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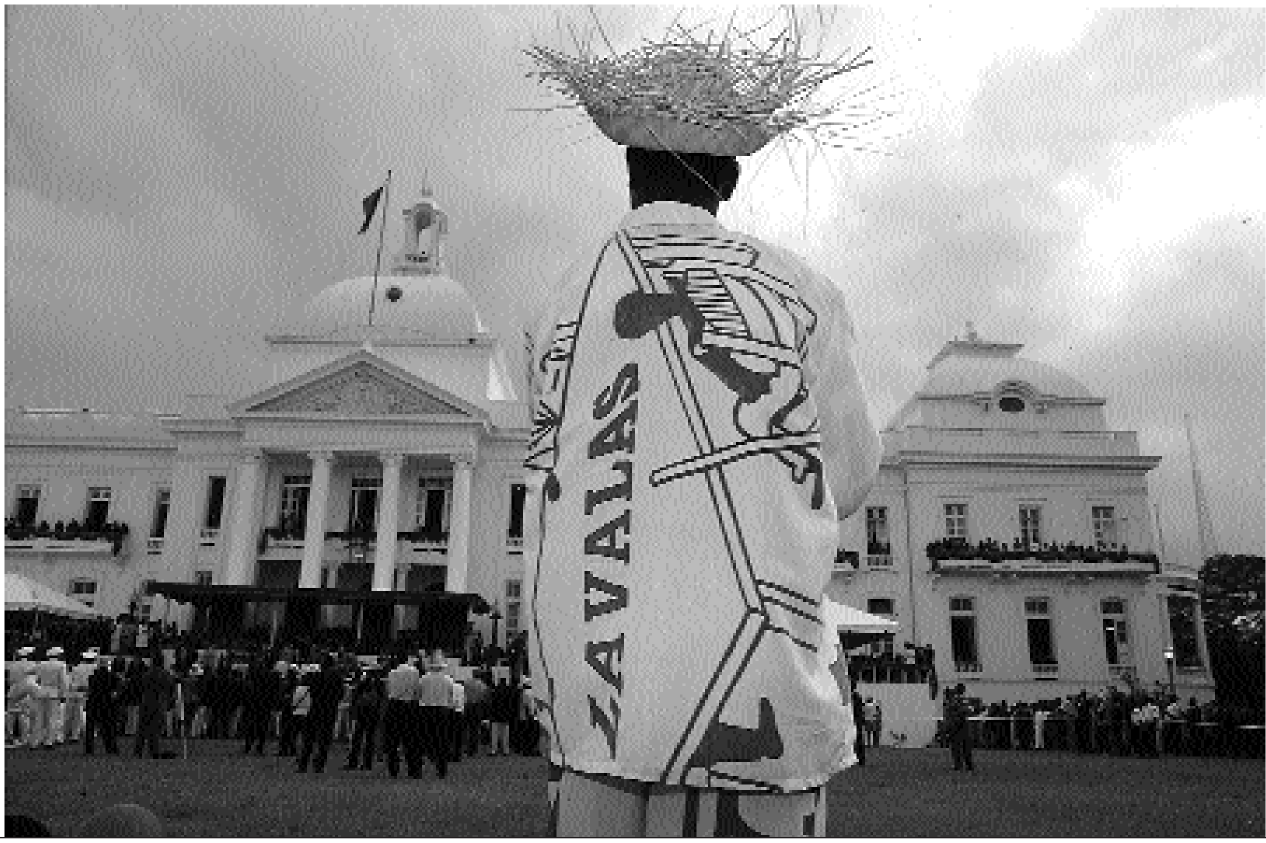

What's left of Lavalas - looking for answers, Préval's inauguration, National Palace, 7th February 1996 *Photo by Leah Gordon*

Between the peasants and the donors

The new President, Rene Préval, has unveiled his strategy to try to repair Haiti's shattered economy. His government, lead by Prime Minister Rony Smarth, has vowed to re-launch national production in areas such as agriculture, tourism and other service industries, to privatise state enterprises, and to restructure the public sector.

With the appointment of Smarth, an agronomist, and by frequent public references to his intention to prioritise domestic agricultural production, Préval has set out his stall as 'president of the peasants'. His fact-finding visits to the main farming areas of the Artibonite, the north-east and the south have raised expectations that his government will provide much needed assistance to the agricultural sector.

How this laudable ambition can be realised in the context of the Haitian government's declaration that it is totally reliant on funds provided by the international financial institutions (IFI) remains to be seen.

According to Chavannes Jean-Baptiste, who headed the presidential transition team and participated in the discussion of the new government's economic policies, Haiti faces total bankruptcy within two months. Jean-Baptiste said the government had discounted the options of printing more money, or borrowing from the private sector at a 25% interest rate. It was, he said, left with no other choice but to accept the IFI's offer of loans at a much reduced rate.

The provision of these loans is dependent on the application of a structural adjustment programme (SAP) which directly conflicts with a revival of domestic agricultural production. On the contrary, the stipulation that import tariffs are abolished threatens to destroy traditional Haitian agriculture. When asked how the interests of Haiti's peasant farmers might be protected under agreements with the IMF and World Bank, the new Agriculture Minister Gerald Mathurin told the *Inter Press Service*, "This has not yet been resolved."

What has been determined is that the programme to privatise certain state enterprises, another part of the SAP demanded by the IMF and World Bank, will go ahead. This was announced by President Préval on the eve of his visit to the United States at the end of March. While this move was warmly received in Washington, in Haiti opposition was voiced by unions and popular organizations as well as some Haitian leaders close to the government. They argue that privatisation will accentuate the poverty of the urban and rural masses, and only profit those who already have the economic advantage in the country. (See centre pages.)

Sell off and s

Haiti's popular organisations oppos

One of the hottest political issues in Haiti is whether the government should privatise the country's state-run industries. For the new President Préval and his administration these enterprises are loss-makers that can only be turned around with an injection of private investment. Once the privatisation programme begins, they argue, the international finance agencies, like the International Monetary Fund and the World Bank will release promised loans with which the government can develop the country's economy.

Critics of the public sector point out the service provided by the electric authority (EDH) and the telephone company (Teleco) is so poor that an injection of private capital can't fail to bring about improvements. Vast areas of the country have no electricity supply at all, and those that do are subject to repeated black-outs. According to the former Prime Minister, Smarck Michel, who supported privatisation, only 7% of the population has use of electricity. A study of Teleco made in 1995 showed that there are only 65,000 telephone lines serving a population of approximately seven million.

That the state enterprises are providing a woefully inadequate service and are a drain on the government coffers are facts that are not denied by the opponents of privatisation. What is contested is the idea that only by selling them off to private investors can they be revitalised. A recent editorial in the newspaper, *Haiti Progrès*, pointed out that in four months in 1991, before the coup against the Aristide government, "the cement plant was able to turn a 4.5 million gourde net loss into an estimated 100,000 gourde net profit. The flour mill went from losing 2.76 million gourdes in February to making 2.13 million gourdes in April 1991."

Union leaders and popular organisations today claim that if the Haitian government seriously attempted to reform the state enterprises, as happened under Aristide in 1991, then they could in a short time generate sufficient profits and greatly improve the quality of service.

In February 1996, Bejin Jean Pierre, a leader of the federation of the EDH workers unions, told *Haiti Briefing*, "It is relatively easy to develop EDH. We have already made changes in the structure of the company. We have cut down on corruption and embezzlement, and over the last seven months EDH has doubled its income. Our real problem is there is no political will on the part of the government to make it work as a public company."

The case for maintaining state control of Teleco is even stronger considering that a World Bank study showed that in 1994 it made a profit US$42 million despite "a great deal of embezzlement, waste and underexploitation of services". The same study admits that over ten years Teleco could finance its own modernisation at the rate of 20 million dollars a year. Haiti's popular organisations also reject the idea that after privatisation the private sector would run the enterprises more efficiently, or in the interests of the country as a whole. In August 1995 a press release signed by Konbit Komilfo and five other popular organisations argued, "It's true the state businesses are sick...but to privatise...with a private sector that did the coup d'etat rather than pay taxes" is unacceptable.

A representative of the cement workers' union told *Haiti Info*, "To privatise the cement plant and the other enterprises means totally removing from state hands any economic power and giving it to the private sector which has shown itself to be against the people. In such a situation we wouldn't need a president or a government any more...We would have given the country to the bourgeoisie and said 'Do what you want with it.'"

"This mafioso private sector (in Haiti) l the Haitian people through smuggling, d government subsidies, non-payment of and all that, so that now they have the buy up the state industries with the m have stolen." ***Antoine Izmery, popular leader speaking shortly before he was a by the military regime in Septembe***

Opponents of privatisation say the rich Haitian elite and foreign investors will now buy up the shares and run the facilities for a profit. The poorer customers i.e. the vast majority, who could have been provided with state-subsidised service, will either not be able to afford a service or will not be provided with one.

Union leaders mobilise public op mentary support vatisation process public enterprises must mobilise to

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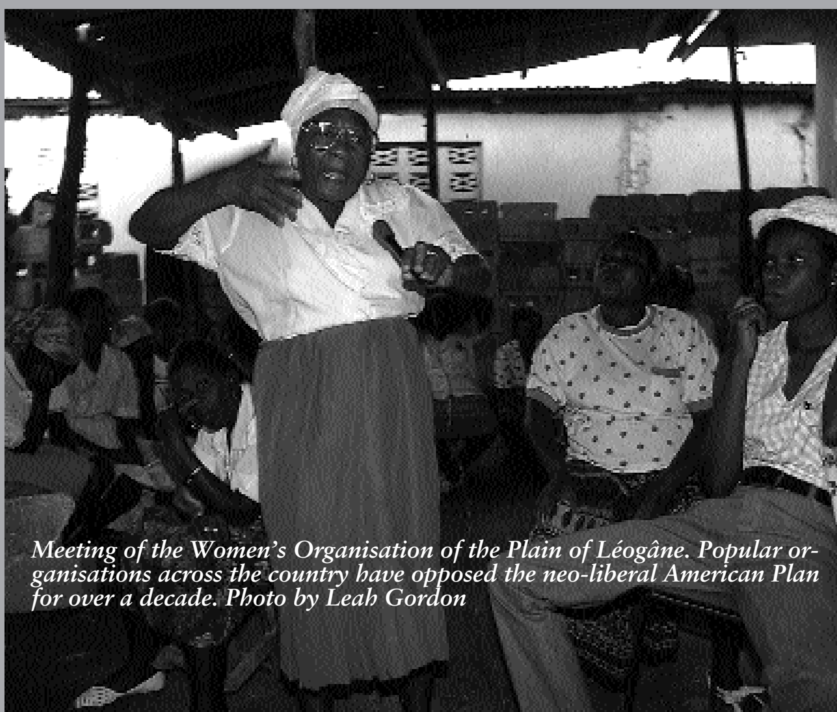

Meeting of the Women's Organisation of the Plain of Léogâne. Popular organisations across the country have opposed the neo-liberal American Plan for over a decade. Photo by Leah Gordon

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Human Rights Organizations issued a strong condemnation of the government saying that "without even articulating and presenting before the nation a real development project" or engaging in the "dialogue" which it promised, it has "launched an all-out campaign in favour of neo-liberal policies and structural adjustment." Those policies have repeatedly failed in other countries, the Platform pointed out, and their consequences "threaten the process of democratization".

"That the government has decided to bow down to the dictates of the international financial institutions and the U.S. government is today a done deal, but the nation is not stupid. The neo-liberal measures cannot do anything to resolve the grave problems of poverty and underdevelopment which effect our country. To want to re-launch agricultural production through privatization is to ask people to 'eat their feet in order to find the strength to run,'" the Platform said.

Anti-structural adjustment puppet - part of a giant puppet parade at this year's Port-au-Prince carnival, organised by the Platform to Advocate for an Alternative Development. Photo by Charles Arthur

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added to the payrolls. The national cement factory and the flour mill are closed down.

August 1994 Representatives of the Aristide government meet with the International Monetary Fund, World Bank and bilateral donors including the US, Canada and France in Paris. A 'Strategy of Social and Economic Reconstruction' plan is signed. The plan commits the Haitian government to a privatisation programme on its return to power .

January 1995 In another Paris meeting the Haitian government confirms the August agreements. In return for the implementation of the Structural Adjustment Programme (SAP) that includes the privatisation of the state-controlled utilities and the reduction of the public payroll by half, Haiti would receive US$1.2 billion in aid and loans over 18 months.

February 1995 The International Finance Corporation, part of the World Bank, signs an accord to help the Haitian government with the privatisation of nine of the 33 state enterprises, including the telephone and electricity systems, the flour mill, cement plant, and the seaport and airport in Port-au-Prince.

August 1995 Prime Minister Michel announces the impending sale of the now reopened, but inefficient, national cement plant and the flour mill, and claims the revenue from the sale is essential to fund the government's reform programmes.

September 1995 Opposition to the privatisation programme and other aspects of the SAP mounts. In Port-au-Prince and Cap-Haitien there are large demonstrations against the IMF and World Bank policies in Haiti.

October 1995 Prime Minster Michel resigns after the Haitian government refuses to endorse his pro-privatisation programme.

November 1995 Citing the delay in the implementation of the privatisation programme, the IMF and the US Agency for International Development (AID) suspend over US$100 million in aid.

January 1996 The Haitian government signs a contract worth US$800,000 with AID and a Canadian public relations company to sensitise the public in favour of privatisation.

March 1996 On the eve of his visit to the US, new President René Préval announces the imminent sale of the cement factory and flour mill, to be followed by the privatisation of the telephone and electricity companies. In Washington US officials say suspended funds will be released once Preval demonstrates a firm intent to carry out his promises.

Published by the **Haiti Support Group**,
Trinity Church, Hodford Road,
London NW11 8NG
● Phone & fax: **0181 201 9878**
● Email: **haitisupport@gn.apc.org**

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Libete looks to the future

In a recent interview with Haiti Briefing Jean-Yves Urfié, the director of Libète, Haiti's only Creole-language newspaper, expressed his thanks to the Haiti Support Group (HSG). In August last year the HSG funded Jean-Yves' visit to London and arranged a series of meetings with non-governmental organisations working on Haiti. As a result of a meeting with the World Association for Christian Communication (WACC) Libète received an emergency grant of $US 70,000. Jean-Yves said, "Without the WACC grant I doubt our paper would be still be going now."

The finances of Libète are still far from secure. Jean-Yves revealed that the circulation of the newspaper has had to be reduced because of the four-fold increase in the price of paper over the last 18 months. But the WACC grant has provided Libète with the breathing space during which it can move towards a state of self-sufficiency.

New purpose-built premises to house offices, a photographic lab, paper cutter, stapler and binder, and a printing press donated by the European Union are nearing completion. Jean-Yves explained, "At present we get the newspaper printed elsewhere and of course the printer takes his profit. But when our own printing press is working we will be able to double the number of pages which means more revenue from advertising. And printing costs will still be reduced."

The new building which should be ready by the end of April will be run in conjunction with two other publishers. They are the Haitian non-government organisation, CRESFED, which publishes the bi-monthly revue, Rencontre, and the Catholic Scheut congregation, which publishes the Creole-language monthly, Bon Nouvel.

Building Libète's new premises in Port-au-Prince. *Photo by Leah Gordon*

Libète also plans to make use of the Internet which is at last connecting to Haiti. Access to it will be very limited in Haiti itself because of the dearth of computers, telephone lines and electricity but Jean-Yves has ambitious plans. "We could gain a minimum of 20,000 readers because we estimate there are about 700,000 Haitians in North America. Many of them will use the Internet. We plan to put Libète on the Internet and it will be another way to become self-sufficient because we will get advertising."

He also hopes to create an English-language version of Libète on the Internet with colour photographs!

* *Libète's new printing press will start work in May and the Haiti Support Group is exploring how it can respond to a request for a printer/print technician to help train Libète staff to use it.*

New books on Haiti…New books on Haiti…

Haiti: Dangerous Crossroads (South End Press, 1995) An excellent collection of articles covering events and trends over the last ten years. The book puts the election of Aristide, the 1991 coup and the US-led intervention into clear perspective. It is an essential introduction to the struggle for social justice and participatory democracy that is still being fought. Available from the Haiti Support Group £11.50 including post and packing.

Haiti: Building Democracy (CIIR, 1996) Describes Haiti's turbulent past and analyses key reforms that will be necessary if the Haitian people are to achieve their modest goal 'to move from misery to poverty with dignity'. Available from the Catholic Institute for International Relations, Unit 3, Canonbury Yard, 190a New North Road, London N1 7BJ £2.50 plus postage.

From Dessalines to Duvalier: Race, Colour and National Independence by David Nicholls. New (1996) edition of one of the classic English language texts on Haitian history. Contains a 28 page update - "lucid, accurate and very useful". Available from larger bookshops.

Rockwood to visit the UK

Captain Lawrence Rockwood, a US Army officer who was court-martialled for trying to prevent human rights abuses in Haiti, will be the lead speaker at a conference organised by the Military Professions Group of Amnesty International UK. The conference on May 18th will take place at the Friends Meeting House, Birmingham. For further details contact Nora Cranston at Amnesty International 0171 417 6370.

On September 30th 1994, ten days after the deployment of US troops in Haiti, Rockwood, despairing of his officers' disregard for the fate of Haitian prisoners in the National Penitentiary in Port-au-Prince, made his own unauthorised visit. He was arrested and subsequently court-martialled by the US Army.