

# Haiti Fact Sheet

Jubilee Sunday 2010 - May 16



## **Quick Facts:**

*Even before the recent earthquake, Haiti was the most impoverished country in the Americas.*

*80% of Haitians live in abject poverty and one out of twelve children die before reaching their fifth birthday.*

*Life expectancy is 59 years and nearly 50% are illiterate.*

## **Debt a contributing factor:**

*Prior to 2009, Haiti's government was forced to divert \$58 million per year from fighting this poverty to reimburse International Financial Institutions.*

*Over half of Haiti's \$1.46 billion debt was for loans granted to Haiti's dictatorships.*

## **Some debt relief:**

*Having been excluded since 1998 because of a technicality, Haiti was finally added to the World Bank and IMF's heavily indebted poor countries (HIPC) debt cancellation program in 2006.*

*In 2009, Haiti reached HIPC completion point; US\$1.2 billion of old debt was cancelled, but over \$1 billion of new debt remained.*



## **From enslaved colony to indebted republic:**

Haiti was a food producer, principally of sugar, for its colonizer, France. In 1803 the Haitian people staged the only successful slave revolt in history, defeating Napoleon's French army and winning freedom for themselves and their nation. But the cost was high.

France threatened to reinvade and re-establish slavery, unless Haiti compensated it for the loss of "property", including slaves. With French warships positioned off the coast, Haiti gave in to French demands in 1825, and agreed to pay 150 million francs (equivalent, with interest, to \$21 billion today), financed by a loan to a designated French bank in return for recognition of Haiti's sovereignty.

This debt was equal to fourteen times Haiti's export revenues. Haiti was forced to send any available cash to France, diverting revenues from investments in infrastructure, education and government services. The world's first black republic descended into a spiral of debt and underdevelopment from which it has never recovered.

From 1914, US marines occupied Haiti for 20 years while USA interests established plantations and a hold on the economy of the country.

The Haitian people are still paying for the crimes of their past leaders. The loans to dictators failed to benefit the Haitian people and the consequent debt service payments have cost the country millions of dollars that could be better spent on education and health. Meanwhile, harmful economic policies mandated by the International Monetary Fund (IMF) and World Bank undermine the country's ability to chart its own development path.

In one example, the IMF forced the Haitian government to drop tariffs on agricultural production.

**After the earthquake:**

Following the horrific earthquake, the IMF offered Haiti assistance in the form of a \$102 million loan, again with conditions attached.

At a 'Haiti Investment Summit' in the US, corporations were planning how to win reconstruction contracts through tied bilateral aid, or through influence in the international development banks. Some see the disaster as an opportunity for business.

**Calls for debt cancellation:**

Debt campaigners, including Jubilee Australia, put intense pressure on the IMF and other international development banks immediately following the earthquake, demanding that they cancel Haiti's debt and ensure that aid for recovery and reconstruction be in the form of grants.

In an important step, and a victory for Haiti and the debt cancellation movement, the US Treasury Secretary in February announced his support of debt cancellation and grants, not loans, for Haiti and soon after the G7 finance ministers announced their support as well.

This fact sheet has been prepared in partnership with Centre for Peace, Ecology and Justice, Columban Mission Institute.

It is based on extracts from Jubilee Australia's published essay: "Haiti: Cursed or Blessed?" and materials by Jubilee USA.

Photograph above: Act for Peace, National Council of Churches in Aust



As a result, the USA began to dump their own subsidised agricultural production on the Haitian market, putting most local rice farmers out of business. As many as two million people relocated from farming areas to the slums of Port-au-Prince, and this desperate pool of workers become the cheapest labor in the world. The country has since become home to a booming sweat shop industry.

By 2008, Haiti was in dire straits due to the food crisis. The prices of basic staples such as rice, beans, flour, and corn doubled within six months. Many Haitians starved while the government paid over \$1 million a week in debt payments. Violence broke out over food. The following global financial crisis added to Haiti's woes.

**Is there hope?**

Yes. One thing is certain: the people of this embattled nation are facing the challenges with courage and optimism. Days after the earthquake, at a public gathering in the Court of Human Rights to honour the victims, those present declared in solidarity that they are not a people cursed, but a brave people who will rise from the ashes.

**What should we be doing?**

We should be asking how we can support self-empowerment of Haitian people and public institutions. After all, most of us wish greater democracy for Haiti. But authentic democracy cannot be imposed from the outside. It must be home-grown.

We should be holding the international community accountable for its role in Haiti. Beyond the immediate relief, how will aid money be spent in Haiti? Will big donors and international institutions continue to dictate how the money must be spent, giving preference to those parts of the reconstruction process which benefit foreign companies the most? Or will the aid money be spent in a way which puts the people's basic needs first: to build a system of efficient free public education, a new public health system and a sustainable local agricultural industry?

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