Structural Adjustment in Haiti: 
The Impact on Agriculture and Implications for Sustainability

Elizabeth M Marcello
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Women husking rice in the Artibonite Valley, Haiti

From National Geographic, Vol. 172, No.5, November 1987
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Abbreviations and Acronyms

BoP Balance of Payments
ESW Economic Sector Work
FAO Food and Agriculture Organization
IDB Inter-American Development Bank
IFI International Financial Institution
IMF International Monetary Fund
NGO Non-governmental Organization
TC Technical Cooperation
SAP Structural Adjustment Program
UNEP United Nations Environment Programme
USAID United States Agency for International Development
WTO World Trade Organization

I. Introduction

Haiti is plagued with a long and complicated history of colonization, exploitation, political corruption, and foreign intervention. As the first Black Republic in the world, Haiti, with an annual per capita income of $460, is presently the most impoverished country in the Western Hemisphere (IDB 2003, Farmer 2003). Poverty is not exclusive to a particular class or small population in Haiti: over 3.8 million people suffered from hunger in 2003, over 1.2 million children have been affected or are infected with HIV/AIDS and other viruses, and 23% of children under 5 suffer from malnutrition (FAO 2003).

There are many factors that contribute to this widespread poverty. The political, economic, and environmental situation of a nation play a critical role in its well-being. The agricultural sector of a nation is one such example. In response to the dire, persistent, and widespread economic and environmental problems within the agricultural sector in Haiti, a number of Structural Adjustment Programs (SAPs) have been implemented by International Financial Institutions (IFI). An examination of these
projects and their impact raises a number of questions regarding the validity and effectiveness of SAPs. Why does poverty persist despite IFI presence, and why have IFIs failed to fix any long-term environmental and agricultural problems that plague the nation? This thesis seeks to understand SAPs; it does not seek to prove that SAPs are flawed. Rather, it analyzes the results of SAPs and points out their various shortcomings. Using these programs as a point of departure, it is possible to make a number of assumptions about what should and could be included in SAPs to positively impact the agricultural sector in Haiti. Examining SAPs allows one to envision what the situation would look like if sustainable agriculture and self-sufficiency were a true mission of SAPs.

This thesis will deal with these issues in the following manner: first, general information about agriculture in Haiti is provided, followed by information about its gradual decline to the current situation. Then, a number of Structural Adjustment Programs are discussed and analyzed. Finally, an assessment of the failures of Structural Adjustment Programs are made in hopes of achieving some understanding of how such programs could be redesigned to make a positive impact on Haiti’s agricultural sector and the population as a whole.

II. Agriculture and Agricultural Decline in Haiti

Historically, Haiti’s economy has relied on agriculture. Sixty-five percent of the economically active population depends directly or indirectly on the agricultural sector for livelihood. As recently as the early 1960s, ninety percent of the nation’s exports were agricultural (Richardson 1997). Agriculture has declined, and presently, agriculture
accounts for only one-third of the nation’s Gross Domestic Product (Richardson 1997). No reliable information on Haiti’s current agricultural practices exist. This is perhaps due to Haiti’s current political and economic instability. However, a study released by The American University in 1982 provided some information on the nature of agricultural practices in Haiti (Weil 1982).

Haiti’s agricultural sector has been shaped by a history of plantation systems, an entrenchment in traditional and inefficient agricultural practices, and poor infrastructure. Before independence in 1804, there were over 8,500 plantations in the country, producing sugar, cotton, indigo, and coffee. These plantations comprised half of the total land area of the country (Weil 1982, Cobb 1987). Following independence, the government attempted to maintain the plantation system by dividing up existing plantations among government officials, private persons, and the state itself (Weil 1982). Former slaves worked for wages or for a share of profits. However, as with most sharecropping systems, former slaves experienced little or no change in their social status. Once this traditional sharecropping system was abolished, squatters were able to receive title to their land if they cultivated certain crops mandated by the government (Weil 1982).

By the late 1960s, there were 560,000 farms in Haiti, seventy percent of which were operated by families and owners, and the remainder by sharecroppers and renters. Most farms are very small – ninety percent are smaller than 15 acres (Weil 1982). Generally, farmers own one plot, sharecrop a second, and rent the third. This noncontiguity permits farmers to raise a variety of crops. The owners of most farms do not have legally established land titles. Generally, the only title for most farms is actual occupation and use of land (Weil 1982).
Farmers use traditional methods of farming, including the use of hand-held hoes, digging sticks, and axes. This lack of mechanization keeps a large portion of Haiti’s population employed in the agricultural sector. In fact, between 1979 and 2002, the percentage of the working population employed in the agricultural labor force declined by only ten percent (see figure 1).

**Figure 1.** Agricultural labor force from 1979 to 2002.

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<tr>
<td>Agricultural Labor Force</td>
<td>1000</td>
<td>1,798</td>
<td>1,978</td>
<td>2,141</td>
<td>2,156</td>
<td>2,175</td>
<td>2,194</td>
</tr>
<tr>
<td>Agricultural Labor Force/Total</td>
<td>percent</td>
<td>71</td>
<td>68</td>
<td>63</td>
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*From the Food and Agricultural Organization, 2004*

The use of hedgerows is common; this way, farmlands are protected from roaming livestock and thieves. Farmers have been reluctant to try new varieties, making seed selection of locally adapted varieties poor. Sugarcane and rice farmers are among the few farmers willing to try new varieties. Planting more than one crop in the same field, generally a long-season and a short-season crop, is also common. This practice allows farmers to plant multiple crops at a time. A common problem faced by farmers is insufficient time to prepare soil. Specifically, farmers must deal with weeds if land is cleared too early, and erosion from abundant rainfall if land is cleared too late. If soil becomes exhausted, fields are left fallow and used as pasturage for at least 3-5 years (Weil 1982).
Coffee, sugar, and rice are the main crops grown in Haiti. Although coffee is the major money crop, production declined in the 20\textsuperscript{th} century. Consequently, Haitian coffee has not maintained a high international standard. Other export commodities include cocoa beans, essential oils, and mangoes (FAO 2003). Figure 2 details the growing region for each crop.

![Figure 2](image-url)

**Figure 2.** Political and physical map of Haiti showing crop growing regions. *From National Geographic, Vol. 172, No.5, November 1987*

Agriculture has declined in Haiti for a number of reasons. The mountainous terrain, generally unsuitable for cultivation, has been plagued by intense deforestation. This deforestation, paired with harsh rain patterns, has caused serious erosion problems throughout the country. Every year, 6,000 to 15,000 hectares of arable land are lost to erosion (Richardson 1997). In addition, like most developing nations, the government
has not been able to invest in agricultural development. In fact, the government has extracted wealth and resources away from the agricultural sector in the form of raw materials, heavy taxes, and simple extortion. The few investments made in the agricultural sector, such as minimal irrigations systems, have been poorly maintained and many cease to exist. Additionally, Haiti still practices an archaic land tenure system. This includes high land rents, the persistence of sharecropping practices, and land titles that often provide no guarantee of land ownership. Although Haiti provides access to credit, it is offered by the rural elite at usurious rates, making it inaccessible for the majority of the population. Last of all, farmers have little access to productive agricultural inputs and inadequate support for storage and marketing (Richardson 1997).

Haiti’s poverty and its precipitous agricultural decline may be analyzed from a Malthusian point of view. In this view, the principle factor contributing to the current economic distress is overpopulation. As the population in Haiti has grown, land use has moved from forest, to pasture, to perennial crops, and finally to food crops (Weisbrot 1997, Hewitt and Smyth 2000). Food crops do not have roots that other crops, such as coffee, have that bind to the soil. As a result, cultivation of food crops has increased the amount of time soil is exposed to the wind and rains. Erosion results, and farmers are in a constant struggle to keep up with population growth. Furthermore, as urban populations increase, there is an increasing demand for charcoal, which only exacerbates deforestation and erosion (Weisbrot 1997).

Despite Haiti’s ruinous national economic policies and its damaged environmental landscape, most analysts agree that Haiti’s current agricultural crisis is at least in part the result of misguided international economic policy (Richardson 1997).
International economic policy, for the purposes of this analysis, include Structural Adjustment Programs (SAPs) imposed by International Financial Institutions (IFIs) and resulting trade liberalization.

**III. International Economic Policies**

SAPs in Haiti began in the 1980s. At the most basic level, SAPs are programs imposed by IFIs in order to correct underlying economic imbalances and improve economic efficiency through reform (UNEP 2002). The most prominent IFIs in Haiti include the International Monetary Fund (IMF), the World Bank, the World Trade Organization (WTO), the Inter-American Development Bank, and the US Agency for International Development (USAID). Although the USAID is technically not an IFI, its role in shaping policy and their impact on the agricultural sector in Haiti is of equal importance (Weisbrot 1997). It should also be noted that the WTO is not an IFI either; however, the IMF and World Bank policies and actions are bound and related to various policies and rules imposed by the WTO. For further reading on SAPs, see Appendix.

Early structural adjustment in Haiti was indeed necessary. The US recession of the early 80s reduced the market for Haitian exports, namely coffee. This recession followed an increase in oil prices and an increase in interest rates in foreign borrowing, driving a sharp decline in Haiti’s per capita income (Weisbrot 1997). Haiti’s dependence on foreign markets placed the nation in a vulnerable situation. Rather than reduce this dependency, IFIs chose to open up the economy, making Haiti further dependent on exports (Weisbrot 1997). This process is characteristic of most SAPs (Messkoub 1992).
In short, this process has proven detrimental to Haiti’s economy, and in particular, the agricultural sector. IFIs have refused to fund agrarian reform, agricultural extension programs, and programs to provide credit, tools, and necessary infrastructure for the survival and advancement of Haiti’s peasant population (Weisbrot 1997). The need to generate off-farm employment in the countryside in order to slow urban growth has also been blatantly ignored. Instead, IFIs have instituted programs that are completely reliant on the agro-export production of products such as coffee and fruit trees (Weisbrot 1997). IFIs have also focused on increased development of the assembly sector. This strategy proved to be futile, when in 1990, eighty-four percent of exports were composed of imported inputs. This process only increased dependence on imports (Weisbrot 1997). Furthermore, any so-called “aid” that has been brought to the country has not increased self-sufficiency (Richardson 1997). Rather, it has harbored dependence and left Haiti at the mercy of foreign markets.

A primary feature of SAPs is to increase competitiveness in tradable goods (Reed 1992). This was the precise goal of the WTO when Haiti joined the organization in 1996 (IMF 2001). Early on, the WTO claimed that socio-political stability should be a priority for Haiti, and that this stability would allow Haiti to reap the full benefits of having an open, liberalized economy (Xinhua News Agency 2003). This way, Haiti could make full use of non-reciprocal preferential treatment provided by developed countries. Furthermore, the WTO claimed that taxation adjustment and improving the country’s multilateral commitments, in the form of goods and services, would strengthen Haiti’s credibility in trade (Xinhua News Agency 2003). Simply put, an open and liberalized economy, manifested through trade liberalization, would improve Haiti’s economy.
Two significant periods of trade liberalization – 1986/87 and 1994/95 – have resulted in Haiti being ranked among the most open economies in the Western Hemisphere (IMF 2001). For the purposes of this analysis, the second stage of trade liberalization is most relevant, because it was then that the country was involved with SAPs. In February 1995, the first official SAP, known as the Standby Agreement, was implemented in Haiti (Weisbrot 1997, IMF 2001). Standby Agreements are short-term SAPs with the IMF, typically for 12-18 months and are generally followed up by other medium and longer-term agreements (Reed 1992). Under this program, Haiti was allowed a certain amount of credit if they met certain macroeconomic targets. These targets were intended to be met by eliminating import restrictions on agricultural commodities. Immediately, lower tariffs were calculated on a newly-adjusted market exchange rate, versus a fixed preferential rate (Weisbrot 1999, IMF 2001). This large valuation was offset by the reduction in tariff rates. For example, where rice was previously subject to a rate of fifty percent, the reform entailed an actual lowering of the tax incidence on basic products (IMF 2001).

This trade liberalization process ultimately resulted in a government deficit and a deficit in trade budgets at the expense of the working class and the poor (Weisbrot 1997). Although input costs were lower and there was better market access, the economy continued to experience widespread structural impediments that were not addressed by the IMF. A lack of basic infrastructure prevented Haiti from reaping the full benefits of this first SAP attempt: basic means of transportation, such as poor roads and poor ports severely impeded widespread economic activity from ever taking hold (IMF 2001). Not surprisingly, export industries, such as the agricultural sector, did not see huge benefits.
For example, rice production was hard hit. In short, the opening up of the agricultural sector to imports made imported rice available at a lower cost than domestic rice (IMF 2001, Cobb 1987). As a result, demand for domestic rice declined (IMF 2001). This decline had serious implications for the agricultural sector in Haiti, leaving many rice farmers without a market for their rice. Many rice-growing areas have experienced serious decline; child malnutrition is highest in the rice-growing regions of the country (Oxfam 2005).

Since the start of the early 1980s, when Haitian agricultural production was highly protected from imports, Haiti produced almost all of its own rice. At this time, twenty percent of the population relied on rice for income (Oxfam 2005, IMF 2001). Trade liberalization in the 1990s contributed to large increases in imports of rice from the US, known as “Miami Rice,” forcing Haitian farmers to shift their crop and specialize in higher grade varieties that sell at a premium over lower grade imported rice (IMF 2001). Although this rice sells at a higher price, it would not seem likely that, in the poorest country in the Western Hemisphere, there is a large market for high grade, expensive rice. Furthermore, where a domestic market is absent, Haiti is prevented from exporting this high-grade rice to rich countries because of prohibitive tariffs (IMF 2001). Farmers that are not able to specialize in higher grade rice have been forced to move to the Dominican Republic in search of work (IMF 2001/Oxfam 2005).

Rice producers in the US receive income support by the US government, and as such, it is often argued that competition between Haitian rice and imported rice is unfair. Given this, many analysts argue that this process benefits traders more than consumers and has lead to a complete displacement of local rice in Haiti (IMF 2001).
Although raising tariffs by a small margin of twenty to twenty-five percent would secure higher producer prices, government officials and IFIs argue that the supply response of rice producers is long and uncertain (IMF 2001). Furthermore, they argue that the loss of production reflects impediments to growth other than prices, namely, proper agricultural infrastructure, such as irrigation, hulling machines, and land tenure. Instead of working on these infrastructure problems or responding to the negative results of trade liberalization, the policies of IFIs remain strong (Oxfam 2005).

Trade liberalization and the impact on rice is the most striking example of problems with SAPs. However, the Inter-American Development Bank (IDB) made economic and technical assistance loans to Haiti between 1990 and 2000, making it one of the first IFIs to provide aid to the country (IDB 2003). The IDB’s program focused on three main strategic areas. The IDB sought to attack poverty by first investing in human capital; second, by developing the private sector; and third, by strengthening the state and its institutions. This aid included investment in education and health, in order to aid in the development of agriculture, industry, infrastructure, and governance to its list of objectives (IDB 2003). Thus a series of loans, technical assistance projects, and co-financing plans were made. Such a strategy allowed the IDB to aid in the advancement of institutional-economic frameworks, as well as governance and economic sector studies.

Despite their ambitious plans, the overall efficiency and outcome of this program has been below par (IDB 2003). The IDB faced various obstacles to development, including a lack of human capital, poor governance, an inadequate environment for private initiative in the country, and insufficient coordination with the Haitian
government. This failure ultimately forced the IDB to collaborate with the IMF and the World Bank. These institutions used other instruments in an attempt to advance with the initial objectives of the IDB, such as Technical Cooperation (TCs) and Economic Sector Work (ESW). Although this new strategy produced minimal results, some general lessons can be derived from this program.

Where trade liberalization policies failed because of a lack of infrastructure, the IDB sought to create infrastructure. However, these projects have lacked sustainability, and ultimately failed because of a lack of maintenance on the part of Haitian institutions (IDB 2003). For example, agricultural irrigation projects have failed because the size of the plots and the types of products produced do not yield an adequate income to cover cost-recovering tariffs on the projects. Money has poured into irrigation investments, yet the agricultural sector continues to experience institutional problems such as land titling, irrigation policy, and water tariffs. Analysts relate this lack of sustainability to low participation of communities in project execution and management, a lack of financial resources, and a lack of project ownership (IDB 2003). This lack of community participation and project ownership is also a problem where food aid is concerned.

Food aid to Haiti has mostly existed in the form of food deliveries, administered by the US Agency in International Development (USAID) (Richardson 1997). This food aid is mostly provided under PL480, and is also referred to as “direct aid,” because commodities are delivered directly to the Haitian government, who then prices them or sells them directly to private businesses (Richardson 1997). USAID also administers indirect aid, whereby commodities are given to non-governmental organizations (NGOs)
to distribute. Although direct aid was temporarily suspended following the 1991 coup, indirect aid continued to flow into the country.

Indirect food aid to Haiti was in full force from October 1992 to September 1995, under the Enhancing Food Security program (Richardson 1997). During this time, over 378,000 metric tons of food aid were delivered to Haiti, with US aid accounting for 68% of total food aid to the country (Richardson 1997). An example of indirect food aid is CARE’s Sustainable Increase in Food Security for Haiti’s Northwest (SIFS) project.

The SIFS project was designed to better comply with PL480’s food use policies and was comprised of three major objectives in the areas of health and nutrition, agriculture and income, and education (CARE 2005). This includes interventions most directly related to improved household food security, improved maternal/child nutrition, and increased agricultural production and income. At the height of the 1991 coup, CARE was providing one meal a day to 620,000 persons, two-thirds of which were through soup kitchens and school feeding programs (Richardson 1997). CARE intended to use food and complementary activities as leverage for improved school and quality education management. However, by the beginning of 2005, only 50 of these schools remained (CARE 2005). This program was a direct response to the wishes of USAID/Haiti (CARE 2005).

CARE’s SIFS project is just one of many indirect aid programs funded and encouraged by USAID. It is also one of many indirect food aid programs that have yielded little to no results in the way of food security and agricultural development for the people of Haiti. Grassroots International, an independent organization, analyzed the
impacts of USAID direct and indirect aid in Haiti. The study’s conclusion is explained in five main points.

First, aid to Haiti has furthered US economic interested at the expense of Haitian development. Food aid is used by the US government to pressure the Haitian government into adopting export-oriented economic policies that harm domestic food security (Richardson 1997). This was seen in the case of rice, where tariffs were lowered on imported goods (IMF 2001). Furthermore, food aid helped open new markets for US agricultural production by creating new consumption patterns and fueling demand for US commodities. Once again, exporting rice to Haiti from the US ensures American rice growers a greater demand and a larger market for their crop (Richardson 1997, Oxfam 2005).

Second, food aid to Haiti has driven down cereal prices and discouraged Haitian peasants from producing food crops for local consumption (Richardson 1997). Not only does this process destroy cultural fabric, it forces local markets to lower their prices. As such, there is an unfair competition between local and imported foods. Farmers are forced to shift their crop and farm for export, rather than for the consumption by the Haitian population.

Third, food aid fosters a cycle of increased dependency (Richardson 1997). When aid is not focused on increasing self-sufficiency, as seen with the IDB, reduced initiative on the part of the Haitian population is encouraged, and populations cease to search for lasting solutions to food deficit problems (Richardson 1997). Certainly, no project that fosters dependency can produce sustainable improvement and self-sufficiency.
Fourth, food aid programs are carried out without coordination with the local population. Food aid programs, in general, are poorly targeted and do not include a national strategy of development (Richardson 1997). Furthermore, NGOs tend to lack coordination, planning, and impact analyses, rendering food aid programs poorly focused.

Last, indirect food aid by NGOs has become a business. In other words, US NGOs are more committed to US foreign policy standards than they are to the support of the peoples that their projects target. This is due to NGO budgets, which are often fed by the US government (Richardson 1997).

IV. Assessing the Impact

Determining the impact of SAPs is, at best, problematic; a country is impacted by many more actors in the global economy than SAPs alone. Furthermore, because Haiti is an island, it is at a disadvantage in terms of global fluctuations. The natural rise and fall of the global economy has also impacted the Haitian economy, and more specifically, the agricultural sector of the economy. Aside from these natural and regular changes, substantial evidence has shown that where SAPs were meant to improve the agricultural sector, boost the economy, and in the end alleviate poverty, they have ultimately failed and poverty in Haiti persists.

Specifically in the case of trade liberalization and rice imports, impacts will vary throughout the country. The impact on domestic farmers depends on the degree to which rice-growing households participate in the market. In other words, it depends on how much farmers grow for self-sufficiency, and how much farmers grow for sale into the market (DeJanvry 1995). Impact on farmers also according to the extent of modern
purchased inputs used, the degree of mechanization employed, and the surrounding ecological circumstances, including access to water, soil type, and the extent of soil erosion (DeJanvry 1995).

In spite of these variances, examination of SAPs provides convincing evidence of the ultimate failure of SAPs. Aside from the widespread damage to the position of Haiti in the global economy, SAPs have caused widespread damage to the agricultural sector and the population Haiti.

In summary, SAPs have refused to fund agrarian reform, agricultural extension programs, agricultural credit and assistance for tool purchases. SAPs have encouraged trade liberalization, increasing agro-export, placing Haiti at the mercy of foreign markets, and encouraging unfair competition in domestic markets between imported and domestic goods. SAPs have generated substantial government deficit and they have not successfully funded infrastructural programs, such as improvement in the transportation sector. Where infrastructural projects were meant to be created, SAPs failed because they have not addressed land titling, irrigation policies, or water tariffs. Furthermore, all projects have had low community participation and little to no financial resources for the general population. Both direct and indirect food aid have perpetuated all of these problems, by providing food hand-outs, creating dependency, encouraging a taste for imported foods, and in turn increasing demand for imports, doing little to support domestic agriculture and strengthen the local economy. In short, IFIs expect Haiti to undertake drastic measures to integrate itself into the world market, despite unfair competition with more powerful nations. Moreover, even if these various macroeconomic reforms were to “work,” Haiti lacks the necessary infrastructure to take
advantage of them. As a result, malnutrition, unemployment, and poverty have persisted despite SAPs.

V. Making Sustainability in Haiti

So what works? What might be done? No one knows the exact formula for sustainability - only time can reveal what works and what does not work (Richards 2005). Without actually going to Haiti and assessing first-hand the needs of the country, it would be problematic to devise a specific plan to revive the country and more specifically, the agriculture sector. However, by examining history, it is possible to make educated guesses about what could work to improve conditions in Haiti. Thus far, this analysis has shown that SAPs must change in order to be effective. Moreover, the various failures discussed allow some insight into what should be the mission of SAPs in Haiti.

First of all, it should be noted that although temporary direct food aid may be necessary at times, food aid programs should be carried out concurrently with other projects that encourage food self-sufficiency. For example, these programs should aim to increase yields and provide market access to ensure that there is access to local agricultural foodstuffs. This process relies on strong infrastructure and a stable government and economy. Although SAPs may not be able to specifically target government stability, stabilizing the economy and developing in-country infrastructure is essential.
SAPs should work to improve infrastructure in Haiti. This analysis has shown that a lack of infrastructure has created serious impediments to other developmental projects in the country, particularly projects that relied on irrigation and transportation. As such, soil and water conservation projects should be initiated, irrigation systems built, and roads and ports improved to ensure reliable transportation of goods.

In terms of aid to farmers, IFIs should focus on farm ownership, technical support, and economic support to farmers. Farm ownership, particularly through farming cooperatives, is essential for the development and survivability of Haitian farms. Farming cooperatives, based on populist models of social organization, have a number of implications for reducing direct farmer competition and increasing the likelihood that farmers will employ agroecological practices (FitzSimmons 2005). If farmers organize into cooperatives, they are more likely to work together. Because farmers do not compete in this model, perhaps it is more likely that they will be committed to the principles involved in creating sustainable agriculture, such as dedication to fertility management and a reduction in off-farm inputs. Furthermore, previous infrastructural projects and attempts at farm-aid have lacked local ownership and community support. IFIs should aim to work with local peoples through these cooperative systems, rather than setting their own agendas.

If local populations are given the opportunity to design, create, and implement the projects that are meant to benefit them, these projects are more likely to receive support, interest, and enthusiasm. Cultural histories, practices, and ecological traditions should be incorporated into projects, so as to maintain ecological knowledge and gain support of
communities. When modernizing agriculture, traditional knowledge should be
maintained, respected, and utilized. Possible ways to achieved this are addressed below.

Haitian farmers face a variety of environmental problems that result from poverty,
demographic pressure, deforestation, erosion, urban environmental degradation including
pollution and increases in solid waste (IMF 2001). These problems are large-scale. First
and foremost, the modernization of farming techniques to include agroecological
principles should be implemented. This includes attention to improvements in soil
quality, reductions in off-farm inputs, efficiency in water use, and taking advantage of
genetic diversity (Gliessman 2000). Once farmers are practicing more sustainable
agriculture, their opportunities as farmers are expanded.

Economic liberalization and support to farmers is necessary in order to widen
farmer opportunities. Farmers should be allowed local management of water, a choice in
technology and crops, choices in resource allocation, and market choices (DeJanvry
1995). Widening farmer opportunity and choice lends a great deal to farmer
independence and self-sufficiency.

Farmers must also have economic support aside from the support they receive
from farming cooperatives. In the beginning, government aid and support is completely
necessary for a boost in the agricultural sector. Furthermore, NGOs, governments, and
the private sector should all work together; collaboration and similar means and goals are
absolutely essential to this process, as we have seen the complications and failures that
result from too many small projects all at once.

If all of these points are taken into account when planning SAPs, the limitations
that Haiti presently experiences in its agricultural sector due to a history with plantation
systems; entrenchment in traditional inefficient practices; and poor infrastructure would most likely experience a positive change. However, implementing meaningful international economic policies are only one part of the path towards a more sustainable situation in Haiti.

When considering strategies to lift an entire country from poverty, it is absolutely essential to remember that this issue not just about SAPs and global markets. At the heart of this story are real people. Behind this story are malnourished and sick children, jobless farmers, and families with little to no access to food and water. Although implementing policy in a top-down manner is completely necessary to creative positive change in Haiti, any program that is implemented or attempted without coordination with local peoples and input from local communities is destined to fail. International policy must join bottom-up grassroots organizations if any program or policy will ever produce long-lasting positive change.

Despite all of the horror experienced by Haiti in recent years, and despite the damage left by failed SAPs, there are a number of NGOs and nonprofits at work in Haiti. One such organization, the American Friends Service Committee (AFSC), is a grassroots organization based in Philadelphia (AFSC 2005). This organization works with 120 community-based groups in rural fishing towns and subsistence agricultural communities on the southwestern coast of Haiti. In regards to agriculture, AFSC offers farmers training and technical assistance to improve crop yields, plant vegetable gardens, and reforest slopes with fruit trees. All staff of this organization are Haitian, allowing them to develop their capacity and vision to transform their own lives. This program not only
provides technical support to communities, it builds confidence and encourages self-sufficiency (AFSC 2005).

Another foundation, The Haitian Sustainable Development Foundation (HSDF), was co-founded by a UCSC alumnus. Members of this organization traveled throughout the country meeting with different community groups in order to develop projects with local people (McCrory 2005). The HSDF is currently collaborating with the Organization of Youth Development in Haiti, a group aimed at preserving Haiti’s remaining natural resources. To do so, the group has self-initiated a tree nursery project. The Board of Directors of the HSDF has reiterated the importance of developing a relationship and trust between their own foundation and local organizations (McCrory 2005).

These are just two examples of the tremendous behind-the-scenes, grassroots-level organizing that is happening in Haiti. There is a glimmer of light in what so often seems to be a hopeless situation. Meaningful efforts to help the people of Haiti are being greeted with enthusiasm and support of local peoples. The real faces behind SAPs, the real actors in the whole structural adjustment process, are actually getting help and helping themselves.

So what does all this mean in the broader context of SAPs and the global economy as a whole? These two examples are living evidence that things in Haiti can change. But, in order for them to happen at a large scale, long term level, they must be encouraged on a large scale and meant to last in the long term. International Financial Institutions should not implement SAPs in a standard, cookie-cutter manner. International policy should not and will not work this way. Conversely, IFIs should link
up with these local efforts – programs should draw on the success and support of the many successful grassroots efforts that are happening country-wide.

Of course, stating what IFIs should do in order to create positive change completely disregards the operational structure and embedded interests of IFIs. But, examining those aspects of the global economy is an entirely different thesis on its own.

VI. Conclusion

There is not a great deal of evidence surrounding the direct impacts that structural adjustment has on a nation’s agricultural sector. Furthermore, information on SAPs in Haiti is very limited – past studies and analyses on the issue are few. Nonetheless, this thesis has attempted to analyze the impact and results of past SAPs in Haiti from the little information that does exist, to show that SAPs have not included sustainable agriculture and economic independence in their mission. If, as they claim, SAPs are imposed in order to alleviate technical problems in a country’s economy and improve economic efficiency, evidence shows that SAPs in Haiti have not succeeded in this mission (Messkoub 1992, UNEP 2002).

Ecological and economic change is constant and discontinuous (Pearce 2000). As such, it is often difficult and problematic to attempt to modify a country’s economy. No doubt, IFIs put a great deal of research and effort into planning and implementing various SAPs throughout the world. However, in light of the analysis presented in this thesis, it is apparent that IFIs in Haiti do not readily respond to the impacts they have had. In
other words, SAPs have not dramatically changed in response to the impacts that they have had on the economy, environment, and in particular, the agricultural sector in Haiti.

The prospect in Haiti is dismal, hopeless, and desperate. As the most impoverished country in the Western Hemisphere, over 3.8 million people suffer from hunger and 23% of children under 5 suffer from malnutrition (FAO 2005). A revitalization of the agricultural sector and overall drastic improvements in the country’s economy, including a range of infrastructural development, should be an immediate and central focus of SAPs.

In reality, SAPs are complicated and really only make sense when they are seen through the lens of economic globalization; they are a central part of neo-classical free-market economics. As such, assessing their overall effectiveness to an economy is problematic (Ellwood 2001). However, in light of the persistent poverty and environmental degradation in Haiti, one must ask if the path of sustainable development in Haiti has really been followed (Reed 1992). SAPs were envisioned to produce positive results. Yet, in Haiti, they have done little to make any positive changes.

No one has all the answers. Economic, environmental, and agricultural sustainability are all just huge questions, huge works in progress that have yet to be discovered. How can we deal with so much uncertainty? Historical analysis is the only thing we have to go by. By examining past SAPs, taking into account the country’s economic, environmental, and cultural history with the country’s present situation are absolutely essential if poverty and environmental degradation will ever been alleviated in Haiti. Because no two countries are alike, IFIs should coordinate with local peoples,
seriously examine local histories Haiti, and take everything that they can into account when planning and implementing SAPs.

No one should be subject to the conditions in Haiti. If Haitians are to experience justice and positive change, IFIs have a lot of work to do, and they can start by realizing that thus far, SAPs have failed.
Appendix

Structural Adjustment Programs: History and Early Changes

Struggling with a history of colonialism, Third World governments experienced severe economic crisis in the late 1970s and early 1980s (Messkoub 1992). Because many Third World economies depended on the export of primary products from mining and farming, they found themselves caught in a cycle as these exports would subsequently finance the import of manufactured goods, including farm and mining inputs necessary to keep their economy running. In short, the prices of exports fell relative to the price of imports. As economies grew and developed worldwide, international markets became more competitive. Developed countries, such as the United States, eventually saw it in their best interest to protect their own producers from Third World competition. Thus they imposed restraints on global trade, causing an overall slow down in the operation of the global economy. In light of this slow down and increases in oil prices in 1973 and 1979, Third World countries were unable to import enough resources, namely food and oil, to keep their economies running (Messkoub 1992).

As more and more Third World countries fell deeper into poverty, they resorted to borrowing from developed countries in order to finance imports. Interest rates rose and by 1982, many Third World governments were unable to repay or pay interest on their debts. Consequently, Third World countries could not borrow for investment, trade credit, or for the imports of food and oil (Messkoub 1992).

Third World governments were forced to turn to the International Monetary Fund (IMF) and the World Bank for loans to keep their economy afloat, as they were near default on loans from First World banks. In response, the IMF and the World Bank
worked together to renegotiate debt obligations by exacting a price. This price was determined by the acceptance of economic reforms that they imposed, and became known as structural adjustment policies. These policies were played out in Structural Adjustment Programs (SAPs).

At the core, SAPs intended to ameliorate technical problems in the economic management of the national economy through two kinds of economic reform policies. First, a state can directly restructure its own taxation and social provision (Messkoub 1992). The basic goal of SAPs is to reduce the role of the state in the economy and instead rely on market mechanisms (Biersteker 1990). Secondly, the government can intervene in markets to change organization and pricing by guiding local economies based on the world market. This involved dismantling previously established artificial barriers that prevented economies from responding to market pressures. Once this is done, the market is able to self-operate and take precedence in the economy (Messkoub 1992).

**Early Structural Adjustment Programs and Subsequent Changes**

The first official SAP was imposed by the World Bank in 1980 with a $200 million loan to Turkey. Over the next ten years, $28.5 billion was allocated to 64 countries through 187 lending operations worldwide (Reed 1992). Across the world, regional development banks and bilateral aid agencies altered their lending and grant-making to better support and enable structural economic reforms. As a result, interest rates rose, commodity prices declined, and industrial nations experienced internal and
external imbalances. Developing countries were forever beset by economic distortions and inefficiencies (Reed 1992).

The World Bank’s initial approach to structural adjustment involved two main alterations to a country’s economy: 1) Stabilize the country’s macroeconomic situation by relieving that country’s Balance of Payments (BoP), which includes payments on imports and exports, trade deficits, account deficits, and payments from declines in foreign exchange reserves (Messkoub 1992). This is done by relieving short-term pressure on capital through making cutbacks in public spending, restraining monetary supplies, and realigning national currencies within national markets (Reed 1992). And, 2) reforming macroeconomic trade policies and strengthening national booking institutions. This alteration aims at long-term improvements and seeks to restructure all sectors of the economy, in addition to managing governmental institutions (Reed 1992).

All of these tasks are administered by the IMF, and take an overall optimistic approach to structural adjustment lending. The basic overall aim of these early lending techniques was to expand the tradable good sector of a national economy through reforming public enterprises, reducing export taxes, and removing import quotas (Reed 1992). Once the World Bank and the IMF realized that their SAPs were too optimistic in their assumptions of market operation and power, the focus of SAPs was shifted. The IMF would henceforth give priority to short-term loans that would apply constraint and devalue a country’s currency. On the other hand, World Bank structural adjustment loans would focus on restructuring economies through institutional and policy reforms in the medium-term. This includes sectoral reforms, an expansion of competitiveness in
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