

Rural Localities, National Reality: Issues in Haitian Development

Michel-Rolph Trouillot

This paper focuses on the Haitian rural world, its relation to the state and its role in nation building. It argues that rural Haiti has reached such a degree of desolation that government efforts must now promote the countryside, lest the devastation extend to the whole country. It shows how recent attempts at economic development that have ignored the rural Haiti have failed, and why such attempts are likely to fail in the future. The economic and political uplifting of Haiti requires at least equal attention to rural and urban areas. The paper sketches some of the concrete forms such attention can take, insisting on the need for local governance.

On January 26 1996, a few days before leaving office, President Jean-Bertrand Aristide met with a group of elected leaders from Haiti's communal sections. The communal sections (KASEKs) are the smallest administrative units of the Haitian government and the most direct links between the countryside and the national state. While generally supportive of Aristide, the KASEK representatives nevertheless expressed the view that his administration could have done much more for the rural areas. They demanded that the outgoing president use his influence to guarantee enforcement of Article 64 of the 1987 Haitian Constitution, which stipulates that the national government must give adequate support to the communal sections. Yet the KASEK leaders claimed to have received no support from the Aristide regime, save a meager salary of 250 gourdes a month, somewhat less than U.S. \$20.00. Further, although the leaders lauded Aristide for disbanding the *chef seksyon*, the army-appointed section chiefs who were for long the sole representatives of the state in the rural areas, they also claimed that the new rural police yielded power almost as brutally as their infamous predecessors.

This meeting underscores a tragic irony. Aristide is by far the most popular politician on the Haitian rural landscape. His radical politics and overwhelming national support set him apart from all his predecessors in the National Palace. Yet these

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significant differences aside, his administration did not depart from the belief, common among the political class, that the rural world can wait while democratization and development take off in the urban sphere.

The assumption that Haiti's rural world should wait for an urban take-off is flawed on many grounds. First, on moral grounds, it is at best awkward to suggest that more than seventy percent of a population should wait in starvation until other compatriots, some admittedly almost as needy, design a better way of life for themselves. Second, on historical grounds, it is doubly unfair to place rural Haiti on the back burner, in as much as its depletion is due largely to the functioning of a state that ignored Haiti's peasant majority except as a source of profits, both legal and illegitimate, for elite urbanites.

The historical argument has been made repeatedly elsewhere, notably in my book, *Haiti: State against Nation* and in Robert Maguire's recent paper in this series. I will only summarize its main points. After Haiti independence in 1804, the former slaves systematically rejected plantation labor and gradually settled on mostly mountainous lands as independent peasant farmers. Unable to control labor, the Haitian elites reacted to the rise of the independent peasantry by developing what most analysts dubbed a predatory state.

That state had two main functions. First, its repressive power severely limited the political participation of the peasantry. Second, that state became a milking the peasantry. Second, that state became a milking mechanism tapping on peasant resources. It siphoned peasant surplus via an unjust and regressive taxation system and firm control of the customhouses. For more than a century, custom duties on coffee, Haiti's most important export crop, led the list of government receipts, accounting at times more than 80 per cent of state revenues. Impoverished peasants increasingly turned to food production where an open and competitive market allowed them higher returns. In the absence of capital, food production, carried out with rudimentary techniques, increasingly strained the natural resources. Population increase on a shrinking natural base further contributed to a pattern of increased poverty.

Meanwhile, the Haitian state never returned, directly or indirectly, the surplus extracted from the peasants farmers. Successive Haitian governments distributed all government resources to the major towns, with Port-au-Prince, the capital city, enjoying an increasingly larger share. Today, Port-au-Prince receives more than 80 percent of government expenditures and houses nearly 90 percent of the civil service.

These historical and political arguments aside, one could entertain – even if with moral discomfort – the proposition that Haitian development should bypass the rural world if that proposition had at least the merit of its promises. If there was a slight possibility that a national uplifting would eventually follow an urban take-off, moral and political values could be subsumed momentarily under sheer pragmatics. No such possibility exists.

A Country in Free Fall

It is indeed on practical grounds that suggestions to bypass the rural world are weakest. For on those grounds, at least, the facts can speak if one only listens. Analyses of Haiti's economy and the track record of the second Duvalier regime provide ample evidence that the Haitian rural world can no longer be ignored without devastating consequences for the entire nation and new massive refugee flows toward the United States.

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Rural Haiti has been caught in a precipitous free fall for the last forty years, losing resources at an alarming rate. The speed and magnitude of these losses are such that improvement in the urban sphere alone can no longer make up the difference. Thus, it is not just the Haitian rural world that cannot afford to wait. Rather, it is Haiti as a whole that can no longer afford to put the rural world on hold.

To understand this argument, we need only to juxtapose certain facts well known to most Haitianists but rarely tied together in evaluations of Haiti's future. Key among those facts are: the extreme character of Haitian poverty; the internal mechanisms behind the increased poverty; and the low prospects of massive foreign investments and infrastructural change.

Haiti's rural agony has reached extremes unimaginable to most Westerners. In the late 1980s, a Haitian child died every five minutes from causes such as malnutrition or gastroenteritis, which together account for 90 percent of children's deaths and more than 30 percent of child morbidity. The infant mortality rate, albeit declining, remains the highest of this hemisphere at about 90 per 1000 births. The most generous estimates of life expectancy at birth place it at 55 years; some run as low as 45. Potable water is accessible to only 13 percent of the population. Caloric intake is 20 percent lower and protein consumption 30 percent lower than the minimum recommended by the United Nations.

These national aggregates, however grim, do not fully reveal the despair of a countryside where the situation is in fact much worse than these figures suggest. Nearly seventy-five percent of a national population now estimated at about seven million lives in rural areas. Almost eighty percent of that population lives in abject poverty.

Even scarier than this picture of despair are the mechanisms behind it. Rural Haiti is not only desperately poor, it is becoming poorer every day, and it is condemned to become poorer without serious intervention. This is true because Haitian rural poverty is not only endemic but caught in what economist Marts Lundahl calls "a pattern of circular causation." Population increase, stagnant techniques of production and soil erosion together condemn poverty to spread at an increasing rate. With every day of state indifference, the weight of the countryside becomes heavier. The despair of the rural inhabitants, unable to envision my future, also increases the rate of depletion of the country's natural resources. Haiti has been on the list of ecologically endangered countries since the 1950s. Now, soil erosion and the diminution of the water supply - to mention only two major ecological problems that threaten directly the livelihood of

the urbanites continue at even faster rates. The country has barely 750 square kilometers of irrigated land. Other things remaining equal, its woodlands and forests, now a mere four percent of its total area, are likely to disappear in fifteen years.

Last, but not least, there is no reason to expect that international funds, in the form of aid or investment, will be pouring in massive flows on the scale of, say, a Marshall plan. Yet only such massive funds could guarantee growth speedy enough to cancel out the effects of the rural decline. The U.S. government has already indicated to President René Prével Haiti's newly elected chief of state, that U.S. aid will be substantially lower than in recent years.

When we assemble these facts we reach a gruesome but realistic conclusion. The mechanisms of depletion behind rural Haiti's fall have led the country to a new threshold. Development strategies focusing only on the urban sphere cannot generate enough growth to balance the massive losses registered in the countryside. For better or for worse, the moral argument is over: on sheer practical grounds, the rural hemorrhage now bleeds the resources of the whole economy. If the patterns of circular causation hold true, urban strategies of development may backfire, worsening the fate of the majority, rural and urban alike, as an analysis of the second Duvalier regime demonstrates.

The Jeanclaudist Wager

Development strategies bypassing the rural world were never implemented systematically in Haiti until the late 1970s, if only because the Haitian state rarely bothered to intervene in economic life beyond the collection of taxes at the points of exchange, especially the customhouses. The dictatorial character of Jean-Claude Duvalier's regime has masked the fact that it had, by default, the closest Haitian equivalent to a development strategy, that this strategy focused primarily on the urban sphere; and that it proved to be a spectacular fiasco.

The very concept of economic development does not fit Baby Doc's image as a goofy playboy. Yet Haitian parlance already suggests that *there was* more to his regime than economic improvisation. While *duvalierisme* refers to a doctrine, a movement, or a regime seen primarily as partisan and political, for most Haitians *jeanclaudisme* refers primarily to a vision of the country and the practices – admittedly backed by dictatorship and corruption – associated with that vision. Jean Claude Duvalier himself proclaimed that his task was to lead the "economic revolution" needed to complete his father's "political achievements."

Baby Doc's pomposity notwithstanding, credit for the vision behind the economic policies that typified jeanclaudisme should go to a tiny minority among Haiti's richest families and to a number of international and North American agencies, from the World Bank and the IMF to IDB and, especially, USAID.

Unknown to most Americans, President Jimmy Carter's strong human rights policy in the 1970s helped protect many Haitian lives. It also contributed to putting the Haitian government on the defensive. In part because of that defensive attitude, between 1976 and 1984 foreign agencies increasingly came to dictate economic measures to the bankrupt Haitian government, in one instance imposing on Duvalier their choice of Finance Minister. The Haitian upper classes added their voice to the choir. With these systematic contributions, economic jeanclaudism *emerges as* the most coherent set of policies *implemented in* Haiti since the beginning of this century.

The jeanclaudist strategy comprised three main policies: 1) an import substitution policy based on the manufacture of a few key consumption goods; 2) an export policy based on the light assembly industry; 3) a policy of food imports, targeting mainly *cereals, notably* wheat and rice. All three policies rested on a wager: urban Haiti could make it without its rural hinterland. The complete dismissal of the countryside glued together die various components of jeanclaudism.

Most foreign agencies questioned the merits of the import substitution in manufacture. They claimed that Haiti could not produce competitively the consumption goods – from soap and detergent to tomato paste, *beer, cooking* oil and steel rods – that the policy encouraged. But the import barriers and the captive market such barriers provided were among Baby Doc's most precious offerings to the upper classes, part of the price the Duvalierists paid to socialize with the *crème de la crème* within the elites. The biggest losers were, once more, the peasant farmers who bought at monopolistic prices the primary necessities sold by the Duvaliers and their cronies.

Summing up the jeanclaudist import substitution scheme in his important book, *Political Economy in Haiti*, Simon Fass, writes:

“The process of transferring income from rural areas to Port-au-Prince, from lowto high-income households, and then redistributing the income among the *relatively well-off* was an old *process* and usually worked quite well. This kind of 'modernization' was simply a new *procedure for* carrying out traditional activity.” (pp. 34-35)

Selling Baseballs, Buying Wheat

The two other legs of the jeanclaudist wager came straight from the bilateral and international agencies. AID and the World Bank coached the Haitian government on developing an export-based strategy based primarily on the light assembly industry and – later, and to a lesser extent – on agro-industries. In the late 1970s and early 1980s, AID in particular deployed what the agency itself labeled "aggressive outreach efforts" to encourage US investors to take advantage of Haiti's cheap labor. Directly and indirectly, hundreds of million of dollars, coming mostly from the United States, were spent to launch the policy.

The Duvalier government, in turn, provided full custom exemptions on both inputs and exports. It further dispensed the companies from paying income and *license taxes*. More important, it made sure that wages were kept low. Using legal and *repressive means*, the *regime blocked* all efforts, feeble as they already were, to unionize the workers or to provide them with *meager* benefits that were legally theirs.

These aggressive efforts were successful in their own way. At least 200 companies settled in Haiti between 1972 and 1985. Assembly exports grew both in net and relative terms: from 11 million dollars in 1972 to 45 million in 1978 and 110 million in 1984; from 21 percent of total export values in 1972, to 33 in 1978, to 66 in 1984. By then, Haiti was classified among the top ten developing nations producing light exports. Factories specializing in *electronics, garment* and sporting goods employed perhaps as many as forty thousand workers. Haiti became the world's leading exporter of baseballs, though the game is unknown there.

The export strategy had fewer success stories in agriculture, where it was less forcefully pushed. Although mangos came to provide a significant share of Haiti's exports, for all practical purposes, if not in words, the export policy of jeanclaudism was fundamentally urban and rooted in the light assembly industry.

Indeed, the urban character of the jeanclaudist wager comes out clearly when one looks at die third leg of Duvalier's "economic revolution," a food import policy based on nearly unlimited purchase of grains, especially wheat. That policy connected the other two both in ideology and in practice. In theory, since the countryside was to be ignored for *development to* take place in an urban enclave, it followed that Haiti had to turn to the outside for most of its agricultural needs. More important, in practice, the processing of major food imports, such as wheat and oil, fed on the "import-substitution policy" of the regime. Funds provided under U.S. Tide I and Title 11 programs further enriched the presidential family and their

cronies, who controlled these monopolies. Because of these links, U.S. aid programs ended up encouraging the regime to import even more foodstuff, and U.S. agencies ended up subsidizing the very import-substitution policy and the monopolies they vocally condemned.

Here again the results were dramatic. Haitian food imports grew astonishingly. Wheat imports alone increased 11 percent annually from 1970 to 1983. In 1984 Haiti imported 30 million dollars in animal and vegetable oils and 21 million dollars worth of grains. USAID figures show that total food imports grew from 62 million dollars in 1984 to 89 million dollars in 1987 to account for nearly 20 percent of total import values.

These massive imports did not alleviate the living conditions of most Haitians. The price of corn, the basic grain of ordinary Haitians, increased sevenfold from 1970 to the end of the Duvalier regime and continued to grow in 1986-87. Millet, potatoes, yams, rice and beans registered price increases from eighteen to forty percent in 1984-85 alone, precipitating the urban riots that marked the beginning of the end for Duvalier.

A Weaker Economy

One may guess from the figures just cited that the jeanclaudist strategy provided very few gains for the overall economy. In fact, closer analysis reveals a disaster. In 1982, the Government Accounting Office of the U.S. Congress had already concluded that the AID program had "little impact" on Haiti and showed "less than satisfactory results." In real terms, gross domestic product grew steadily from 1976 to 1980, then declined in the last five years of the regime. A 1988 report of the World Bank acknowledges that per capita income fell steadily in the early 1980s.

The fundamental cause behind this failure is simple: the key component of the jeanclaudist strategy, the assembly export industry, provided limited relative gains to Haitians and may in fact have been a burden. The industry was and remains an enclave without links to the rest of the economy: most inputs are imported; so are all exports. The value added in Haiti is quite small. Thus, the trade engendered by the assembly industry favors mainly the U.S. investors. A 1987 report prepared by the American embassy in Port-au-Prince for the U.S. Department of Commerce series, *Foreign Economic Trends and Their Implication for the United States*, states the blunt reality: "Because the vast majority of raw material input is U.S.-sourced, investment in Haiti benefits U.S. balance of payments" (p. 4).

Indeed, Haiti's annual trade deficit rose remarkably under the second Duvalier to reach 165 million dollars in 1985. Further, while the assembly industry provided "no fiscal contribution" to the national economy (to use the World Bank's own phrase), it sucked up government resources both in its planning and in its execution. The tax-exempt status of the industry did not stop it from using government services when dealing with labor, with transport, telecommunications or customs authorities. To that extent, it was actually an additional burden.

The jeanclaudist export-oriented strategy was also an additional burden - and indeed continues to be one - inasmuch as it made the entire economy structurally weaker. The creation of the enclave undermined internal Haitian linkages. New trade patterns increased Haiti's dependence, especially vis-à-vis the United States. Haiti is now totally defenseless against economic or policy shifts from the U.S. Indeed, the Port-au-Prince enclave has not yet recovered from the 1980 downfall of the U.S. economy. Similarly, new regulations on the import of mangos in the U.S. now threaten to kill Haiti's export-oriented mango production.

The False Pragmatics of Common Sense

Advocates of jeanclaudism aware of these weaknesses often contend that development policies that try to bypass the rural world, while not ideal, are better than nothing. They make three common sense claims, drawn primarily from the example of the light assembly export. First, such activities at least provide thousands of jobs. Second, these jobs relieve increasing economic pressures on Port-au-Prince. Third, in the Haitian context, these jobs are a luxury for the workers employed. Each of these claims requires serious qualification.

Data from the International Labor Organization show that Haiti lost 182,000 jobs in agriculture between 1978 and 1983. In that same period, the net gain in manufacturing was only 4,500 jobs, although the assembly industry employed about 40,000 workers. The total national loss was as high as 26,300 jobs in spite of a spectacular rise of employment in services, particularly the restaurant and hotel industry. Given the fact that the light assembly sector provided neither forward nor backward linkages with the rest of the economy, the conclusion is that even at its peak it could not generate enough jobs to make a difference in the welfare of the general population. Its potential for growth is inherently limited in the Haitian context.

To be sure, forty thousand jobs are no small matter for a country such as Haiti. One cannot dismiss offhand the counterfactual argument that the situation would have been

worse without the light assembly strategy. But a counterfactual argument can cut both ways: Haiti's situation would have been better with a development program adapted to the country. Given the hard push factors in the Haitian countryside, we may never know the exact number of migrants pulled by the prospects of employment in light manufacturing. But if the assembly sector drew only a few among the many thousands of individuals who moved to Port-au-Prince in the period covered by the ILO figures, it is doubtful that it alleviated the burdens of the urban area. At any rate, counterfactual claims notwithstanding, we know that real earnings declined twenty percent between 1981 and 1986, in part because of the grain import policy of the second Duvalier regime and its control over industrial wages.

The third claim of the neojeanclaudist pragmatists was for long the hardest one to dispute because of lack of data. Advocates and opponents only assumed the benefits of employment for the workers involved. Thanks to recent fieldwork research, notably by the U.S. National Labor Committee, we now can glimpse the lives of some of these workers. Here again, close scrutiny reveals that common-sense conclusions are unwarranted. In 1991, fieldworkers found Haitians working for as little as U.S. \$1.11 a day, thus making 14 cents an hour. In many cases, a quarter of that daily wage was spent on transportation. Many workers' net gains after paying for food and transportation plummeted between 30 and 70 cents a day. Clearly, there is little here to suggest success. Jeanclaudism was a failure even when judged on the modest pragmatics of its more realistic advocates, but that failure provides important lessons for Haiti's future. The most systematic strategy to bypass the rural world in Haitian history did not work even though the local context was most favorable.

Conditions were, indeed, ideal. First, U.S. and international agencies used their full power to help implement at least two of the legs of the jeanclaudist package. Second, both the Executive and Legislative branches of the U.S. government allowed the disbursements required to implement the strategy. Third, high emigration to the United States and to the Dominican Republic lessened population pressure, dampening its impact on the economy. In the last few years of the Duvalier regime, the Dominican sugar industry alone contracted twenty thousand workers a year. Fourth, the contribution of Haitian expatriates -in the form of investment and, especially, remittances -provided additional relief reportedly as high as 125 million dollars a year. Fifth, and most important, assembly workers in Port-au-Prince were politically weak, repressed by the dictatorship and ignorant of their rights. In the 1970s more than seventy-five percent of the workers did not know what a labor union was. Nor had their neighbors discovered the power of food riots.

Few of these conditions obtain today. As product of particular states of circumstances, they are not likely to return together or in the same form. By choice and by force, the Haitian government stopped encouraging emigration. International funding has declined, and Haitian urban crowds have shattered their reputation for docility. Meanwhile, the countryside is even poorer, pushing more migrants to Port-au-Prince and providing *even less* food for a larger population.

In that new context, attempts to duplicate jeanclaudism will fail even more dramatically. Minor corrections, such as a drastic reduction in the cost of corruption, will not suffice. Duvalierist corruption did add an extra burden on jeanclaudism, but it cannot account by itself for such a spectacular failure. Further, some of the cost of that corruption to private investors was absorbed by the government's dictatorial control of labor.

Now that such control does not seem possible, many of the U.S. corporations that benefited from Haiti's low wages and docile workforce have already taken their business elsewhere. In many ways, dictatorship was not an aberration to the jeanclaudist strategy but an important part of it. One should not expect that strategy to work better under a democratic regime. What is wrong in the jeanclaudist wager is not the fact that it was taken by the second Duvalier regime. What is wrong with jeanclaudism is the very assumption from which it springs. Urban Haiti cannot make it alone.

Priorities and Realities

To say this is not to suggest that the policies that typified jeanclaudism have no role to play in Haitian development. Rather, the negative lesson is that they cannot be the centerpieces of a development program. A Haitian development program must take into account the entire national landscape. At the foreground of that landscape is the demographic dominance of the countryside and the circular patterns that precipitate its decline. Urban oriented policies can only be part of a national plan to build an integrated economy geared to stop that decline.

This means that the Haitian state should turn inward, for the first time, to address the nation and its needs. President Préval seems tempted to make such a turn. His nomination of a Prime Minister with a background in agricultural economics, strong practical experience in Latin America, and very few debts on the Port-au-Prince political scene is a good omen. It gives credence to Préval's pronouncement that agricultural production will be his government's top priority.

Agricultural productivity, rather than just production, should indeed be a priority of the Haitian state. Yet *even that* priority needs to be addressed in conjunction with *related issues equally* thorny, such as *the* outcome of such productivity. To combine a judicious agricultural export policy with a policy of local food production is by itself a formidable challenge, further complicated by the need to consider both feasibility and cultural taste. Government will have to evaluate together what average Haitians prefer to eat and what Haitian farmers are able to produce.

Increased productivity in agriculture will be meaningless without population control. Haiti has a very young population, which grows yearly by nearly 2.5 percent before emigration. With current emigration patterns, that population will reach eight million within fifteen years. The country simply cannot survive at such rates. The argument that other nations prosper with similar densities is moot: none faces similar patterns of degradation. As much as it hurts various moral, political, or cultural sensibilities, an aggressive national campaign is long overdue.

Breaking the cycle of poverty will also require a significant reduction in the pace of environmental decay. The Haitian state will never muster the resources necessary to revive the whole national landscape. It can, however, stop ignoring the fact that urban dry cleaners and bakers, rather than peasant farmers, consume the greater share of wood fuel. Further, small but successful reforestation programs carried out by nongovernmental organizations show that environmental degradation can be reversed within specific localities on one condition: the peasantry must be convinced to participate.

The Need for Local Governance

In a country with few success stories, the small but real achievements of a few NGOs active in die Haitian countryside provide the skeleton of a participatory model for die Haitian state. The state must involve the peasantry into decision-making and enlist its participation in the implementation of policy. National policies will not meet with success until and unless integrated in individual lives.

That integration, in turn, requires local participation and the strengthening of local governance.

To say this is to reverse the false pragmatics of jeanclaudism. None of the priorities listed earlier - agricultural productivity; reduction of population growth and of environmental degradation - can be achieved without the full participation of the rural population. Peasant farmers must be convinced that national policies are good for them. That conviction can come only from their active engagement in - and control of - implementation at die local level.

We can return now to the meeting between President Aristide and the KASEK leaders. Article 64 of the 1987 Constitution, with its vague admonition for support to the KASEK, is not new in Haiti's law books. Codes, decrees and laws asserting the need for political and administrative decentralization or for local governance in the countryside go back to the nineteenth century. François Duvalier's own Rural Code of 1962 remains, in many ways, a document remarkably sensitive to many needs of the peasantry. But paper differences aside, no Haitian government ever gave the communal sections the means to make even an attempt at local governance. Yet if the causal links and the difficult realities exposed here are true, such governance is a necessary step toward development and one of the essential measures to stop Haiti from falling further into the abyss of poverty.

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Unless otherwise indicated, the statistics cited in this paper are from World Bank, USAID, U.S. Commerce Department or other U.S. government reports.

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