Money Heads for Haiti's Elite-Controlled Private Sector

In January, the international community pledged some US$1.2 billion in loans and assistance to Haiti over the next five years. In turn, the Aristide government has been forced to accept a structural adjustment program that is the quid pro quo of donor assistance.

Not surprisingly, despite the recent announcement by the Haitian government of plans to support peasant agriculture, it is the Port-au-Prince-based private sector that is first in line to receive the rewards from Haiti's new and unfamiliar position as darling of the international financial community.

At a recent three-day meeting with more than 400 members of the private sector, the government of Haiti announced its intention to deal with anti-trust cartels and to create a multilateral agency guaranteeing investments. Yet, in an apparent capitulation to the economic elites in Haiti, and in direct contradiction to its anti-cartel stance, the government also announced business agreements with several of the wealthiest families in Haiti that were open supporters of the coup and the three years of bloody military dictatorship that followed. The projects include a $200 million commercial port and industrial free zone in northeast Haiti and construction of a tourist village on an island off the south coast.

Backed by the international financial community, the government's support of the private sector has superseded its earlier commitment to address the root causes of poverty, in part by breaking monopoly control over the economy by wealthy, anti-democratic families.

Early government support for citizen participation in the determination of economic policies has also given way to the donor imperatives of serving the already well backed private sector. For example, the Haitian government sponsored, USAID-funded Presidential Commission on Modernization and Growth, dominated by Haiti's business elite, has an official policy advisory role. US funding enables the Commission, and other privileged business groups, to make repeated visits to the US, lobbying the Administration, Congress and other potential investors for ever more financial support. No parallel program has attempted to draw expertise or advice from the more than 90 percent of Haiti's population that make their living from agriculture, artisanal production and other microenterprises.

At the same time that the export-oriented private sector is receiving internal and external support, import tariffs have been drastically reduced, forcing small farmers in Haiti to compete with highly subsidized food imports from the United States. More funds are being spent on providing free food to Haitians than are being spent to increase domestic food production.

Caught in a whirlwind of desperate need, overwhelming pressure from the international community and local elites, and its own muddled economic vision, the Haitian government is fast ceding ground to private-sector interests who do not recognize the needs and priorities of Haiti's poor majority. Foreign investment has been raised to the status of manna from heaven, and the government has its eyes on the gods that dispense it.

Citizens' groups in Haiti are responding. Unions have protested the privatization of electrical power and telecommunications, arguing that it makes little sense in a nation so desperate for government revenues to privatize potential profit-making concerns. Peasant groups are calling for immediate and significant investment in peasant agriculture, especially credit. Public-school teachers launched a month-long program of rallies, strikes and marches, which won them a 120-percent increase in salary. And, around the country, women's groups are pooling resources to invest in their own production while conducting education programs on women's rights and pushing for land reform.

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