haitian refugees fleeing the military junta.[9] Aristide in the United States at the time lobbied Bush to intervene. Bush refused being sensitive to regional politics: not one member of the 35-member Organization of American States was in favour of such an intervention.

Clinton through Obama

Cold war foreign policy issues waned with the fall of the Soviet Union, while attention to boat people, drugs and economy persisted. A new concern was for democratization represented by Aristide. Bill Clinton in running for president in 1992 campaigned to reverse Bush's policies on Haiti, including restoring Aristide to power. But as president, Clinton failed to act on Haiti until 1994 when he ordered an invasion of Haiti by 20,000 US Marines (Morales 1995). Prior to that, Clinton not only continued Bush's policies, but also expanded them to include interring Haitian 'boat people' in Guantanamo, Cuba, and convincing the

9 Only a few were actually fleeing because of persecution; the rest for economic reasons.

Dominican Republic to seal its borders with Haiti. Aristide's restoration created a great deal of ill will in the region where countries tend to resent the long history of invasions by the United States. These countries have good reason. In Haiti, for example, the United States invaded at least 15 times and occupied the country from 1915 to 1934.

The Clinton Administration and donors suspended aid following the 1997 parliamentary elections won by Aristide's party because of fraud and violence, and because of Préval's dissolution of parliament. Also during the Clinton Administration, Congress fractured over Haiti. Republicans did not want another Rwanda, Bosnia or Somalia in Haiti, all three disasters under Clinton's watch. The Congressional Black Caucus, ardent supporters of Haiti, wanted increased engagement, including more aid and acceptance of boat people in the United States. Democrats were also in favour of aiding Haiti, but were impotent as they did not control Congress. As of April 2000, the United States had withheld aid necessary to fund one-half of UN operations in Haiti, causing UN Secretary General Kofi Annan to threaten to close the offices. The in-fighting in the administration and Congress made it difficult to determine exactly 'which' US policy would prevail.

George W. Bush was not a supporter of Aristide following his election in 2000. Bush suspended bilateral aid and pressured others to suspend multilateral aid. The World Bank, Inter-American Development Bank and UN withdrew its offices from Haiti. The US Peace Corps also left. When Aristide was deposed in 2004, the United States refused to help. After Aristide was ousted, Bush did send US Marines to establish order until a 10,000 person UN peacekeeping force was in place. The Bush Administration reengaged in Haiti with the Transition Government and then the Préval regime. The Aristide affair further fractured Congress into pro- and anti-Aristide factions making it again difficult to develop consistent and effective US foreign policy. Nevertheless, in 2006, Congress, in a rare bipartisan gesture, enacted a very generous trade agreement with Haiti that stimulated its garment industry, leading to the creation of thousands of jobs.

The Barack Obama Administration has stated that Haiti is its highest priority in the Caribbean and Latin America. But Latin American/US relationships appear at a low point with the United States transitioning its focus from the Middle East to Asia. Obama committed a great deal of funding to reconstruction following the 2010 earthquake and assistance following the hurricanes of 2008. Had it not been for the earthquake of 2010, it seems likely that US foreign policy would have ignored Haiti.

One interpretation of the foreign policy history and Haiti is that US governments were much more interested in their own concerns than those of Haiti. The US and others looked away at Haitian corruption if regional interests were being served. When Haitian leaders resisted or exploited foreign policy, they (or more accurately Haiti) were severely punished, but not consistently. So, rulers who should not have been in power were supported, and all rulers were able to manipulate the United States for their own ends.

2.3 Natural and other disasters

Donors, regardless of their views about Haiti, continue to support humanitarian efforts even when Haitian regimes run amuck. Haiti is a hard luck country periodically victimized by natural disasters—hurricanes, floods and earthquakes. From 1993 to 2012, Haiti has experienced two droughts, one earthquake, 31 floods and 26 tropical storms/hurricanes. It seems that every time Haiti progresses in its development, a natural disaster undoes it, making the country worse off. Just in the past decade, Haiti was battered by Hurricane Jeanne in 2004, causing losses of 7 per cent of GDP; Hurricane Fay and tropical storms Gustav, Hannah and Ike in 2008, resulting in losses of 15 per cent GDP and destroying 40 per cent of Haiti's harvestable crop, creating a food crisis; the 2010 earthquake producing a loss at 120 per cent of GDP or US$8 billion; and Hurricane Sandy and Tropical Storm Isaac in 2012 leaving thousands homeless, destroyed crops and killed 54 and 8 people, respectively.

Haiti is an environmental disaster. Since colonial times, Haitians (and French colonists)[10] have cut down forests without replacing them. The country is now 95 per cent deforested. Because many Haitians rely on wood for fuel, poor people suffer immeasurably. Equally deplorable, deforestation has removed barriers that would normally contain flooding in the country. As a consequence, major flooding occurred in 2002, 2003, 2006 and 2007, killing hundreds and displacing thousands.

Not only do these natural disasters produce massive humanitarian needs which divert scarce funding away from development, they also destroy government capacity. In the 2010 earthquake, one-third of civil servants were killed. All but one of Haiti's national ministries was destroyed. Two years earlier in 2008, storms lead to rising food and fuel prices, causing protests and riots and the eventual fall of the Haitian president just as Haiti was launching one of its latest reconstruction strategies.

Unhappily, the impact of natural disasters suggests that even if Haitian leaders wanted to reform, they would likely be undone.

As further evidence that Haiti is an unlucky country, a cholera epidemic, some say caused by the UN Peacekeeping Force (MINUSHTA), has taken the lives of 8,173 Haitians and infected another 660,000. Estimates are that US0.5 billion dollars may be required to eradicate the illness.[11] But the poor sanitary and water facilities, and lack of funding have made progress slow in eradicating the disease.

2.4 Bilateral and multilateral aid

> The situation in Haiti is not a post-conflict situation but rather a protracted and violent 20-year long transition following the end of the predatory dictatorship of the Duvaliers. The crisis is as much the result of a prevailing culture of violence, widespread corruption and the criminalization of armed groups as it is of neglect by the international community. Up to 2004, after six United Nations missions, Haiti generally considered a failure… UNDP (2006: 1).

Foreign policy and aid

Aid provision[12] is the direct result of US foreign policy responses to Haitian regimes. Aid policy sometimes supports dysfunctional regimes while creating havoc.

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[10] The French imported slaves and exported timber to France on the outgoing ships.

[11] See Haitian Government's plan to eradicate the disease at GoH (2012a).

[12] Aid is difficult to calculate. Approved amounts may not be dispersed or may exceed initial approved amounts. Aid traversing several years is difficult to apportion. When aid is suspended, aid in the pipeline typically continues to flow, while new aid is stopped. Different donors classify aid differently and report it differently. For example, the US spends a lot on the US Coast Guard's drug and boat people interdictions, but

From the 1950s to 1980s, aid to the Duvalier regimes was rather small, and focused on humanitarian needs, infrastructure and military assistance. Only US$60 million in aid from the United States flowed to Papa Doc Duvalier from 1957 to 1963. From 1963 to 1973 aid was suspended in retaliation against Papa Doc's repressive rule. Baby Doc leveraged more aid after the suspension was lifted, having promised reforms. Nonetheless, Baby Doc was ousted as the Haitian economy bottomed out.

From 1989 through 1991, the end of the military junta and election of Aristide, aid averaged US$274 million annually. Aid flowed to the military junta largely because donors wanted to reverse the economic decline and humanitarian crisis caused by the Duvaliers. With the overthrow of Aristide and the resumption of military rule from 1991 to 1994, aid declined to US$174 million, but was not totally suspended. Some aid was promised or in the pipeline, while humanitarian aid continuously flowed. The United States led the initiative to blockade Haiti, in the process finishing off the economic devastation nearly completed by the Duvaliers.

In 1994, with the restoration of Aristide, aid jumped to US$805 million in support of the returning regime. Préval replaced Aristide in the 1995 elections, leading donors to increase aid to US$934 million. But problems with these elections and presidential rule by decree lead to a fall in aid to an average of US$425 million for the period 1996 through 2000.

Continuing political problems plagued Aristide as he took office in 2001, eventually culminating in his ouster in 2004: aid averaged just US$252 million annually as donors withdrew support, suspending budgetary aid and continued running humanitarian aid through NGOs to bypass government.

A Transitional Government replaced Aristide from 2004 to 2006 and aid provision began to rise to US$473 million in support of reconstruction. At a donor's conference,US$1.1 billion was pledged. Préval was elected yet again serving from 2006 to 2011. The period before Haiti's devastating earthquake—2006 to 2009—Haiti booked an average of US$828 million annually (see also Seelke 2008; Morales 2011).

Total aid—overseas development assistance (ODA)—for the period 1989 through 2009 was approximately US$10.6 billion. From 2010 through 2012 in response to the mega-earthquake, another US$6.4 billion was pledged.[13]

A closer look at major donors

Space does not permit a full accounting of bilateral and multilateral investments in Haiti, so we are only able to discuss the major ones: Inter-American Development Bank (IDB), World Bank, and International Monetary Fund (IMF). We treat aid targeted towards the post-earthquake needs in a separate section.

In recent years, IDB has focused on debt relief as a way to increase Haiti's capacity to spend money on more productive things other than paying debt service. Haiti would have been unable to make interest payments given its circumstances in any case. In 2007, IDB made

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sometimes these are considered aid, sometimes not. The bottom line is that aid should be considered ball park figures not absolutes, especially in earlier years when records were sketchy.

13 ODA estimates are from UN Special Envoy for Haiti and Organization for Economic Cooperation and Development.

Haiti a 'grants only' country. In 2009, IDB offered Haiti US$511 million in debt relief and cancelled debt from 2004 under the highly indebted poor country[14] (HIPC) initiative. In 2010, IDB converted Haiti's loans to US$411 million in grants and forgave US$484 million in debt. This accounted for nearly 40 per cent of Haiti's external debt.

In IDB's 'Country Strategy, 2011-2015' (2011), funding was allocated for projects in education, private sector development, energy (electricity), water and sanitation, agriculture and transport sectors. Interestingly, IDB has funded 561 projects in these sectors since it began making loans in 1961, with only a few exceptions. The IDB does not heavily invest in governance, including democracy, civil service reform, and elections, if at all, and prefers to leave these investments to donors who are more politically motivated.

IDB's aid conforms to other donor behaviours and is consistent with US foreign policy. Under the Duvaliers, IDB funded 115 projects over 30 years for US$332.3 million, or an average of only US$11.1 million, a small amount. From 1991 to 1994 under the military junta, IDB funded only 13 projects, four in 1991 and nine in 1994, and none in 1992 and 1993, for a total of US$12.4 million, all on an emergency basis. In 1995 to 1999, IDB aid was restored, averaging US$88 million annually; but much of this (US$193 million) came in 1995 with Aristide's return. In the troubled period 2000–04 with Aristide's eventual ouster, aid fell to US$41 million annually on average with the period 2000 to 2002 averaging only US$1.5 million. Under the transition government, 2005–06, aid climbed again to US$270 million when the government issued its reconstruction strategy, Interim Cooperative Framework'. During the second Préval administration, 2006 to 2010 (not including quake funding) aid averaged US$125 million annually.

The World Bank[15] funded 88 projects in Haiti from the 1960s through 2012. The projects ranged over social services, health, education, water and sanitation, and highways. The bulk of funding went to central government administration (25 projects), subnational administration (eight projects) and general public administration (seven projects). The World Bank tends to be much more concerned with governance issues than IDB, for example.

Funding under World Bank projects varied substantially for various Haitian regimes, mirroring the United States. Under Martelly (2011+), US$375 million was committed, with his predecessor, Préval (2005–10), receiving about US$358 million. Under the transition government (2004–05), the Bank invested US$137 million. Under Préval (1995–2000), some US$174 million arrived in Haiti. During the military junta (1991–94) no funding was provided. The one-year term for Aristide (1991) yielded only US$50 million for Haiti. The military junta (1987–90) in power before Aristide received US$147 million. The total for the Duvaliers (1956–86) showed a commitment of US$489 million over 31 years, a relatively small amount per annum at US$15 million. The Bank tended to fund infrastructure investments under Duvaliers, but a much broader portfolio under other regimes. Governance projects would have been wasted under the Duvaliers.

Since 2010, the Bank has committed US$378 million and another US$148 million from its trust funds, for 15 projects. It also manages the Haitian Reconstruction Fund (HRF), government/donor partnership fund, set up to fund and direct aid following the quake. The

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[14] See www.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTDEBTDEPT/0,,contentMDK:20260411~menuPK:64166739~pagePK:64166689~piPK:64166646~theSitePK:469043,00.html

[15] Available at: www.worldbank.org/projects/search?lang=en&searchTerm=&countryshortname_exact=Haiti

fund has US$392 million in hand and a promise from donors of US$200 million more. HRF spends on 1 per cent on administration, 2 per cent on project management, and the bulk 67 per cent on projects. HRF funding priorities are clear: cross-sectoral (12 per cent), capacity building (1 per cent), job creation (13 per cent), education (11 per cent), debris removal (15 per cent) and housing (48 per cent).

The IMF has been actively involved in lending to Haiti following the quake. In 2010, IMF lent Haiti US$102 million as an emergency loan, bringing the amount Haiti owed the Fund to US$250 million. Debt then stood at US$1.2 billion. The IMF also released additional funds in the amount of US$12 million to Haiti that had not been spent. IMF then issued a concessionary line of credit under its Extended Credit Facility in the amount of US$60 million. Aid advocates went ballistic, asking how IMF (and others) could continue to lend when Haiti was all but destroyed. Eventually IMF member countries reneged and forgave the US$268 million loan. In 2009, though, the United States, World Bank and IMF forgave US$1.2 billion in debt.

IMF lending over the crucial 2000 to 2009 period easily tracks US foreign policy and international aid provision (World Bank 2010). With the election of Aristide in 2000 and then 2001, IMF loans were at US$39 million, respectively. As political instability ensured from 2002 to 2004, loans began to drop precipitously: US$31 million, 18 million, and 11 million. With the ouster of Aristide and the appointment of a transition government, loans rose again in support of the government, US$21 million and US$32 million. IMF loans then increased dramatically under Préval from 2007 to 2009, at US$56 million, 105 million, and 166 million, respectively. 'This assistance was intended to help strengthen political and economic governance, promote economic recovery and job creation, improve access to basic services, re-establish security, and promote national dialogue ahead of 2005 elections' (IMF 2005: 7).

Post-earthquake reconstruction

Because of the magnitude of aid contributions and the gravity of the 2010 earthquake, it is useful to look more closely at how much aid was contributed by whom for what purpose. In response to the earthquake over the period 2010–13, the top 10 donors and their funding interests are detailed in Table 1.

Donor aid when taken together funded projects in every sector as articulated in an 'Action Plan for National Recovery and Development of Haiti, (GoH 2010a) (see Table 1). All donors to a varying extent contributed to humanitarian assistance. Various infrastructure attracted investment. And debt relief was a common contribution. Most donors shied away from governance, democratization, and civil service reform unless it was tied directly to infrastructure administration.

The United States provided funding across all of the sectors identified in Haiti's reconstruction strategy, and did so in large amounts (see Table 2). The United States not only wanted to help, but policymakers saw aid as a way to once again try to influence Haitian political leaders to get a grip on the country. The US strategy itself—*Post-Earthquake USG Haiti Strategy*—seemed an attempt to correct some of the shortcomings of aid provisioned in the past. The strategy notes that the US-led trade embargo in the 1990s forced a decline in the garment industry from 80,000 in the 1980s to 25,000 workers today, an acknowledgement of the devastating effects of US foreign policy on occasion.

Table 1: Major donors for the 2010 Haitian earthquake

Country	Pledged (in millions US$)	Focus of funding
Venezuela	1587.5	Energy, health and infrastructure.
United States	1151.8	Security, democratization, health, education, economic development, environment, humanitarian affairs, housing, food security and programme management. Debt relief
IDB	744.0	Education, private sector development, energy (electricity), water and sanitation, agriculture and transport. Debt relief.
EU	424.2	Education, humanitarian affairs, infrastructure, and risk management.
Canada	387.1	Child and maternal health, energy, agriculture, housing, justice and security, food security, economic growth, governance, democratic institutions, planning, and humanitarian affairs. Debt relief.
Spain	326.9	Water and sanitation; education; reconstruction; housing
IMF	321.5	Governance and planning
World Bank	307.2	Disaster management, energy, transportation, agriculture, jobs, education, food security, health, housing, water and sanitation, democratic institutions, justice and security, planning. Debt relief
France	279.7	Reconstruction, urban, transportation, agriculture, education, health, governance, democratic institutions, planning
Brazil	163.6	Transportation, jobs, food security, health, water and sanitation, women and children, justice

Sources: IDB (2011: Appendix V: Table 1); bilateral and multilateral donor websites, government of Haiti websites, and UN Office of Special Envoy to Haiti website.

Table 2: Breakdown of US distributions for post-earthquake assistance—FY2010 to FY2012, 2013

Sector	Contribution	Percentage
Shelter	128 mil	9.5
Energy	44 mil	3.2
Ports/transportation	12 mil	0.8
Food security	157 mil	11.6
Economic security	66 mil	4.9
Health and disability	426 mil	31.7
Education	40 mil	3.0
Governance and rule of law	182 mil	13.5
Administration and evaluation	49 mil	3.6
Debt relief	245 mil	18.2
Total	1.345 bil	100.0

Source: US Department of State Budget Justifications (various issues).

3 Evidence for aid failure

After spending more than US$17 billion in aid since the mid-1950s, there has been little progress in improving the lives of the average Haitian; only slight advances in the country’s governance; and some progress in growing and developing the economy, all of which have been reversed from time to time. In the sections below, we look first at global measures of failure, then more closely at donor assessments of the effectiveness of their efforts on the whole and in key sectors.

3.1 Dimensions of failure

Haiti is a truly failed state, failing on just about every measure comparing country performance globally.

Overall

Foreign Policy magazine ranks 59 failed states against 12 indicators in its Failed State Index. Haiti ranks seventh worse among failed states just behind Somalia, Congo, Sudan, Chad, Zimbabwe and Afghanistan. Haiti leads on indicators representing democratic pressures, economic decline, de-legitimization of the state, public services, factionalized elites and external intervention.

Poverty

The human development index (HDI) published annually by the UN Development Programme (UNDP) is a widely accepted composite measure of human wellbeing. In 2012, Haiti ranked 161 worse off of 187 countries. No Latin American or Caribbean country fell into this 'low development' category.[16] Haiti's ranking places it in a group mostly comprised of the poorest African and Middle Eastern countries. The HDI has changed only slightly for the better from 0.335 in 1980 to 0.456 in 2012.

Poverty indices have not been updated since 2001, but it is widely accepted that one-half of Haiti's population lives on less than US$1 per day (4.5 million people), and four-fifths on less than US$2 per day (6.2 million people). The lion's share of Haitians are unemployed—surely, most of the population. Legions of people eke out a living in the underground economy. Some 95 per cent of businesses are in the underground economy. Poor people, 80 per cent of the population control only 30 per cent of the country's income by some estimates. The richest 10 per cent of the country control 48 per cent of its income.

Governance

The World Bank's Worldwide Governance Indicators (WGI) for 1996-2011 are a major indicator of how well a country is governed. WGI reports six indexes compiled from composite scores derived from multiple sources. Tabular figures indicate percentage of countries worse off than Haiti (see Table 3).

Table 3: World Bank governance indicators for Haiti, 2012

Voice & accountability	30%	Trend flat
Political stability & absence of violence	20%	Trend flat
Government effectiveness	5%	Trend flat
Regulatory quality	20%	Trending down
Rule of law	5%	Trend flat
Corruption controls	8%	Trend flat

Source: World Bank Institute (2012).

16 Paul Farmer, Deputy-Director, UN Special Envoy to Haiti, cautions against repeating that Haiti is among the poorest countries in the world.

In averaging the six indicators, Haiti is among the worse governed countries with less than 15 per cent of governments less well-performing than Haiti. Government effectiveness, rule of law and corruption scores place Haiti at the very bottom of the worst governed tier of countries.

Bertelsmann's Transformation Index offers an even more fine-tuned set of measures to derive fragile state rankings. Bertelsmann assessed 128 countries on dozens of political transformation indicators, finding that Haiti ranked 106 of 128 countries studied. Haiti fared especially poorly on state identity, basic public administration, free and fair elections, effective power to govern, separation of power, independent judiciary, performance of democratic institutions, commitment to democratic institutions, political parties interest groups and social capital.

Transparency International publishes a Corruption Index. In 2004—the first year for which data on Haiti became available—Haiti was ranked last of 145 countries assessed. In 2011, Haiti moved to 175th out of 182 countries, and to 165 in 2012.

The World Bank ranks Haiti 123rd out of 185 countries in its capacity to collect taxes. In another assessment in 2011 by a partnership of donors, the 'Public Expenditure and Financial Accountability'[17] programme—developed to assess a country's budgeting/financial system against 31 components—found that Haiti averaged 1 on a scale of 0 to 4, with 0 being the worst performance. IDB, in its 'Country Strategy 2011-2015', rated all public financial management and procurement systems in need of 'improvements to meet levels consistent with international standards and best practice'.

The World Bank's International Development Association (IDA) annually rates economic/financial management of countries receiving loans and grants.[18] In 2005, the first year that the figures were made public, Haiti was scored 1.7 with the average IDA recipient scoring 2.9 on a scale of 1 to 6. In 2011, Haiti scored 2.7 and other countries 3.2. Haiti is particularly rated low on governance at 2.5 in 2011, compared with other countries at 3.1.

Service delivery

Progress on the Millennium Development Goals (MDG)[19] is an important measure of progress made in reducing poverty across seven sectors. As of 2010, Haiti has progressed little on its MDGs in an assessment by UN Children's Fund (see Table 4). The Center for Global Development ranks Haiti 119 out of 137 countries.

Aid funding to address HIV/AIDs is an illustrative example. The US 'President's Emergency Plan for AIDs Relief'[20] (PEPFAR) has invested US$773.8 million in prevention and treatment from 2004 to 2011. But policymakers even after a decade cannot say whether nearly US$1 billion in aid funding is working.

Looking further, Haiti spends less on education and health than any other Latin American country: education at 2.1 per cent of GDP compared to 3.8 per cent for Latin America, and

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17 See PEFA, c/o World Bank Group at www.pefa.org/en/assessment/ht-jan12-pfmpr-public-en

18 See www. data.worldbank.org/indicator/IQ.CPA.PUBS.XQ

19 See UN (n.d.) at www.un.org/millenniumgoals/

20 See PEPFAR at http://www.pepfar.gov/countries/frameworks/haiti/index.htm

health at 1.4 per cent of GDP as compared to 3.4 per cent of GDP for other countries. Only 53 per cent of Haitians are literate, 58 per cent have access to clean water, and average life expectancy is 61 years. There are only 0.25 physicians for every 1,000 persons in the population. Only 5 per cent of the rural population—which represents 60 per cent of Haiti's population—has access to electricity.

Table 4: Progress on MDG for Haiti, 2010

Goal #	Target	Progress
1	Poverty and hunger	Insufficient progress
2	Education	No progress
3	Gender equality	Insufficient progress
4	Child mortality	On track
5	Maternal mortality	Reversed, very high
6	HIV/AIDs	Insufficient data
6	Malaria eradication	Insufficient data
7	Clean water	Reversed
8	Sanitation	Reversed

Source: www.unicef.org

Economy

The average real GDP growth for Haiti is rather low, and tracks with political and natural disaster events. In 1995 to 2000 under Préval, real GDP growth was at 3.8 per cent, but declined sharply from 2001 to 2005 to -0.05 per cent under the ill-fated Aristide regime. In 2006 to 2009 under Préval, GDP grew to 2.3 per cent. And in 2010 to 2013, the economy grew to 4.2 per cent under Martelly in spite of the quake and its aftermath. Overall, for the period of this analysis, Haiti from 1960 to 2005 has had the lowest GDP growth in the Hemisphere on average at 1 per cent.

Foreign direct investment (FDI) has been less than 1 per cent of GDP for the period 2006 to 2009, the lowest rate among fragile states. Haiti ranked 151 of 183 of all countries in terms of ease of doing business.

The Bertelsmann index for economic transformation—capacity to manage the economy—ranked Haiti 121 or 128. The *Wall Street Journal*/Heritage Foundation Index of Economic Freedom ranked Haiti 152 out of 177 countries. Haiti ranked toward the bottom of the index on property rights and corruption, and was ranked low on business, investment and financial freedom.

Remittances and charity

In 2009, remittances[21] totalled nearly US$2 billion. Remittances have risen gradually from US$736 million in 2000 to US$1.3 billion in 2008, but have declined as a percentage of GDP from 29 per cent in 2003 to about 14 per cent at present as the economy grows. Remittances far exceeded official development aid (ODA) figures until aid funding began to flow after the 2010 earthquake.

21 For a discussion of the importance of remittances see Uribe and Buss (2008).

The Haitian government received nearly US$100 million in private charity support channelled through government agencies in 2008. In 2010, Americans, using their mobile phones, donated US$43 million to charitable organizations collecting for the Haiti earthquake. The American Red Cross received US$486 million in donations. In the first seven days following the earthquake Americans donated US$275 million. And, within 72 hours of the quake, American corporations contributed US$43 million.

Aid dependency

According to the Office of Special Envoy to Haiti (2011: 3), aid from bilateral and multilateral donors contributed 130 per cent of Haiti's internal revenue in 2009, and nearly 400 per cent of its internal budget in 2010. While the increase in aid funding as related to the budget in 2010 is understandable because of the devastation caused by the quake, the 2009 aid is much more conducive of aid dependency for some critics. Even so, Haiti ranked eighteenth in ODA in 2005, and fourth in 2010. Haiti ranks twentieth in ODA/GDP ratio. Haiti has always been aid dependent. The IMF 'prolonged use of loans' index shows that from 1971 to 2000, 51 countries were taking out loans that were impeding their development as they became more and more dependent. Haiti was ranked fourth on this measure.

Haiti's external debt is about 19 per cent of GDP (IMF 2010). In 2009, Haiti's external debt was US$1,247 billion with US$677 million owed to multilaterals and US$507 million to bilaterals. Since 2006, under HIPC, Haiti has received debt forgiveness of about US$2.6 billion. Without debt forgiveness under HIPC and other programmes, the amount owned would be staggering, perhaps unpayable. Interestingly, in 2000, 40 per cent of Haiti's billion dollar debt was incurred by the Duvaliers. Until 1947, Haiti was still paying off debt it owed to France in reparations for slave revolts some 150 years ago.

3.2 Grand strategy failures

There are really no scientific evaluations of the success or failure of aid to Haiti (or likely elsewhere for that matter) despite the wide scale adoption of performance management, programme evaluation and accountability schemes by donors (Buss 2008a).[22] Much of the evidence on aid success or failure continues to derive from anecdotal evidence, commentary by journalists and practitioners, and the occasional unscientific study.[23] One source that has been less considered as evidence is the assessment and planning documents prepared by bilateral and multilateral donors to identify needs, devise strategies, secure funding and assess capacity. These documents are useful because they are prepared by informed experts and practitioners working on the group within Haitian programme, and they are quite candid in their future assessments as they are accountability documents for funders and they are used to allocate funding. What do these documents reveal?

Haiti's development or reconstruction strategy is much the same from year to year, crisis to crisis, since the 1950s. There are few areas in the documents that are not addressed. The most recent, the post-earthquake strategy, 'Action Plan for the National Recovery and Development of Haiti' (2010),[24] could well have been proposed by any of its regimes over

22 One important exception is an excellent evaluation of aid programmes conducted by the World Bank (2002). For an analysis of why foreign aid programmes are difficult to evaluate see Lawson (2012) and Roetman (2011).

23 Much of this material is covered in Buss (2008a).

24 The latest version of the plan is found at GoH (2012b).

the last few decades struggling with post-conflict and disaster reconstruction. The strategy calls for aid expenditures in…

> *territorial* (reconstruction, transport, disaster recovery management, regional development, watershed management); *economic* (agriculture, finance, electricity, engaging the Diaspora); *social* (housing, jobs, social protection, education, health), and *institutional* (democratic institutions, central administration, justice and security).

In 2007 before the quake, the newly-elected Préval government issued its 'Growth and Poverty Reduction Strategy Paper 2008–10',[25] a requirement for debt relief under the World Bank's HIPC initiative and the IMF's 'Poverty Reduction and Growth Facilities'. Haiti was successful in attaining HIPC status allowing it considerable debt relief, but its needs remained unchanged:

> The poverty reduction strategy focuses on three 'priority pillars'. The first is areas for growth, focusing on agriculture and rural development; tourism; infrastructure modernization; and science, technology and innovation. The second pillar is human development, concentrating on education and training; health; water and sanitation; persons with disabilities; childhood poverty; young people; HIV/AIDS; and gender equity. The third pillar calls for investment in democratic governance, focusing on the establishment of an equitable justice system; creation of a climate of security; modernization of the state; and political and economic decentralization.

In 2004 following Aristide's ouster, donors and the Haitian government produced the 'Interim Cooperative Framework 2004–06'[26] to guide aid investments in Haiti under the Transition Government. The strategy included: '(i) political governance and national dialogue with two sub-groups: (a) security, police, and demobilization, disarmament and reintegration (DDR) and, (b) justice, penitentiary institutions and human rights; (ii) economic governance and institutional development; (iii) rapid job creation, and safety nets and social protection; (iv) protection and rehabilitation of the environment; (v) regional, urban and local development and decentralization; (vi) health and nutrition; (vii) education and culture, with two sub-groups: (a) education, youth and sports, and(b) culture, media and communications; (viii) agriculture and food security; (ix) infrastructures, with four sub-groups: a) roads and transportation; b) electricity; c) water and sanitation; d) slum upgrading and solid waste management; (x) development of the private sector and small- and medium-size enterprises and industries (SMEs/SMIs)'. (See also Morales and Alexander 2007.)

Plans and strategies by or on behalf of the Haitian government pretty much mirror the needs of Haiti over time.

We posit that because major strategic planning initiatives to guide aid expenditures over the period of study have remained unchanged and seemingly include every sector, aid appears to be failing or at best yielding only incremental improvements. The needs assessments confirm the dismal performance of Haitian aid on a raft of socio-political-economic indicators, again suggesting that aid is not working well. Haiti's unfulfilled needs run deep and wide.

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25 See www.siteresources.worldbank.org/INTHAITIINFRENCH/Resources/HaitiDSNCRPEnglish.pdf

26 This was followed by the 'Interim Poverty Reduction Strategy Paper' (I-PRSP) because the government did not have time to prepare the full report following Aristide's ouster.

Donor assessments

Donor assessments Haiti have been negative for decades, tracking back to the 1950s.[27] Nearly all assessments support the lack of progress in achieving the goals and objectives of various aid programmes with few exceptions. But, nearly all assessments candidly suggest that the Haitian government is in part at fault, pointing a finger directly or indirectly at the political leaders and elites, and hence invoke the fatal flaw as an explanation for lack of progress. This is not to say that aid delivery modalities and foreign policy are not in play, but that the fatal flaw is ubiquitous.

Below we cite several major assessments on Haiti blanketing the three different political regimes from the 1960s.

The US Government Accountability Office (GAO) (1982), for example, assessed effectiveness of programmes of the US Agency for International Development (USAID) in Haiti from 1973 to 1981, concluding that: 'After 8 years of operating in Haiti, USAID is still having difficulty implementing its projects… Past projects designed to improve Haitian government institutions have had only limited impact' (GAO 1982: i). They concluded the same thing in a 1985 assessment. GAO proposed that the solution to this issue was to fund ever more NGOs and consultants and bypass government and, where projects were failing, to cancel them. GAO's overriding criticism was that the Haitian government lacked commitment and capacity. This assessment is important not only in that it alludes to the fatal flaw, but it sets the stage for bypassing government using NGOs and consultants or cancelling projects all together as a way of withdrawing support from corrupt bureaucracies. Prior to this, GAO observes that aid to Haiti under Papa Doc from 1957 to 1971 was mostly suspended because of the dictator's 'reprehensible acts' and destruction, through neglect, of the national economy.

The World Bank's (1996: 1)[28] 'Country Assistance Strategy' developed for the new Préval administration in 1996 found that…

> … a small economic elite has supported a 'predatory state', progressively destroying the country's social capital, with only negligible investments in human resources and basic infrastructure. At the same time, repression through army, police and paramilitary groups has been pervasive. This has led to a deep-seated distrust between civil society and the state, and also to a ready potential for violence, which still affect prospects for overall stability and reform. Lacking a culture of democratic decision-making and peaceful consensus-building at a national level, Haiti's rehabilitation effort has suffered repeatedly from tensions between executive and legislature. Additionally, Haiti's institutions are underdeveloped. Its administration is overextended, inadequately staffed, badly equipped and poorly organized. Haiti's judicial system is particularly weak. The legacy of the long-standing absence of good governance is widespread poverty, a severe shortage of social, environmental and economic capital, as well as a lack of private sector confidence required for medium and long-term investment, employment and growth.

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27 See, for example, World Bank assessments beginning at: www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2002/07/06/000178830_98101903583913/Rendered/PDF/multi0page.pdf

28 See also World Bank (1998).

The World Bank (2002: 1), in its ‘Country Assistance Evaluation’, concluded this about the impact of aid provided to Haiti over a 14 year period…

> The development impact of Bank assistance to Haiti since 1986 has been severely limited. The critical constraints to development governance and public sector capacity and accountability have not diminished, nor have any sectors registered substantial improvements. Based on both its impact and the ratings of its individual components, the outcome of the assistance programme is rated unsatisfactory (if not highly so), the institutional development impact, negligible, and the sustainability of the few benefits that have accrued, unlikely. The Bank and other donors erred by offering traditional assistance programmes without identifying the fundamental governance and political barriers to development, and by overwhelming the fragile absorptive capacity. Bank performance has, however, improved in recent years through increasingly realistic assessments of Haiti’s problems.

In 2009, the World Bank published another ‘Country Assistance Strategy’ (2009: 4-5), concluding that…

> Governance and state capacity to effectively formulate and implement sound policies, and to deliver core public services to the population, are weak. The state’s ability to provide basic public goods has been undermined by a history of neglect, political capture, and corruption. The state is present largely in the major urban centres and has been unable to provide basic services or infrastructure to large portions of the population. The non-state sector has filled gaps in the provision of health and education services, but these efforts have been largely uncoordinated and unregulated. The institutions responsible for providing essential public goods of security and the rule of law (police and judiciary) are largely ineffective suffering from political interference and corruption. A governance and corruption survey undertaken by the Haitian government in 2006, identified payment of bribes—to access basic public services or licenses, influence court decisions, or award public contracts or positions—as a major form of corruption in the country. The public sector faces human resource weaknesses, due to local skill shortages compounded by massive outward migration, low state salaries, competition from international organizations and the private sector. Inadequate financial and material resources and out-dated organizational structures and procedures pose further challenges.

The UN System’s (2010: 7) strategy for integrating UN organizations in Haiti came to similar conclusions as above in its 2010 report following the earthquake.[29]

> Today, the country faces a combination of post-disaster and stabilization challenges in addition to enduring structural weaknesses. Prior to the earthquake, Haiti’s public administration already had limited capacities; with structural weaknesses resulting in inadequate and poor quality services; vulnerability to political instability; high-levels of food insecurity; significant loss of technical knowhow with the departure of qualified personnel; limited mastery of budgetary mechanisms and financial management; an over-centralization of the state, and corresponding weakness of decentralized structures, with significant disparities in access to social services outside of the capitol city and rural areas. The social protection sector was

29 See also European Commission (2008).

> particularly fragile, characterized by segmented and ineffective interventions and the absence of a national plan.

The Inter-American Bank's 'Country Strategy, 2011-2015' (p.12), opines that:

> With average growth rates of 1 per cent over the 1960-2005 period, Haiti's growth was Latin America and the Caribbean's lowest. The root causes of economic stagnation are decades of political instability, eroded governance and occasional outburst of social violence, environmental degradation that has exacerbated the impact of natural disasters, an inadequate business climate that has inhibited private sector development, a brain-drain overseas of Haiti's most educated women and men, and a weak state capacity to define policies to provide public goods and manage social risks.

In 2011, Interagency Standing Committee, 'Real Time Evaluation of Haiti Quake' (2009: 8) conducted an evaluation of the cooperation of the Haitian government with humanitarian NGOs working on the earthquake response. Their conclusion…

> The response has been hindered by a lack of engagement in a genuine two-way communication and the effective support of Haitians, who feel sidelined and are increasingly critical of NGOs and the overall aid effort. The humanitarian community has been limited in its communications by not having a sufficiently clear understanding of Government of Haiti (GoH) recovery plans with respect to, for example, a resettlement strategy. While plans such as the Action Plan for the National Recovery and Development of Haiti were drafted in advance of the March 2010 donors' conference, they often lacked legitimacy within the country because of both the limited Haitian participation in their preparation and the 2011 change of government. The commitment of the new GoH and the need to progress from the initial humanitarian crisis response towards transition and longer-term development present valuable opportunities for adjusting the current aid architecture in Haiti.

According to an IMF (2012: 7) assessment in 2013—'Interim Strategy Note, FY13-FY14'—after six decades of aid investment, the same risks or threats identified still remain in play.

> (i) high risk of natural disasters such as hurricanes, storms and earthquakes with a limited but improving capacity to prepare and react; (ii) a risk that socio-political volatility could threaten current political stabilization and slow reconstruction efforts; (iii) a risk of insufficient government and institutional capacity to implement policies that favour growth and promote transparent and efficient implementation of programs financed by [International Development Association] IDA and (iv) a risk of corruption.

Perhaps the best indication of aid failure comes from Canada's International Development Agency (CIDA): In January 2013, Canada suspended new aid to Haiti citing: 'The slow progress of development in Haiti due to its weak governing institutions and corruption' (Clark 2013). The fatal flaw is alive and well.

3.3 Sectoral failures

> The efficacy of the World Bank's programme has been negligible, and its efficiency, low. Other than the reform of trade policy and macroeconomic management in the late 1980s and early 1990s, lending has had little impact.[30]

The overall assessments of aid failure and its causes above are bad enough, but Haiti has had massive sectoral failures with relatively few successes. The assessments above at every turn allude to elites. On the sectoral level, we see the same criticisms but these tend to be cast as problems with capacity, competency, support, cooperation, and dysfunctional behaviour in the Haitian government. These are the symptoms of the system political and economic elites have spawned hundreds of years.

We have chosen six of the most important sectors as illustrations.[31] Consider these.

Governance

By governance, we mean (Balutis et al. 2011: 6):

> A system of values, laws, policies, processes and institutions through which society articulates and aggregates competing interests; compromises and reaches consensus; manages resources; exercises power and authority; and resolves conflict to promote fairness, human rights, justice, security and growth and development for the public good.

Haiti is one of the worse-governed countries as assessed against numerous international standards and indicators. Unless governance[32] is dramatically improved, aid will always fail. But, why? Canada candidly explains why in its assessment of aid provided to Haiti from 1994 through 2002 (CIDA 2003: 12). These factors have not changed much.

> This type of project [*sic* governance] has admittedly been the one to yield the most disappointing results for Canada and other donors. The main reasons for this being the Haitian Government's lack of political will to reform the public sector as a whole and improve all forms of governance and the government's flagrant lack of cooperation. Canada has had to terminate most of its support to public institutions, especially in the area of security and justice.

The evaluation (CIDA 2003: 12) goes on to explain…

> …many obstacles have been and continue to be faced in coordination with the Government of Haiti. The government's objectives are often hazy and subject to change. Plans and policies are not approved or implemented. Its actions are often diametrically opposed to the projects carried out. Government spending is largely discretionary.

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30 This is a typical finding in many donor organization assessments (see World Bank 2002).

31 Some sectors that have not been performing well include: decentralization, urban migration, health and education. Other sectors that have performed well include: privatization, trade liberalization, and banking. Management of the economic continues to be problematic. Industrial development and job creation have potential but have not yet been proven. These are reviewed in part in Buss (2008a, 2008b).

32 See especially Balutis et al. (2011).

So Haiti's public officials have been and are uncooperative, unwilling and unsupportive, yet over demanding or indifferent, to such an extent that donors find it difficult even to reach agreement on what is to be accomplished, let alone to implement initiatives. Donors, then, are forced to terminate funding and projects.

We believe much of the governance issues stem from the fact that Haitian public officials are work averse and not prone to action unless they have something tangible to gain or can be coerced to do so. Below, we discuss capacity issues.

Police and justice system

If we look at one sector that has been of particular interest to donors since the 1990s and continuing through 2013, justice system reform, we see that at best aid tended to yield only incremental improvements and these were often unsustainable. The International Crisis Group (2011: 1) concluded in 2011 that:

> Haiti's justice system remains dysfunctional and continues to pose significant obstacles to its democratic process, security, reconstruction and development. While some steps have begun with regard to the police, institutional reform in the sector has lagged, allowing further impunity and persistent criminal threats to citizen safety. Despite five years of pledges, the majority of Haitians still have limited access to justice, and mistrust of the formal judicial system is widespread.

Now consider this assessment conducted by the General Accounting Office (2000: 1) for the period 1994 through 2000. The justice system has been dysfunctional for a long time.

> Over the last 6 years, the US provided about US$97 million in assistance to help Haiti establish its first civilian-controlled police force and improve aspects of its judicial sector, including judicial institutions, procedures, and legal codes. About US$70 million helped Haiti recruit, train, organize, and equip a basic police force—specialized units, such as an antinarcotics unit, a special investigative unit, and the Haitian Coast Guard. The US provided US$27 million that led to improvements in training magistrates and prosecutors, management practices of judicial institutions, and in the access of the Haitian people to justice services. However, despite these achievements, the police force has not effectively carried out its basic law enforcement responsibilities, and recent events suggest that politicization has compromised the force. The judicial sector also has serious weaknesses: the sector has not undergone a major reform and, as a result, lacks independence from the executive branch and has outdated legal codes and cumbersome judicial proceedings. Further, the judicial institutions have personnel shortages; inadequate infrastructure and equipment, vehicles and legal texts; and an ineffective internal oversight organization unable to stem corruption. Overall, these institutions provide justice services to only a small segment of the population, because the institutions rely heavily on judicial proceedings using French rather than Creole—the language of the majority population. The key factor affecting lack of success has been the Haitian government's lack of commitment to addressing major problems of its police and judicial institutions.

The United States suspended its multimillion dollar justice project in the 1990s because it could not get agreement from the Haitian government.

Perhaps the most telling indication of failure in the police and justice system is the fact that UN peacekeepers—who are not at fault—have been in Haiti since 2004. Political leaders seem not to want to reform the police and justice system. Likely because it is a major tool of elites who hold power in the political system: intimidation, manipulation and extortion. And, equally likely, because the police would retaliate against those who would seek to reform it, even if they were in the ruling class.

The World Bank's 'Anti-Money Laundering Report' (2008: 8) gives some insight into the level of criminal activity in the country and the failure of efforts to stop it.

> Geographical, economic and social factors mean that Haiti must cope with a high level of criminal activity. Its location means that the country is generally considered to be a transit hub for drug traffic between South American countries and North America; the level of corruption is described as high; smuggling, illegal immigration and other types of trafficking, such as illegal arms, are widespread. The scale of the laundering of the proceeds of these crimes in Haiti is hard to determine, however, it seems that the money-laundering techniques used in Haiti are fairly simple, and involve real estate and trade.

Elections

Undertaking free and fair elections is the cornerstone of democratization aid programmes. Without them, governments lack legitimacy and creditability, leading donors to suspend or restrict aid funding. Haiti has been plagued by faulty elections since 1987 during which 13 national elections were held in spite of lavish aid spending. The presidential elections of Préval, Aristide and Martelly have all been deeply marred. Martelly's government is under threat of aid suspension because the 2012 elections have yet to be held as of 2013 because of political squabbles. Elections were not held on schedule, fraud was rampant, vote counting was tampered with, candidates were intimidated, candidate electoral runoffs were politicized, administrative procedures were shoddy, and every election was boycotted by opposition parties. The constitutional requirement for an electoral commission to oversee elections has been consistently violated. As an example of problems faced, one election was postponed because electoral ballots printed outside Haiti did not arrive in time; the same election had been postponed several times before. As a result of electoral issues, Préval and Aristide chose to rule by decree, making their decisions unlawful. Electoral shenanigans have caused the suspension of aid, especially to fund elections, on several occasions, setting back Haiti's development. A duly elected parliament is necessary to approve aid funding.

Not often discussed is voter participation in elections. Presidential elections generally have low voter turnout ranging from 6 per cent to 30 per cent (although no one seems to have confidence in the accuracy of the turnout figures). Clearly, according to some, Haitians are either disengaged or fearful of participating. If this is the case, having a low participation election may be worse than having none at all. Yet the international community, according to critics, too often accepts results of flawed elections as legitimate. This perpetuates violence and instability. If elites benefit from political instability and chaos, then elections are a great vehicle to realize their ends.

Donors should reconsider the rush to hold elections, especially if elections have been billed as symbolic of democracy at work. Similarly, if elections are so fraught with foul play, results should be abandoned and elections redone. Too often in the past donors have accepted electoral results they should not have. When they fail, government and donor legitimacy are questioned, and many believe that donors simply want to hold elections, declare victory and move on. Rather than promote democracy, elections can undermine it. Consider the 2013 elections: the United States is providing US$10 million to fund them. The US Embassy announced that it was providing the aid even though it had doubts about whether timetables would be met.

So elections are problematic and precipitate chaos. What does that have to do with elites? The chaos keeps opponents off balance as they emerge from electoral victory as tainted, and perhaps tarred with the brush of illegitimacy backed by foreign powers. Chaos makes it difficult to build consensus so system reform attracts much too opposition.

Military/security

Military, paramilitary and police forces have always posed a dilemma for Haiti. The military, in most countries, is the only institution that has the resources and training to respond to natural or manmade disasters on a massive scale, to reduce drug trafficking, to deter foreign intervention, and quell civil unrest. In Haiti, the military and police have never been able to accomplish these missions except in very negative ways. The military and police have become more of a threat to Haiti than its protector. Because of this threat, Haitian leaders created paramilitary forces that they can better control, primarily through provision of benefits in return for loyalty. Only since 2005 has this not been the case. In Haiti, particularly under the Duvaliers with their *tonton macoute* and Aristide with his C*himere*, the Haitian people and political opponents lived in terror. Ironically, these paramilitaries also were instrumental in overthrowing the country’s leaders on occasion. The police are generally poorly trained, little motivated, and highly corrupt. The police are also highly political becoming the tool of political leadership: whoever is in power can easily have the police engage in ‘extrajudicial killings’. Interestingly, President Martelly as one of his first initiatives tried to reconstitute the military, an initiative that failed, and caused the downfall of the prime minister for supporting it. Earlier, aid was used to ‘retrain’ the military for civilian occupations when Aristide disbanded it. No military officers after undergoing training received a job as promised. Some of them subsequently succeeded in overthrowing Aristide in 2004.

Elites have protectors and agents spread around the military, and these days mostly among police. Police are not generally ‘true believers’ but rather respond to incentives in the form of bribes, promotions, access to wealth. The ex-military guerrillas who overthrew Aristide in his second administration were once staunch supporters in his first.

Human rights

Haiti remains a human rights problem for donors, although this is not as widely discussed as it should be in the context of aid provision. The US State Department’s ‘2012 Human Rights Report’ (2013) concludes:

> Basic human rights problems included some arbitrary and unlawful killings by government officials; excessive use of force against suspects and protesters; overcrowding and poor sanitation in prisons; prolonged pre-trial detention; an inefficient, unreliable, and inconsistent judiciary subject to significant outside and personal influence; rape, other violence, and societal discrimination against women; child abuse; social marginalization of minority communities; and human trafficking. Allegations continued of sexual exploitation and abuse by members of the UN Peacekeeping Force in Haiti. Violence and crime within camps [persons displaced

> by the earthquake] for approximately 369,000 internally displaced persons (IDPs) remained a problem.

Inability to address human rights has made Haiti a fearful place to live, especially for women, girls and children. There apparently are armies of young children who are forced to work as 'slave labourers' in families who prevent them from going to school. Human rights for women seem to have gotten much worse following the quake as hundreds of thousands were forced from their homes into temporary shelters and tent cities where they became easy prey for predators.

These atrocities should not be viewed as the normal consequences of disaster. Rather, they are the direct consequence of failing to reform government and society. And, editorially, this should be laid at the doorstep of those in charge. It has taken too long to build replacement housing, there is not effective police force to protect people, and no one much seems to care.

Anti-corruption

The international community and some in the Haitian government have tried to curb corruption, realizing that it is a detriment to the country and negatively affects how and how much donors invest. It also affects foreign (and domestic) investment. Investors will not invest in countries that are highly corrupt. Haiti knows this, as Préval and Martelly are forever selling the country as a good place to invest. Haiti has a reputation of being one of the most corrupt of countries, and this will not be easy.

The Haitian government and donor community have much of the infrastructure in place to reduce corruption. But it has been ineffective according to some assessments (Lindstrom 2012). In government, there have been few investigations of corruption and certainly no prosecutions. Bodies responsible for anti-corruption simply do not fulfil their obligations. There are no enforced protections for whistle blowers. Laws requiring financial disclosure are ignored by the civil service, and no penalties are imposed. Interestingly, the Haitian government blames donors for part of the corruption problem, claiming that the lack of coordination of aid programmes and the distribution of aid outside government channels and the usurpation of responsibility by donors makes it difficult for Haitians to hold donors accountable.

It is only in August 2013 that Haiti began to draft much stronger legislation to curb corruption. The anti-corruption unit finally started making arrests in 2013, some 60 public officials at last count. So, it will be interesting to see whether this is sustainable. While this is a great start, we wonder why it has taken years to get this far with all of the aid and effort being poured into Haiti.

With extensive controls to stem corruption imposed by donors and lenders, why does Haiti remain one of the most corrupt countries, to such an extent donors prefer to fund NGOs and contractors, and not provide 'general budget support' in meeting the needs of the population? The reasons why corruption persists are simple. In the recent past, the Duvaliers were among the all-time corrupt leaders of any country. Their regimes created the context in which aid is delivered today. The Duvaliers were so bad that no aid organization is likely to take a risk on the successors. Aristide, Préval and Martelly have made public pronouncements about reducing corruption, but seem not to have made it a high priority or have not made much headway. Even if they had, they would have faced an uphill battle. So the perception, or reality, persists.

One way to understand the effectiveness of these controls is to note that they have been somewhat successful at the front end of the governmental process. It is increasing difficult for elites to control policy, regulation, budgeting and procurement because they are very transparent and donors have a strong presence with heavy monitoring. So with heavy government control, corruption simply moves further down the chain to implementation, where controls are much less effective. As money, policy, regulation and the like move through the bureaucracy, accountability slacks off and influence is rampant. This becomes even worse when the process transitions out of government into the private sector. So for example, there might be tight controls on the finance ministry (where anti-corruption offices are housed), less controls as it passes through line ministries, and little control when it moves from banks to vendors.

Why? The political and economic elite either control the machinery of government and the economy outright, or they can provide enough incentives or disincentives to get cooperation to bypass any efforts to curb corruption. So, for example, donors may fund economic development projects passed through government agencies. Donors carefully monitor these expenditures. But it is much more difficult to control who receives this funding. Donors may try to ensure that there is an arm's length distance between funders and recipients, but recipients under scrutiny simply use 'front men' to act on their behalf. This is the case in the financial sector, real estate, construction and other industries in the economic development arena. It should be noted that these practices are common in many countries, often in developed countries.

Finally, assuming that corruption can be identified at points in the process, it is very unlikely that it can be adequately investigated, and if it is, it is very unlikely that the courts will convict.

One clue that the interpretation above may be valid is the chorus of complaints from donors that the Haitian government is uninterested and unsupportive of aid efforts. The government does not control the projects, donors do. So why bother. Additionally, when donors influence legislation, policy, regulation and the like, then donors own this, not the Haitian government. Again, why bother. We sense a lack of altruism in the bureaucracy. Public value, stewardship and accountability are foreign concepts here.

4 Haiti's fatal flaw elaborated

One ignores Haitian history at a terrible peril to contemporary policymaking. According to Maingot (1994):[33]

> … objective of those who control the predatory state plunder the resources of the state "without any more regard for the welfare of the citizenry than a predator has for the welfare of its prey (Peter Evans 1989, as quoted in Dupuy 2006: 28.
>
> … wealthy Haitian elites who abhor the Haitian people whom they derisively refer to as *moun pep* (the common people), *moun endeyo* (the country or rural folk), or *gwo zotey* (big toes—because they often go barefoot) that is, the socially excluded, illiterate, and uncivilized masses… (Alex Dupuy 2006: 20).

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33 In a speech at Florida International University in Miami.

> …the development of an elaborate syndrome of destructive/self-destructive political behaviour marked by authoritarianism, paternalism, personalism, patronage, nepotism, demagogy, 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 (Schultz 2007: 324).

Why has Haiti failed to develop after receiving so much aid funding for decades? We need to understand the causes before we can craft solutions. The usual way to answer this question is to list a rather lengthy set of factors that when taken together explain Haiti's and donors' poor performance, and US foreign policy. Among these are incapacity to govern, absence of rule of law, corruption on the one hand, and foreign policy meddling and ineffective aid provisioning on the other, and interference by the United States. These factors and more are widely accepted as true. But in terms of explaining aid failure in Haiti, they can be viewed as merely symptoms of a much larger problem. Treating symptoms, as is the case in medicine, will make Haiti appear better by reducing pain and offering temporary relief, but the illness will still thrive below the surface and flare up unless treated and cured (Vaughan and Buss 1998).

Put simply, many feel Haiti is a fatally flawed state that will not develop until this flaw is exorcised. Haiti's fatal flaw has been captured in its various dimensions by informed observers characterizing Haiti variously as a fragile, nightmare, predatory, collapsed, failed, parasitic, kleptocratic, phantom, virtual, pariah or orphaned state (Buss 2008a). As it stands, Haiti's fatal flaw encompasses nearly all of the economic, political, cultural and social aspects of society. Expecting aid, even in large amounts, to eliminate this flaw is unrealistic. It is equally unlikely that US foreign policy would penalize America and reward Haitian behaviour. If the flaw is actually perpetuated by elites, rather than simply being exploited by them, then aid will be even less effective. Correcting the flaw is a necessary condition for Haiti's reconstruction and development that must occur before aid can work effectively. But it is likely that the Haitians will have to correct the problem themselves: outsiders cannot do it.

Haiti is dominated by political and economic elites who, on the whole, put their interests above the country's and its people. We would argue that these elites are not just taking advantage of the system, but that they have created and maintained it for over 200 years. The periodic chaos in the system likely benefits elites by making it difficult for government to unify against them to reform. Likewise, it makes it more difficult for outsiders through foreign policy or aid to compel reform. US foreign policy may have made the flaw worse by 'legitimizing' some of the dysfunctional behaviour and by perpetuating chaos, but the problem has always been there. Likewise, aid may nibble around the margins of Haiti's problems but it has not been overly effective in curing the problem. In fact, in many ways, aid is helpful to the elites because it can be exploited by them, first by propping up a dysfunctional society unable to fend for itself and by pouring large amounts of money into the system which can find its way into the pockets of elites.

Every political or economic issue in Haiti is perceived by elites as a zero sum game where there are only winners and losers, each with very long memories. As a result there is no compromise among elites, and hence no consensus. There are no widely accepted rules of the game. Politics, economics, society, and the Haitian people themselves, exist solely for the benefit of elites for purposes of exploitation. For example, elites avoid (or under many governments are not required) paying taxes[34] depriving the public sector of revenues to fund schools, while poor people must pay tuition to schools while earning a dollar or two a day. Elites are protective of their positions and status, doing everything they can to restrict membership in their ranks by the majority population (see Prunier and Gisselquist 2003).[35] There is no social mobility or social justice (Buss and Ahmed 2011).

To protect their wealth, elites send their money out of Haiti and often have residences overseas should they have to quickly escape the island. They do not care that they are depriving the country of much needed capital for growth and development. Aid flowing in will compensate for the loss. In many ways Haiti's elites are distanced from their own country.

Even though elites dominate the political and economic systems for their own self-interest, this does not explain why the country has been difficult to grow and develop. Presumably, elites could benefit even more in their own self-interest if they allowed Haiti to prosper.[36] Jared Diamond editor of *Natural Experiments in History*, has an interesting, although highly controversial, perspective. Diamond compares Haiti with the Dominican Republic (DR) with whom it shares the island of Hispaniola. The DR has prospered, while Haiti has floundered. Haiti was developed by the French, the DR by the Spanish. The French used slaves to such an extent that the island's population was 85 per cent slaves, as compared to about 15 per cent for the DR. French slaves worked on huge plantations, in an agriculturally-based economy. When Haitian slaves revolted, leaders at the time disassembled the large plantations in favour of small freeholds given to ex-slaves. So, Haiti lost the economic base which had made it a prosperous, although heavily exploited, country (slaves on average lived only 10 years, being forced to work in a harsh climate with even harsher overseers.) Haiti became a poor country. In addition, the French deforested much of Haiti to exploit its timber resources. French ships brought in slaves and took home timber.

Successive rulers from day one—1804—of the republic exploited the ex-slave population perhaps finding it easier to take from them rather than invest in development. Haiti's first 'president' after the slave revolt declared himself Emperor, complete with Napoleonic costumes and attendant pomp and circumstance. He was so repressive that he was assassinated after only two years in office. His crime: expelling white settlers, oppressing mulattos, confiscating lands, massacring thousands, and aggrandizing himself. Ironically, Dessalines was assassinated by Petion, a mulatto, and Christophe, a Black. Petion and Christophe proceeded to divide the country into north and south, the former the province of ex-slaves, the latter wealthier mulattos. Christophe declared himself king and pressed ex-slaves into forced labour to aggrandize his wealth. Their successor, Boyer, a free mulatto, took power uniting north and south. He proceeded to exclude Blacks from government positions and passed laws making ex-slaves serfs, unable to leave the land. Boyer presided over a huge corrupt bureaucracy that prayed on poor people. Boyer was forced to flee Haiti in yet another rebellion. And so the tradition began.

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34 Taxation is gradually being reformed since Preval took office.

35 This phenomenon has been observed in other countries. Prunier and Gisselquist (2003: 110) in their study of the Sudan conclude that that country is a 'successfully failed state' in that 'Sudanese Arabs decided that they embodied the truth, the heart, the core, the soul, and the reality of the Sudan, rendering all others second class'.

36 This irony is explored in some detail in Buss and Ahmed (2011: 56-75).

The DR, even though it had its share of dictators, Rafael Trujillo (1930 to 1961)[37] being the most infamous, exploited their country, but also tried to develop it. The Duvaliers, by contrast, apparently had no interest in exports or development, or in controlling the economy for that matter. The Duvaliers also retarded exports by extracting monies from business owners.

And interestingly, after the slave revolt and the antics of Haiti's rulers, other countries pulled away from Haiti, or sought to exploit it. The United States, fearing the spread of anti-slavery sentiments from Haiti, refused it diplomatic relations, cut off trade, and even refused to mint its coinage. France stuck Haiti with a reparations bill, in the billions, for its loss of white-owned plantations after the revolt. Haiti was forced to repay this, and did not complete its payments until the Second World War. Haiti became a pariah and in many ways has remained so over time.

Under Papa Doc Duvalier, the tyrant actually drove away people who might challenge his power. Educated people were a particular target. More than 80 per cent of college graduates leave Haiti. Over the years the Duvaliers were in power, they decimated the ranks of the middle and upper class to foster their own interests. Today, donor organizations and the Haitian private sector cannot attract enough skilled workers to fill needed positions, even though there are millions of unemployed Blacks on the island. The new UN Representative in Haiti commented on taking over in August 2013 that 'human resource capacity, the continued need for training and development at the middle management levels' are major issues in reconstructing Haiti.

Haiti is a racist society.[38] Political and economic elites constitute a small proportion of the population—some say 5 per cent, yet they control nearly all of the wealth. For 200 years, their ranks were made up of people of African and French descent—mulattos, who speak French as their main language. The disadvantaged millions in Haiti are mostly Blacks of African descent, who speak French-Creole, but not French, as their main language. Even language has always been used as a way of protecting elites (Diamond 2010). Elites do business in French, the have nots in Creole.

The racial dominance by mulattos began to change somewhat under Duvalier and Aristide (in 1990–01 and again in 2000–04). Both, being Black, did everything they could to redistribute wealth and power away from mulattos somewhat towards the emerging group of elite Blacks and towards people who were loyal to the regimes. They did so in the public sector not the private. The *tonton macoute* and *Chimere*[39] attacked the elite opposition in earnest, as well as

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37 He was assassinated.

38 Race, as is the case in many multi-racial societies, is not so clear cut as Black and White and mulatto. Over 200 plus years, Haiti's races have intermingled considerably, so that appearance may not be an indicator of racial background. And behaviour may not be as well. So this is an admittedly over-simplification, yet widely held, view of Haiti's problem.

39 Even poor people exploit Haiti when given a change. 'President Aristide, in the early 1990s, then recruited urban youth to create political pressure through street demonstrations and blockades. During this period, these groups were heavily armed, a process that continues today. The groups then loosened their ties to political interests as they became increasingly involved in the drug trade. Today, many of these groups are largely autonomous and have organized themselves into disciplined criminal gangs who engage in kidnapping and drug trafficking. While their leaders are generally motivated by profit and political power, the ―foot soldiers‖ are often simply engaged in meeting their basic economic needs in the only way open to them, as noncriminal employment is exceedingly scarce (USAID 2008: 18).

the Catholic Church and the army. This populism accelerated a brain-drain from which Haiti has not yet recovered.[40] Additionally, it destabilized the country as elites worked to overthrown Duvaliers and Aristide. Ironically, there is a growing Black elite that is replacing or complementing the mulatto class, but they appear to be just as exclusionary as their predecessors.

Political leadership in Haiti has always been dysfunctional because of self-interested elites. With the possible exception of Préval, leaders have tended to be charismatics, encouraging personality cults. Leaders espouse democratic principles, then behave undemocratically: declaring themselves president for life, violating the constitution, using the state for intimidation, and furthering cronyism and corruption. They tend to intentionally antagonize donors. Préval, for example, pursued privatization as requested by donors, while Aristide systematically undermined it. Préval objected to US aid going to anti-drug trafficking initiatives, while asserting that drugs in the United States were not Haiti's problem. Aristide disparaged the United States, then seemed amazed when it failed to rush to his assistance. At present, Martelly is courting Baby Doc which only serves to fuel populism especially among Aristide supporters. The point here is not whether these leaders have the right to play contrarians or should not be allowed to speak the truth; rather it is a question of what they have to gain: in most cases, not much but instability for Haiti.

The widely practiced voodoo religion also plays a role.[41] Papa Doc and Aristide both employed voodoo to serve their needs (Loesch, 2001). Many Haitians believed that both rulers had magic powers that could force people to do their bidding. Voodoo has been present in Haiti since the first African slaves were imported more than 200 years ago. A by-product of voodoo is that it makes people believe that gods and spirits are responsible for their fate, not their individual will. This plays into the hands of charismatic leaders seeking or holding onto power. The promotion of voodoo also marginalized the Catholic Church that once supported the mulatto elites. The Church excommunicated Papa Doc and tried to expel Aristide from the country when he launched his movement against the elite and the Duvaliers.

The upshot of this system—total domination by elites—is a population that is disengaged from political life, tangential to the economy, and alienated from government. Surveys show that most would leave Haiti if given a chance. The Haitian people are remarkably passive. Even so, much of Haiti's instability over time has been caused by relatively small groups of provocateurs able to exploit this passivity.

With the fatal flaw continually at play in exploiting the vast majority of Haitians, a question becomes why have they never revolted, especially with a tradition of successfully overthrowing their French overseers in 1804 to gain their freedom? A combination of factors is at play. First, until recently, Haitian governments have been authoritarian, willing to use whatever force was necessary to pacify the population. The US government that occupied

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[40] Interesting, World Bank (1972) researchers in the 1970s concluded that the managerial class left Haiti because of economic opportunity, but the Duvalier government made no attempt to stop this exodus because it believed that this was a good way to get rid of political opposition. The Duvaliers also believed that this was a way to increase remittances to Haiti to prop up a failing economy.

[41] Voodoo is a legitimate religion that should not be disparaged. But the way it is exploited by Haitian rulers is an issue. Ironically, voodoo has been attacked, repressed and banned even under the Duvaliers who exploited it. Advocates of voodoo have even launched a movement to change the religion's name to *vodou* in an effort to legitimize it in detractors' eyes. See Ramsey (2011).

Haiti from 1915 to 1934, for example, put down a rebellion killing more than 3,000. Some histories suggest that the Americans were forcing Haitians to work for low wages on massive infrastructure projects. Second, through most of its history, Haitians have been Catholics, supplemented with a large dose of voodooism. The Catholic Church often sided with repressive regimes to protect its status and property. President Aristide made history by being a Catholic priest who successfully challenged the power elite including the Church, and was expelled for his efforts. Third, revolts in the past have never really benefitted the people. Leaders of revolts often turned out to be just as bad as their oppressors. Doc Duvalier is one extreme example, but there have been others over time (Dessalines, the first president, being one of the worse). Fourth, the Haitian people are spread out in rural areas. Revolutionaries would have great difficulty mobilizing them let alone communicating with them. Some revolutionaries have used rural areas to amass forces to topple governments, the latest the overthrow of Aristide was launched from the Dominican Republic through Haiti's rural areas. Ironically, as illustrated in the Aristide case, this required only a handful of rebels to succeed. Finally, unlike many countries with revolutionary pasts, there are not large amounts of weaponry in the hands of Haiti's poor. Haitian leaders have been successful at monopolizing weapons by keeping them in the hands of the military or paramilitary groups. Aristide's *Chimere*, for example, were at best lightly armed, as were those who overthrew him.

Political shenanigans by elites have consequences. Consider the impact of Haiti's political instability on the economy (IMF 2005: 14).

> During the 1970s, real GDP growth averaged 4.6 per cent, fuelled by expansion in light manufacturing, the garment assembly industry, tourism, as well as public investment financed by foreign aid. In the 1980s, growth turned negative, affected by a hurricane and drought, and a US recession. The political instability after the fall of the Duvalier regime in 1986 led to further economic decline. Following President Aristide's election in 1991, growth recovered as macroeconomic conditions and relations with donors improved. During 1992–94, real GDP declined by a cumulative 25 per cent, reflecting the effects of the military coup, the international economic and political embargo, and the cutoff of foreign aid. Agriculture suffered from shortages of inputs, the assembly sector contracted, and tourism ceased. After President Aristide's return to Haiti in 1994, substantial economic assistance helped re-invigorate growth, and activity expanded in construction and manufacturing. However, growth weakened subsequently due to growing political instability, declining foreign aid, and poor agricultural performance. During 2001–04, real GDP growth averaged -1.2 per cent, as the political impasse undermined business confidence and non-humanitarian aid was suspended. Political tensions culminated in an armed conflict and change of government in February 2004, with damage estimated at 5.5 per cent of GDP.

An important question becomes, are the ruling elites in government and the economy perpetuating the misery in Haiti or are they just taking advantage of it? The answer to the question may say a lot about what can be done to reconstruct Haiti. Employment and power are most easily acquired in Haiti by successfully joining up with Black elites who control it in government. Joining up with economic elites is much more difficult unless one can bring money to the table. Both elites value loyalty highly as a way to foster group cohesion. Without the collusion of elites in politics and economics, the small number in control now would not likely be those in control under another system. So the system depends on perpetuating itself. Elites have chosen to do this in classical ways: they perpetuate poverty so that they can extract wealth; they do this by underpaying people for work, imposing language barriers—poor people speak Creole while the rich speak French, providing inferior services importantly, education; they demean poor people possibly to ease their consciences, but more likely to demoralize them; they enlist the Church and voodoo to keep them in line; and the military, police and paramilitary groups when necessary; they operate an authoritarian state. The biggest irony is the multi-million dollar mansions in the hills of Port-au-Prince build as heavily guarded fortresses, and surrounded by cardboard and scrap metal huts where thousands live without basic services, let alone access to food and water. If elites can thrive under such a system and if they will likely not benefit under another, it is unlikely that outside intervention can reengineer the state.

Haiti will not be easy to change, especially by outsiders. One need only look at Haiti's presidential history since 1804 to see evidence of its fatal flaw. There have been 56 presidents of Haiti over its 200 year history. Three were assassinated or executed. One committed suicide. Six died in office. Twenty-three were overthrown, two of them—one a military dictator and Aristide—twice. The United States compelled five to step down in the past 100 years. Only ten completed a full term in office, while 31 served two years or less. Nearly all presidents had military backgrounds or were beholden to the military or paramilitary organizations. Only Préval and Martelly, in recent times, were exceptions. Additionally, Haitians have promulgated a new constitution 15 times in their history, mostly to satisfy the needs of its dictators.

A report by the World Bank (2002: 3) in 1998 sums up the fatal flaw succinctly:

> Haiti has never had a tradition of governance aimed at providing services to the population or creating an environment conducive to sustainable growth. Instead, a tight economic elite has supported a 'predatory state' that makes only negligible investments in human resources and basic infrastructure. Pervasive repression through army, police and paramilitary groups has created deep seated distrust between civil society and the state. The absence of a culture of democratic decision-making and peaceful consensus building has generated tensions and hampered Haiti's rehabilitation effort.

And so does a report by the UNDP (2006: 10):

> Under the Duvaliers, corruption and the accompanying impunity became the rule for whoever had any power. The three decades of dictatorship devastated the economy, destroyed tourism, drove out foreign investors and ruined rural production. The situation was so bad that an analyst claimed that for the Duvaliers and their clients, Haiti's only real remaining economic asset was its poverty. Foreign aid agencies and religious and humanitarian organizations would give millions for development and relief, but most of the funds would be appropriated by the ruling class, and little would filter down to the people for whom the money was intended. Corruption, bad governance and impunity remained a foundation of politics during the Aristide years. This loss of moral and civic values is still affecting Haiti.

So what is to be done? In part the question hinges on whether you believe that recent events in Haiti are the dying gasp of control by elites, or whether you believe that elites are alive and well, able to morph in the same way as a cancer invades a body.

Addressing the fatal flaw

Bilateral and multilateral aid agencies in their strategic documents for Haiti always give mention to cultural, society and economic issues that might impact aid effectiveness. These are typically listed in a 'risks' section of the documents. But, once having mentioned these factors, it is the rare report that goes on to assess exactly how they should be overcome. In other words, the cultural, societal and economic context is not directly aligned with policy or programme interventions to correct it. Likely, donors are treating symptoms, not disease.

For some observers, then, aid agencies either know the issues, but gloss over them in hopes that they will be resolved, or they are taking a 'cookie cutter' approach to aid in which culture, society and economy are presented as boiler plate in the same way as they are in reports for other fragile states. Consider this conclusion by the World Bank (2002: 3) in its evaluation of aid:

> The Bank, in collaboration with other donors, has tried to tackle these challenges through emergency projects to support economic recovery, stabilization, public sector reform, privatization, and emergency social programmes, as well as investments in infrastructure and a few projects in environment, education and health. While the Bank's objectives were consistent with Haiti's major economic problems, their relevance was limited by their failure to give highest priority to resolving the political and governance problems that undermined economic development.

So, donors tend to believe they are at a loss at how to deal with the fatal flaw.

Many observers believe that Haitians will have to correct the fatal flaw likely themselves (Gerard 2010). How they would do this is unclear.

5 Aid and the fatal flaw

Fixing the international aid system is one of the most urgent priorities facing governments at the start of the 10-year countdown to 2015 (UNDP 2005).

Even if one believes that the fatal flaw is largely immune from treatment by aid and foreign policy, what lessons can be learned from aid provision and foreign policy in Haiti that might apply?

5.1 Capacity building

An enduring criticism of Haitian government is that it lacks the capacity to govern, meaning, in part that it has insufficient numbers of skilled workers and managers to make government work. We hasten to add the political elite would likely unravel things even if this were not so. Haiti has been unable (some say unwilling) to provide even the most basic services—education, justice, welfare and security—to its citizens. For example, the IMF concluded in its 2013 assessment that Haiti was only able to absorb US$27 million in budget support out of US$55 million allocated because of capacity issues. USAID reached the same conclusion in the 1950s and 1960s, and it has been repeated in assessments through the present. Why?

One view is that Haiti never really had much governance capacity to begin with, so that it is not a question of reconstructing it—it was never there. The issue now is inventing it nearly from scratch, an entirely different notion than upgrading skills of existing civil servants implied in the short-term training approach currently *en vogue*. As such, short-term projects that offer civil servants workshops in excel spreadsheets analysis are unlikely to produce the capacity to run a government. Part of the reason for a lack of capacity is Haiti has a very small, educated middle class from which to draw skilled workers and managers. Haiti failed over time to create this human capital or its regimes drove it away for political reasons. We wonder what would happen if donors and government began making investments long ago in Haiti's education system.

Longer-term initiatives like earning college degrees generally cause extensive outmigration and brain-drain from the country. For these to work, graduates must have an incentive to stay if educated in Haiti or return if educated abroad. Haiti one of the lowest paid civil services of any country. Because of this, it is difficult to attract good people or retain them, as they are in demand from NGOs, donors and other organizations. Some counter argue, however, that there would be more money for salaries if there were fewer civil servants. Much more work needs to be done on the civil service. It not only needs to be professionalized, but also better paid and downsized. Donors need to more fully imbed monitors and auditors through the system to hold it accountable.

It seems that whatever needs to be done should start now and be long term. It should begin by investing in education at early levels when children are socialized in believing that government is a good place to work and that it should something of national pride. This will require reforming the education system and teaching corps. Colleges would need reform as well. The idea would be to flood society with people who believe differently from elites.

Other strategies involving the diaspora as a way to build human capital have not worked. Haitian expats will not return to Haiti under current circumstances even when donors tried to subsidize their wages. Expats would not have much to gain from Haitian society where elites rule. Bringing back the diaspora is being worked on again as a reconstruction tool. For it to work, those coming back must feel that their contributions will not be wasted and their investments not be lost. The worst case would be for the diaspora to become part of the elite system.

Capacity is not all the Haitian's fault by any means. Haitian ministries often complain that they lack capacity because of inefficiency and unreasonable accountability regimes imposed by donors. According to the planning ministry: 'Haiti's absorptive capacity is also weakened by the heterogeneity of donors' procurement regulations and the multiplication of executing units. The time national institutions, including line and coordinating ministries, spend receiving missions from abroad, could have been more efficiently used in implementing the PIP and the structural reform agenda'. This is improving some but the process still imposes huge costs on governments, some feel with little gain.

5.2 Debt relief

An approach referred to as the Washington consensus expressed the donor view that among other things, aid recipient countries needed to institute austerity programmes and structural reforms in exchange for aid, especially when IMF monies were involved. This was viewed as the only way countries would reign in out of control spending and borrowing. (Developed countries, ironically, are experiencing the same circumstances in the aftermath of the global financial crisis.) The approach did not work well in some developing countries because poor people suffered too much and as loans had to be paid back even when the projects they funded were failures.[42] (The approach has not worked well in developed countries because powerful groups will not give up benefits.) Haiti always lived under austerity, not because it was pursuing spending and borrowing reform but because it was corrupt and lacked capacity. Having qualified as a HIPC, which allows Haiti debt forgiveness from the World Bank and individual debt forgiveness schemes by bilateral donors and other multilaterals, Haiti now has an opportunity to spend its resources on future development rather than the mistakes of the past. But, it is unlikely to do this. Haiti keeps getting showered with money.

History shows that making loans to Haiti has not changed regime behaviour and has led to accumulated debt that it could not pay back. In the process, Haiti has become an aid dependent. Donors need to restrict both loans and grants. But most of all, aid will fall short because of the fatal flaw that leads to bad government.

What is the solution? Make Haiti a grant only country for a fixed term in the future. But, make sure that necessary reforms are accomplished. Do not continue the policy of making loans then forgiving them. Increasing aid funding, especially through loans and forgiveness, is not the issue, correcting the fatal flaw is the issue. Do not pour so much aid money into the country that it continues to be aid dependent. Compel the government to provide services, and reduce the NGOs.

5.3 Disrupting aid flows

Most public managers would agree that stability in and predictability of public funding over the long term is essential for good governance. Aid to Haiti over the entire period of this study has been disrupted (i) because of political instability, corruption and mismanagement, (ii) because donors fail to meet aid pledges either in amounts due or in timeliness, (iii) or donors withdraw, suspend or cancel aid to support US foreign policy or aid policy. Aid suspensions and boycotts wipe out any gains made when aid flowed and in many cases made things worse. So, boycotting Haiti's economy destroyed the country to save it: it did not work. Similarly, when donors trickle out money, fragile states suffer if they were foolish enough to budget on aid promises rather than disbursements. Consider a recent example: according to the Office of the Special Envoy for Haiti, as of December 2012, only 56 per cent of earthquake funds for Haiti over the 2010 to 2012 period had been disbursed. Venezuela, the largest donor had disbursed only 18.8 per cent of committed funds. The United States dispersed only 32.9 per cent in past three years. When you're talking about billions of dollars promised but not dispersed, this leaves a giant budget hole.

The dilemma donors must struggle with is that using aid to change regime behaviour has not worked, but failing to use aid as a lever condones and maybe encourages bad behaviour. The prevailing wisdom is to continue funding even in the face of bad behaviour, because the alternative is failed aid. At least aid can achieve some benefit for poor people even if small and inefficient.

What should be done? Donors should recognize that disrupting aid flows, intentionally (embargos and boycotts) or unintentionally (delayed disbursement or over pledging) negates aid impacts and does not generally improve government behaviour. Aid needs to be continuous, even when fragile state governments don't deserve it. The carrot and stick approach has been counterproductive. But aid in all forms should be reduced and targeted.

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42 Some have asked why fragile states should be obliged to pay back loans forced on them by donors for projects that failed.

5.4 By-passing the Haitian government

An empty sack cannot stand
—A traditional Haitian saying[43]

As noted above, donors have been reluctant to provide aid directly to the Haitian government to fund programmes, projects of government operations, mostly because past experience with Haiti has shown the government to be corrupt, self-interested and/or incompetent (this practice began under the Kennedy Administration in the 1960s!). According to the Special Envoy for Haiti, only 1 per cent of quake aid went through the Haitian government. Donors prefer to aid Haiti through NGOs and contractors, many affiliated with donor countries, and through in-kind contributions.

In recent years, donors have increased budget support and untied aid—funding that goes directly to the Haitian government treasury—to be spent as if it were government's own revenues. But it is a pittance. The Office of Special Envoy to Haiti (2011) estimates that bilateral donors contributed about 3 per cent of aid to the government in budget support in 2007, while multilateral donors contributed 16 per cent.

So, Haitians need to manage their public finances on the one hand, but are prevented from doing so on the other. The fatal flaw aside, donors cannot continue to complain about capacity building if their practices fly in the face of good governance.

But the issue is more complex. Donors by-pass government for the reasons stated, but they also eschew Haitian NGOs and private organizations. According to a study by Johnson and Main (2013), only US$700,000 of a planned spend of US$2.15 billion by the US Agency for International Development was awarded to Haitian firms. The US Food for Peace Program awarded Haiti nearly US$200 million in food aid over five years; but funding went entirely to three NGOs: Catholic Relief Services, World Vision and ACDI/VOCA (US Inspector General 2009).

Additionally, aid money flowing to Haiti has created a 'republic of NGOs (see Cunningham 2011): Haiti boasts more NGOs—9,000 by most estimates—than any other country except India. If aid ineffectiveness derives in part from what NGOs do, then more cannot be good for the governance of the country.

Critics assert that in bypassing government, Haiti will never develop the capacity to rid itself of corruption and deliver the services demanded by its citizens. The International Monetary Fund concluded:

> A significant portion of the US$ 9.04 billion reported to have been disbursed by the donor community since the earthquake of 2010 did not go through Haiti's national budget. Moreover, much of the donor resources did go through the budget financed projects that were not originally part of the national action plan presented by the government after the 2010 earthquake. The channelling of donor resources through parallel structures that compete with public institutions for funding and qualified personnel adds to Haiti's development challenges.[44]

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[43] Taken from Paul Farmer, UN Special Envoy for Haiti.
[44] Haitian government response to IMF recent review (2013: 1-2).

When Canada suspended aid to Haiti in 2013, Haitian Prime Minister Lamothe responded:

> For any future cooperation, when it's decided to resume, we will ask the Canadian government to focus on the priorities of the Haitian government … Basically, the development assistance, because of the perceived weakness of Haitian institutions, was routed directly to NGOs (non-government organizations) and Canadian firms … That weakened our institutions.[45]

Other critics attribute more sinister motives to bilateral donors in bypassing government: when donors fund their own NGOs and consultants, in so doing, much of that funding comes back to the donor country.

What is to be done? While donors are rightly suspicious of corruption and incapacity, and wish to punish bad behaviour or avoid it, donors should donate heavily to budget support even though aid will be siphoned off or wasted in part, and consider it a cost of doing business. By-passing government has made Haiti a protectorate, and apparently, it has not been all that effective.

5.5 Appropriate institutional responses

A widely shared view is that disparate representatives from the international donor community, the recipient government, and a variety of stakeholders must come together to craft a strategy that will guide aid provision in a framework of shared responsibility and accountability. Haiti has launched at least two such initiatives,[46] one, the 'Interim Cooperative Framework' in place following the ouster of Aristide in 2004, and the 'Interim Haiti Recovery Commission' following the earthquake of 2010. Interspersed between these initiatives are dozens of country strategies, assessments and plans, produced to satisfy bilateral and multilateral donors. Many argue that the initiatives failed. For some, both interim governments were highly problematic, but they were innovative, good experiments. They might be improved with a little effort.

When created in 2004 by the World Bank, IDB, UN and EU and the Transition Government, the 'Interim Cooperative Framework'(ICF)[47] was considered a bold initiative. It took months to complete the strategy which included participation by hundreds of experts and stakeholders from civil society, NGOs and others, along with donors. It laid out priority needs and established quantified targets. It fostered ownership by the government. Because of Haiti's unstable political system, 'a national reconciliation process involving all components of society and political dialogue' was devised to build consensus on reconstruction. The government committed itself to holding elections. Elections were delayed, as well as fraught with fraud and abuse. And Haitians were as bad off as before. The process was brilliant, while its outcomes were shambolic.

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45 As quoted in NACLA (2013).

46 There are other successful models around such as the US Millennium Challenge Account (MCA) as discussed in Buss (2008b).

47 See UNDP, available at: pcna.undg.org/index.php?option=com_docman&Itemid=26

Haiti in partnership with the international donor community created the 'Interim Haiti Recovery Commission'[48] (IHRC) to plan, coordinate and oversee bilateral and multilateral donor projects. It has a board composed of Haitian officials and donors in order to foster transparency and accountability. Haiti's prime minister and former US president Bill Clinton chaired the IHRC. IHRC was launched in April 2010 with a mandate to operate until October 2011. Also in 2010, a 'Haiti Reconstruction Fund'[49] was established to provide funding to support projects of interest to IHRC because it had no funding of its own. It has since been disbanded.[50] Haitians objected to control of their development by foreigners, even those with money. The balance of national determination versus donor interest is delicate, and not achieved in this venue.

What to do? It would be naïve to claim that either the ICF or IHRC was perfect,[51] but they were good ideas given the problems of delivering aid in a fragile state as they tried to improve on previous efforts. More experimentation needs to be done in getting the implementation phase right.

6 Conclusion

Beyond these mountains, more mountains
–A traditional Haitian saying

Unfortunately, it is important to assign responsibility for aid failure to the appropriate parties in Haiti: US foreign policy which largely dictates how aid is spent or not; donor theories, biases, and politics in aid provision; and Haitian economic and political elites and the political system they fostered. Certainly, the Haitian people in whose name aid is spent are not in any way to blame: they are truly victims and deserve much better. It is clear that blame should be assigned to institutions, not people working in them who are diligently trying to make a difference. They are heroes in this story, not villains.

The Haitian economic and political elite, and many of their supporters, are in my view the problem: the fatal flaw. They don't seem willing to change and donors are unable to force them. I once asked some of them whether it wouldn't be more in their interest to have a prosperous Haiti. They could have even more wealth and power if that were so. They rejected the notion. Among other things, many simply do not like the Haitian people. I'm afraid that if the power of those in charge in Haiti is greatly reduced, others will arise to take their place, so the system perpetuates itself. Boycotts, embargoes and aid suspensions have not changed elite behaviour. Perhaps it empowers them to claim that outside forces are messing with Haiti and they are defending it. So, trying to reengineer their society through aid probably is not going to work. Many observers believe that Haitians will have to solve the problem themselves.

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48 See www.cirh.ht/ [in French].

49 See www.haitireconstructionfund.org/home.

50 It had a sunset provision as initially conceived, but it was slow to start and ineffective over its short life.

51 Both models took too long to design and implement, on the one hand, and terminated operations too soon on the other.

While it might be true that only Haitians can solve the problem, donors are unlikely to give up the fight even though many would like to be doing something more productive. After spending billions over six decades, it seems fair to say that the international community 'now owns' the situation in Haiti. So, how do we make aid more appropriate in the Haitian context even though it is and has been deeply flawed? The first thing to do is to have the United States rethink long-term implications of its foreign policy and aid policy. This would likely mean that using aid to manipulate Haiti in the short term through a system of rewards, and punishments would have to be done with much more caution. All of the US foreign policies that drive aid have failed and many have made the situation worse. If this rethink is not done, the United States and donors, who align with the US, will simply continue throwing good money after bad. Even following the quake, when Haiti was on its knees, it could not manage to hold required elections even when threatened with aid suspension.

Donors overall want aid to be effective in Haiti. Because aid has consistently failed over time, donors seem to want to put on rose coloured glasses so that aid policy will succeed out of hope, rather than effective strategy. But hope is not a strategy. Holding elections, then certifying them as free and fair when they are not is self-defeating. Donors should try to view Haiti as it really is and design programmes and policies accordingly.

Donors need to rethink the capacity-building issue. At present, aid is revolving in a vicious circle: Haiti lacks capacity in no small part because it is corrupt, so donors bypass government channelling aid into NGOs, consulting firms, developers, so long as they are not Haitians. Trying to build capacity in this manner is like trying to train a surgeon to operate on patients without ever having touched one. Donors need to bite the bullet and provide much more budget support and earmarked funding through the government. The international community has the tools necessary to promote accountability, transparency, and efficiency (e.g., Buss 2008b). One problem is that these often are waived or ignored (GAO 2011, 2012). Let Haiti govern itself and apply stringent monitoring both on site in real time and periodically during project implementation. Establishing targets and hold public officials accountable before more money is expended is critical. Accountability measures need to be applied much more deeply in the process of governance, not just at top levels.

Pouring massive amounts of money into Haiti year after year to prop up the country has only created a welfare dependent nation. For the short term, Haiti should receive only grant funding, not loans. Making loans and then forgiving them creates a huge moral hazard. Having said that, grants should be greatly reduced in size over time so that Haiti is weaned from the money supply. Some will rightly claim that donors cannot abandon Haiti like this. But this has not worked. A better approach is to treat Haiti like a heavily indebted credit card abuser and begin cutting them off. If this strategy is followed, perhaps Haiti will progress more across its sectors in everything from infrastructure to education.

No matter what the approach, it seems that donors face a dilemma, as every strategy has a major downside. And perhaps the most that can be expected is to achieve small incremental gains. This is what is and has happened in Haiti. It would be too bad if it continues.

Postscript

> Haiti's future is filled with diverse prospects and scenarios, dependent mainly on the comportment of its leaders—past, present and future. …The world hopes that they will transcend past practices of all-or-nothing politics and a rent-seeking economy

> based on venality, exclusion and archaic deal-making, and embrace political and economic actions based upon collaboration, compromise, support for the development of human capital and greater inclusion to alleviate poverty and achieve national reconstruction and growth (Robert Maguire 2011).

At this writing, September 2013, Haiti is at a crossroads with the Martelly government, the United States, and donor community. Progress has been made along some fronts (UN Secretary General 2013), but the fatal flaw is all too apparent. Critical elections have been substantially delayed by 18 months, jeopardizing the legal sitting of parliament for 2014. Political party squabbling among elites is the cause. Critical tests of the country's seriousness in tackling corruption are in play. Aristide and Préval have appeared in court for extrajudicial killings, Duvalier is in court for human rights violations. Martelly faces fraud charges. We have no clue as to the veracity of the charges against these men, but how they are resolved in the courts will be telling on whether Haiti is breaking the hold of its past. The Anti-Corruption Unit of government is going after 'small fish' so it is unclear whether this will lead to reforms and serve as a deterrent. Progress along all fronts has been painfully slow, again with recent reports citing government capacity as an issue. The IHRC has faded away. Even after 3 years, donors have yet to expend the funding promised. The United States has spent only 31 per cent of the aid promised, in part because of government incapacity, but also problems in managing aid (GAO 2013). For better or worse, the UN Peacekeeping Force (MINUSTAH) is looking to downsize and withdraw after nine years in Haiti, leaving a few staff to work on a consolidation plan to 'strengthen security, the rule of law, elections administration and institutional modernization' for 2016. This will determine in part whether Haiti can secure its own country. The USAID Office of Transition Initiatives (OTI) closed up shop in September 2013. It had been responsible for coordinating the US government's response to the quake.

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