

# Haiti: Cancel debt without delay

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*The following is excerpted from an article written for the Jubilee USA Network by Mark Schuller, an affiliate at the Faculté d'Ethnologie, Université d'Etat d'Haïti and the Université de Fondwa-2004, and a Ph.D Candidate in the Department of Anthropology at the University of California, Santa Barbara. Schuller describes the human face -- and human cost -- to Haiti's debt: "there are only two doctors per 10,000 people in Haiti. Life expectancy is 53 years. ... Twenty three percent of children under five are chronically malnourished, and one in eight die before their fifth birthday. ... [A]n estimated 500,000 children are without access to education, and only 35 percent are able to finish primary school." The original article, with important footnotes, is available at [www.jubileeusa.org](http://www.jubileeusa.org).*

[On] May 14, former president René Gracia Préval was inaugurated as Haiti's new elected leader, ending the over two years of transition that many people in Haiti remember as one of the worst periods in their lives. Over and over again, the international community has stated their desire to help Haiti begin anew, with a clean slate. A month before, the World Bank announced that Haiti would be entering into their debt cancellation process, what they call HIPC [Highly Indebted Poor Countries]. This is a good first step. But Haiti's future development, not to mention justice, demands more: a full and immediate debt cancellation, without conditions.

Haiti's debt should be canceled for many reasons. First and foremost, it is unjust. Haiti's first century-long debt was exacted by the former colonial power to repay slaveholders for their losses. And much of Haiti's current debt went to feed the brutality of the Duvalier dictatorships. Rather than use their influence to stop the abuse, international organizations kept the money flowing to Haiti's unelected leaders, knowing it was not reaching Haiti's people, and when Duvalier left, these organizations chose to hold Haiti's people responsible.

Next, to put it simply, debt kills. Rather than invest in education, the environment, or health care, Haiti's people are forced to repay a debt they did not ask for or benefit from. I have visited once-functioning clinics in poor urban neighborhoods and in small mountain towns abandoned because of a lack of funds. And debt undermines democracy and national sovereignty, forcing democratically-elected leaders and citizens to follow debt repayment or specific economic policies imposed by international organizations. Debt structures the relationship with foreign powers, keeping Haiti under foreign control, even if there weren't a multinational force.

Finally, Haiti's people have more than paid for the debt, in terms of actual payments and in terms of Haiti's extreme underdevelopment. But despite promises made to annul billions of dollars of debt for 18 low income countries at the 2005 G8 summit in Gleneagles, canceling Haiti's debt was not even considered. Because debt is often an extremely technical conversation, in which only trained economists tend to participate, this paper is a primer for those of us who are motivated by humanistic concerns to be able to understand, and therefore to participate.

On January 1, 1804, for the first and only time in world history, a slave revolt ended slavery, severing colonial ties and creating the world's first independent black nation-state. Two hundred years after this heroic event, Haiti is still paying for it. On April 17, 1825, over 21 years after former slaves won their independence, a royal decree offered France's recognition of Haiti, but at a price. The accord, which Haitian President Jean-Pierre Boyer signed, demanded that Haiti pay 150 million francs. Having just recovered from a revolution and a generation of civil warfare, the Haitian government was bankrupt, so the Haitian government took out a loan from a French bank, thus starting Haiti's long-term debt...a primary barrier to Haiti's development....

This was intensified during the 29-year father-and-son Duvalier dictatorship. On December 5, 1980, the International Monetary Fund (IMF) gave Jean Claude Duvalier, “Baby Doc,” \$22 million in aid. James Ferguson notes that: *Within weeks \$20 million of this amount had been withdrawn from the Haitian government’s account; of this, the IMF stated, \$4 million had gone directly to the VSN [the tontons macoutes, a paramilitary organization responsible for as many as 30,000 killings in the Duvalier period], while the remaining \$16 million had seemingly disappeared into Duvalier’s various personal accounts. ...*

While in 1970, Haiti’s debt was \$40 million, by 1987, the first full fiscal year after the Duvaliers left, it was \$844 million, 60 percent of the amount owed in 2004. The debt service alone Haiti owed from 1987 to 2005 was \$779.04 million. ... Currently, Haiti’s total external public debt is more than \$1.4 billion. ... In the past several years, Haiti’s debt service has been more than \$50 million per year. ...

In April, Haiti was added to the list of “HIPC eligible” countries for the World Bank and IMF. This is a good first step. But it is only the first of many steps in a process. To achieve full debt cancellation in the HIPC program, a country has to go through a process of being in “decision point” whereby the country has to follow an IMF staff monitored program, and submit a “Poverty Reduction Strategy Paper.” Once these procedural steps have been taken, the country has to have demonstrated progress on these plans. The earliest Haiti’s people could see debt cancellation is in 2009 – by which time Haiti’s people will be deprived of over **\$220 million** that could have gone to education, health care, environmental, or HIV/AIDS prevention funding that will go instead to service Haiti’s debt.

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