

Roots of Poverty

Before Columbus, no one in Haiti went hungry. Now, Haiti is one of the poorest countries in the Americas. Why?



To answer that, we need to look at Haiti's colonial and neo-colonial status.



Neo-colonial?



Neo-colonialism is when one nation indirectly controls the political and economic life of another nation. Let's see how neo-colonialism contributes to the poverty in Haiti.



Assembly Plants

Haitian women make many of the baseballs used in the United States. Earning less than \$3/day, they have no health benefits and work in hazardous conditions. When the women call for higher wages, the companies threaten to move and the outspoken workers are repressed.

Do the factories at least help the Haitian economy?

No, they mostly help the U.S. business owners. Of every \$1 profit from assembly, 85 cents is returned to the U.S. companies.

Agro-Exports and the Environment

A few wealthy landowners use the most fertile lands to grow coffee and cacao for export. Profits from these sales go to Haitian and foreign businesses. The peasants are left with little income and no fertile land on which to plant corn, rice, beans and cassava to feed their families.

"My children are dying from hunger, yet I have no land to grow food. Big companies own the land and grow coffee for export."

"I can only plant on poor land in the hills because rich landowners own all the best land. I know it causes erosion, but what can I do? My children must eat!"

According to a recent study, Haitian farmers could grow enough food to feed the population, but first the economic and political priorities would need to change.

Repression of Grassroots Development

"Why don't the Haitian people farm together so that they can grow more efficiently?"

"We try to. For instance, the Papeye Peasant Movement with assistance from Oxfam established a credit union, tree nursery, pig farm, print shop and tool making workshops. The day of the coup against Aristide, the military destroyed our office. They arrested one of the coordinators and beat him until he couldn't stand up. They stole the organization's records and peasants' savings. This happens all the time."

Pyramid of Exploitation

A small elite robs the poor of the fruits of their labor and the resources of the land. The government makes most of its revenue by taxing peasants, yet these same peasants receive almost no services (education, sanitation, irrigation, protection, etc.) from the government.

In rural areas, the government maintains control through a network of 300 local military commanders (*chef seksyon*), established during the U.S. occupation (1915-34). The *chef seksyon* function as judge, jury and often executioner. Barely paid themselves, they often collect official and arbitrary taxes. A share is passed on to their superiors.

AID/IMF*/World Bank

"What about all the foreign aid? Does that solve the problem?"

No. In fact, in the 1980s, the Agency for International Development (AID) used food aid to "encourage" peasants to shift 30% of tilled land from domestic food to export crops. AID flooded Haiti with millions of dollars worth of food aid at harvest time. Local prices dropped so low that farmers had to shift from corn and rice to export crops such as coffee. The farmers earned less because international market prices go up and down and the farmers had to pay export taxes. Although poor before, at least they had corn and rice to feed their children. Now they have only coffee. Foreign aid is also used literally to "pave the way" for the assembly industry through road construction, lighting, port containerization, and new phone systems.

* International Monetary Fund (IMF)

Think About It

- The *lavalas* movement aims to uproot this unjust political and economic system. Who would benefit from this change? Who would lose?
- Some believe that if the *lavalas* movement succeeds, the "flood" of change could spread to other countries. Who would be worried about this flood of change?

A.I.D.: Who Is It Helping?



Photo: © 1993, Charles Kermeghan

Women's clothing is produced here for WalMart, Sears and J.C. Penney Port-au-Prince

the "political stability" of the Duvalier dictatorship, which inspired international investor confidence. Following are some highlights from the committee's report:

- ◆ U.S. AID actively opposed a minimum wage increase from \$.33 to \$.50. It argued that the increase would price Haiti out of the low-wage assembly market, an argument known to be untrue.

- ◆ Between 1983 and 1989, as apparel exports from Haiti to the US doubled, real wages in

Who benefits from U.S. State Department Agency for International Development (AID) aid to Haiti? This is the question asked by a delegation of prominent U.S. labor leaders. They were distressed to find that U.S. AID has supported the business elite. The results of their investigation are published in *Haiti After the Coup: Sweatshop or Real Development?* (April, 1993).

According to U.S. AID's own accounts, the agency was aware of the Haitian elite's corruption, the extreme poverty of the average Haitian, and the lack of worker rights in Haiti's export industries. Yet AID continued to spend U.S. taxpayers money on the development of Haiti's low wage assembly sector throughout the 1980s. In fact, U.S. AID appeared to be very comfortable with

Haiti were slashed 56%. While U.S. AID spent millions to promote investment in the assembly sector, the violation of internationally recognized worker rights continued unchecked.

- ◆ In February 1992, the Bush Administration exempted U.S. manufacturers from the embargo. Products (such as clothing and baseballs) valuing more than \$67 million were imported to the United States from Haiti during the embargo.

- ◆ Unions and peasant organizations continue to be the target of fierce military repression. At the time of the coup, the Aristide government was moving to reform the labor courts, increase minimum wage, restart the workers' national health and benefits program, bar the military from intervening in workplace disputes and guarantee the right to organize. All of this work was destroyed by the coup.

The National Labor Committee's report concludes that the new focus of U.S. international economic development policies must be real development led by new investments in Haiti—rather than investment diversion from the US—and workers' rights guarantees that truly have teeth.

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Kellwood Today: Low Cost Manufacturing	
Comparative Average Hourly Wage Rates	
	United States \$8.45
	Saipan \$2.79
	Hong Kong \$2.50
	Taiwan \$2.50
Kellwood Company	Costa Rica \$1.09
	Mexico \$0.88
	Dominican Republic \$0.75
	Honduras \$0.61
	Haiti \$0.58
	Sri Lanka \$0.26
	China \$0.25

Chart presented to Merrill Lynch, April 7, 1992, as one of the reasons why investors should buy Kellwood stock.

For copies of *Haiti After the Coup* (w/useful charts and graphs) send \$5 to the **National Labor Committee Education Fund in Support of Worker and Human Rights in Central America**, 15 Union Square West, NY, NY 10003-3377 (212) 242-0700.