

Review

The parallel state: Neoliberalism in Haiti and the reliance on NGOs

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In this paper, the author illustrates some pervasive consequences of the implementation of Neoliberal policies in Haiti. He argues that the implementation of neoliberalism destroyed the Haitian agriculture, provoked a massive rural-to-urban migration, and weakened the state by depriving it of the capacity to cater to the basic needs of the Haitian people. As the state is weakened, the Haitian population has begun to rely more and more on NGOs for public service delivery, particularly in the areas of education and health care. Moreover, the article stresses that NGOs' relevance and importance have been increasing during the last three decades. This happens at such a level that they began to be seen as a parallel state.

Key words: NGOs, Neoliberalism, liberalization, depeasantization, parallel state.

INTRODUCTION

This article is part of a critical literature review for a book project. As a literature review, it relies heavily on secondary sources. However, based on the fieldwork that was conducted in Haiti in 2018, it observe first-hand how the reliance on NGOs in Haiti creates a parallel state and the political and economic implications of such conditions. Since the 1980s, NGOs have played a tremendous role in almost every aspect of the country's functioning. Research has shown that before the January 2010 earthquake that devastated the country's capital, most of the country's public services were offered by NGOs (Dupuy, 2005; Louis, 2012; Schuller, 2012; Zanotti, 2010). Their prevalence in Haiti has been even greater in the aftermath of the

earthquake and the country has relied more and more on NGOs for public services (Charles, 2020). One can argue that the problems engulfing Haiti long precede is neoliberalism. But the worsening conditions of Haiti during the last four decades have a lot to do with the application of Neoliberalism. This article analyzes the country's reliance on NGOs as largely a consequence of the liberal policies that began to be implemented in Haiti in the 1980s. It was argued that neoliberalism was implemented in two phases. Each phase produced specific social and economic consequences. The first provoked the depeasantization of the country. The second was marked by the privatization of most of the state-owned enterprises. Although this phase

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accelerated the urban migration that began in the first phase, the most pervasive consequence of the second phase was the weakening of the Haitian state.

The 1980s: The beginning of depeasantization process in Haiti

In the first phase of the implementation of neoliberalism in Haiti, particularly between 1986 and 1988, the United States, particularly USAID along with the World Bank and the IMF used their collective and significant influence to compel the Haitian government to open the country's economy to global capital and to eliminate import restrictions on goods and services (Dupuy, 1997; 2005, 2014). This had devastating consequences for the Haitian economy, even though in the initial phase of this process of liberalization some jobs were created in the manufacturing sectors. It destroyed agricultural production and increased Haiti's food dependency, particularly on the United States.

Prior to 1985, the Haitian economy was based primarily on agriculture. The agricultural sector employed about 70% of the active population and contributed 35% to the country's GDP (Arthur, 2002). By 1988, subsidized food from the U.S. invaded the Haitian market. For example, between 1986 and 1995, there was a dramatic increase in imports of rice from 5,000 to nearly 20,000 metric tons. This was also the case for sugar, coffee, and other agricultural products (Klarreich and Polman, 2012; Dupuy, 2014).

Before 1960, Haiti was self-sufficient in its domestic food production (Moral, 1961). The researcher is not arguing that the conditions were moderately positive as a significant part of the rural population lived in abject poverty. Yet, they were not massively migrated to other countries to escape poverty and food scarcity. The country began to suffer from declines in food production beginning in the 1960s, even though until the 1970s domestic production contributed to most of the country's food supply. By 1981, Haiti was importing 23% of the country's food supplies.

These figures doubled during the 1990s and tripled in the 2000s. During the last decade, about 80% of the rice consumed in Haiti was imported from the United States (Dupuy, 2014).

Beginning in the 1980s, the average cost of imported food began to drop below that of locally produced food. Faced with lower-priced competition, Haitian peasants could no longer compete with food imported from the United States. This left them with two choices: leave the country altogether or migrate to urban areas (Charles, 2002).

Many Haitian peasants sold their land and joined an exodus from the country as waves of migrants many using small and fragile boats sought to immigrate to the United States. According to U.S. Immigration and Naturalization Service (INS), an estimated 95,000

Haitians immigrated to the United States during the early 1980s. Thousands more perished at sea as they desperately tried to join other undocumented migrants (Charles, 2002). Other farmers abandoned their land and many of them migrated in masses to Port-au-Prince, in search of manufacturing jobs.

This rural-to-urban migration led to a process of depeasantization as rural residents who were unable and unwilling to migrate overseas overwhelmed the cities and swelled their slums. The process of depeasantization was so significant that it exceeded the capacity of the growing manufacturing sector to absorb the vast majority of the displaced peasants. This confirmed McMichael's argument that "depeasantization does not itself create a global labor force; it simply swells the ranks of displaced people lacking needs of subsistence and needing wage work" (McMichael, 2020).

In the early 1980s, the manufacturing industry in Port-au-Prince could employ only 60,000 people, though the population of the city rose substantially (Dupuy, 1997). In 1971, the population of Port-au-Prince was estimated to be 493,932 (Microtrends, 2020). In 1982, the population jumped to 763,188 (Microtrends, 2020). Thus, Port-au-Prince's job market could not nearly accommodate the rapid influx of job seekers. This rapid urbanization and depeasantization was, however, a new phenomenon in Haiti. Up until 1989, Haiti had the lowest ratio of urban to rural population in the Caribbean and Latin America. With a population of over 6.1 million people in 1990, only 25% lived in urban areas compared to 70% in Latin America (Arsht, 2014). This trend would reverse in the 1990s.

It is important to note that the destruction of agriculture also impacted the environment. As peasants could no longer compete with the imported food market, they began to cut trees for economic survival to produce charcoal, Haiti's primary energy source, to satisfy the energy demands of the rapidly growing urban population. This resulted in severe deforestation that caused excessive soil erosion and devastating floods. The latter has now become one of the most common weather-related catastrophes in Haiti (Singh and Barton-Dock, 2015).

The 1990s: The Weakening of the Haitian State

The implementation of neoliberal policies in Haiti accelerated during the 1990s. In 1991, the leftist Priest, Jean Bertrand Aristide, was democratically elected president of Haiti. Six months after he was sworn in, he was ousted from power by a military coup. After spending three years in exile in the United States, Aristide was returned to power by a U.S.-led multinational force. During the years of military rule following the coup, development aid and programs were put on hold, and an international economic

embargo was placed on Haiti. The embargo had severe, devastating consequences for the country's economy. It resulted in the closure of most of the factories and assembly industries in Port-au-Prince, and nearly all the workers were laid off. The country's GDP fell by 26% (Dupuy, 2014). This put the country in desperate need of overseas economic assistance.

President Jean Bertrand Aristide returned to office on October 15th, 1994. As the main condition of his return, "Aristide was compelled to accept the Emergency Economic Recovery Program (EERP) devised in Washington by a multinational task force of the IDB, the World Bank, the IMF, and the USAID" (Dupuy, 2014:57). The EERP was a reformulation of former neoliberal policies. Because of parliamentary opposition and widespread protests, Aristide was not able to implement the policies. As a result, the international community withheld aid to his government but increased NGO funding.

In 1996, René Préal, Aristide's former Prime Minister, became president. He found himself in desperate need of international aid¹ and was pressured by the IFIs to implement the EERP. In October 1996, Préal agreed with the World Bank and the IMF to undertake the following reforms: 1) reduce tariffs for foreign companies, 2) reduce the size of public services, 3) privatize state-owned enterprises, 4) grant tax benefits to private capital (for example, exempting it from taxation for three years), and 5) create enclave industrial areas (Pierre-Etienne, 1997:86).

This agreement was praised by the World Bank proclaiming "the government has made significant efforts to maintain macroeconomic stability, which need to be continued and strengthened" (Dupuy, 2005:61). By 1999, some major public enterprises were privatized, and international tariffs were either reduced or eliminated. The privatization of state-owned enterprises in Haiti was intended to open Haiti up to foreign direct investment for export production, but instead served to increase Haiti's dependency.

Many of the state-owned enterprises that were privatized were profitable, or potentially profitable, at the time of their privatization (Crémieux, 1996; Dupuy, 2005). For example, one company, Haiti Cement (Le Ciment d'Haiti) produced between 250,000 to 450,000 tons of cement per year before it was privatized. During

the 1980s, the company boomed, transferring about 42% of its profits to the public treasury. However, an embargo was placed on Haiti from 1991 – 1994, forcing it to close down.

The embargo on Haiti and the decision to lift it can be explained by a convergence of political and economic interests on the part of the United States. It was initially imposed for punitive political reasons but was rescinded under the imposed neoliberal conditionalities that drove U.S. foreign policy and that was agreed to by the government of Haiti. These imposed conditionalities provided U.S. investors with the opportunity to acquire profitable Haitian enterprises. A typical example is The Minotrie d'Haiti, a flour company that was forced to close in 1992 during the embargo. At the time the company was producing between 135,000 and 150,000 tons of flour per year and was highly profitable. Between 1980 and 1990, 90 percent of its profits were transferred to the public treasury. In June 1997, after the embargo was lifted, the company was sold to two U.S. multinational companies (the Continental Grain Company and the Seaboard Corporation) and to one Haitian company (the SNI Minoterie SA, a subsidiary of the UNIBANK, which is a private bank in Haiti). This was the typical fate of many other public enterprises that were sold under the Preval's Administration, during 1996 – 2001.

The purchase of local companies was a strategy employed by foreign interests to use their infrastructure as a springboard to gain control of the country's economy. This was achieved to the detriment of local workers who were laid off. Many of the acquired companies were closed and their sites were used as warehouses for imported food products. In 2001, because of its neoliberal policies, Haiti became recognized as one of the most open and liberal markets² in Latin America. The agreement to accept neoliberal policies by the Haitian government was partly secured through the withholding of badly needed aid, both under the Aristide presidency at the beginning of Préal's. Nonetheless, direct assistance provided to the Haitian government declined significantly even after the implementation of neoliberal policies. The IMF, the World Bank, and the United States instead shifted funding to NGOs. Marc Bazin, former Minister of Planning and Cooperation during the 1990s, wrote:

The liberalization effort has taken place virtually without a decent level of international aid and Haiti has paid a very high price for its foray into globalization, given, in particular, the inadequacy of human and physical resources, as reflected, in particular, in higher

1 International Financial Institutions forced President Préal to initiate the privatization process. The implementation of privatization policies was an essential condition for the release of economic aid. When, under popular pressure, he decided to put the privatization process on hold, aid promised to the Haitian state was frozen. This situation continued until the end of President Préal's mandate and throughout Aristide's second term of office (1997-2004). The privatization process did not resume until March 2004, under the leadership of President Boniface Alexandre and Prime Minister Gerard Latortue, who replaced Aristide after he was ousted from power. Under Alexandre's and Latortue's leadership, the privatization process resumed under the terms of the Interim Cooperation Framework (ICF), which was signed by major donors in Haiti.

2 Marc Bazin, Government Comments (B): English version p. 70-71. Marc Bazin was the presidential candidate that the US supported in the 1990 elections (that eventually led Aristide's election). Marc Bazin was a former employee of the World Bank. When Aristide returned to power in 1994, the US required that he nominate Marc Bazin as Minister of Planning and External Cooperation.

unemployment, reduced purchasing power, greater inequalities, and low per capita food production (Bazin qtd in Dupuy, 2014:62).

The demographic impact of Haiti's liberalization program was also significant as the process of depeasantization continued to accelerate. From 1995 to 2000, the greater Port-au-Prince area's population increased from 1,427,000 to 1,693,000 (Microtrends, 2020). This trend continued throughout the 2000s, at a rate of 75,000 people per year (World Bank, 2006). At the time of the 2010 earthquake, Port-au-Prince had 2,643,000 (Microtrends, 2020) residents, which represented 25% of the country's total population (Zanotti, 2010). Without formal employment, most of the population was earning their livelihood from the informal economy, which employed more than 80% of the Haitian workforce and relied on remittances from the Haitian overseas diaspora. Most public services at the time were being provided through NGOs.

My argument, thus far, is that neoliberalism produced depeasantization and destroyed domestic production of goods and services, and especially domestic food production. Haiti moved from food self-sufficiency to become dependent on imported food. Urban manufacturing was unable to absorb displaced rural labor, and this contributed to massive outward migration, dependence on the informal economy, and an influx of remittances from abroad. Neoliberalism also reduced the capacities of the government to cater to the needs of the population leading to dependence on NGOs.

Privatization was described by the International Financial Institutions (IFIs) as a recipe to strengthen macroeconomic stability, encourage private sector investment, and increase productivity. As the World Bank report, *Haiti: The Challenges of Poverty Reduction* (World Bank, 1998) stated:

Boosting private investment will provide the underpinnings of Haiti's future economic growth. A first important step will be the implementation of the capitalization program, telecommunications, electricity, water sector, ports, and airports. Privatization of these sectors would increase the productivity of the economy and provide a clear signal as to the Government's commitment to redefining the role of the state and set the economy on a modern course. The Government has made significant efforts to maintain macroeconomic stability, which need to be continued and strengthened (World Bank, 1998:7).

However, at the same time, the report highlighted the impact of such policies on the capacity of the state to invest in social programs for the poor. The Bank recommended that the NGO sector provide the services that were part of the functions of the state. The Bank wrote:

A huge challenge for the Haitian state will be increasing

resources allocated to the finance of social service provision. In education, health, water and sanitation, and family planning, Government should continue to leave the delivery of these services to the private and/or NGO sectors to the maximum extent possible, while the government itself strives to improve the regulatory framework, facilitate coordinated efforts among its activities, those of private actors, and the poor themselves. Limited government resources should be directed at programs that are targeted to the very poor, particularly those in rural areas which have been neglected in the past. Until the benefits of these longer-term investments in human capital are felt, the existence of targeted transfers and social safety net programs will continue to be important to the survival of the Haitian population (1998:7).

The benefits expected from the implementation of these liberalization policies have yet to be realized. Instead, poverty continues to persist in Haiti. The per capita income that was 632 USD in 1980 fell by 332 USD in 2003 (Verner, 2007). Haiti entered the decade of 2000s with disappointing GDP growth of 0.7% in 2000, followed by two years of negative growth of -1.04 in 2001 and -0.25 in 2001. There was a slight increase to a positive growth rate, which slightly bounced to 0.36 percent in 2003 (World Population, 2020). Extreme poverty remained. In 2001, 49% of the population, totaling 3.9 million people, was living under conditions of extreme poverty (Verner, 2007). These were the conditions at the time when NGOs had begun to take over almost all government services.

The proliferation of NGOs

The proliferation of NGOs in Haiti occurred in two waves. The first wave occurred during the 1980s. It was triggered by humanitarian concerns and concerns over government corruption. The second wave occurred during the 1990s and 2000s. This wave was triggered by declines in state capacity as a result of the implementation of the neoliberal policies in Haiti. During this period, the proliferation became significant and produced a shift to complete reliance on NGOs.

The First Wave and the Increased Presence of NGOs in Haiti

NGOs have been providing services in Haiti since the 1950s. The Cooperation for American Relief Everywhere (CARE) and Catholic Relief Service (CRS) were among the first NGOs that began to deliver services in Haiti and were followed by a few Christian NGOs in the 1960s. During the 1970s and 1980s, the number of NGOs began to increase in Haiti (Pierre-Etienne, 1997; Pierre-Louis, 2011). In 1971, Jean Claude Duvalier became president of Haiti, succeeding

his father, Francois Duvalier. The young president pledged to engage the country in economic progress. While the beneficiaries of his policies were the political and economic elites, most of the population sunk into poverty, and many into starvation (Trouillot, 2000; Charles, 2002). This led to an eruption of food riots at the beginning of the 1980s.

The escalation of poverty and starvation attracted international attention, particularly in the wake of an exodus of Haitians attempting to migrate by sea during what came to be known as the “boat people crisis.” Many of them died in the attempt. This loss of human lives troubled the international public. Extensive media coverage of the situation led NGOs to increase their presence in Haiti, while the United States and European countries increased financial assistance (Pierre-Etienne, 1997).

Because of the Haitian government’s well-known reputation of corruption, the international community by passed the state and provided aid directly to NGOs for distribution to the people. In 1988, in their article, *The Challenge of Administrative Reform in Post-Duvalier Haiti: Efficiency, Equity, and the Prospects for Systemic Change*, Brinkerhoff and Goldsmith wrote:

Faced with a national administrative network that lacked modern skills and was riddled with corruption, most external agencies in Haiti in the 1970s and 1980s chose to work around the central administration, either by collaborating with NGOs or by setting up autonomous public bodies over which they could exercise close oversight (Brinkerhoff and Goldsmith, 1988:14).

The trend of bypassing the government continued, even after the fall of Jean Claude Duvalier in 1986. However, until the end of the 1980s, the number of NGOs operating in Haiti remained relatively low. According to the 1987 World Bank report, the number of NGOs in Haiti was estimated to be 300. More significant increases occurred during the 1990s.

The Second Wave and the Shift to a Complete Reliance on NGOs

In 1997, Pierre-Etienne published his book, *Haiti: The Invasion of NGOs*, to bring public attention to the increased presence of NGOs in Haiti. He estimated the number of NGOs working in Haiti at the time to be 800. During the 2000s, the proliferation increased significantly. By the time of the 2010 earthquake, the number of NGOs operating in Haiti had risen to roughly 10,000.³ (Klarreich and Polman, 2012; Kristoff and Panarelli, 2010), giving Haiti the second-highest number of NGOs per capita in the world following India.

The rapid increase of NGOs in the 1990s and the

2000s was symptomatic of a larger phenomenon. At the global level, international donors began to circumvent Third World country governments and to increase their funding for NGOs. The 1990s saw a sevenfold increase in NGOs’ official aid funding worldwide, from \$1 billion USD in 1970 to \$7 billion USD in 1990 (Ahmed and Potter, 2006). As funding was funneled into NGOs, their global presence rose rapidly, from 6,000 NGOs in 1990 to an estimated 60,000 in 1998 (Riddell, 2007).

Two fundamental underlying reasons can explain the increase in official aid to NGOs and the global increase in their numbers: an international debt crisis and the neoliberal policies that began to be implemented in the 1980s.

As a response to a significant increase in the amount of foreign and national debt held by countries in the global south, the IFIs imposed structural adjustment regimes on indebted countries under strict conditionalities that had the effect of significantly changing state social priorities (McMichael, 2020). NGOs were seen as alternatives to the state because it was argued that they are more cost-effective and more capable than the state in reaching out to the poor (Lewis, 2003; Ahmed and Potter, 2006). With neoliberal policies demanding a rolling back of the state’s, NGOs became compelled to fill the gap (Drabek, 1987; Galway et al., 2012; Schuller, 2009).

The increase of NGOs in Haiti followed a global trend spurred by neo-liberalization. Its implementation in Haiti in the 1990s led to the almost total collapse of the state and a heavy reliance on NGOs. As the country came to rely almost exclusively on NGOs, they became increasingly influential players in its political economy.

NGOs in Haiti: The construction of a parallel state

Scholars such as Aiwa Ong, James Ferguson, and Michel-Trouillot in the wake of neoliberalism have questioned the constitution of the state and its relationship to national governance. Particularly, Trouillot (2001) has observed in the context of globalization that the state has become fragmented and diffused. Trouillot’s argument is not an absolute assertion that national governments are no longer relevant. However, their functions have been transformed into the service of global capital as they provide the necessary legalities and authorize the presence of transnational processes and practices. “State effects” are made possible through the national government apparatus, as well as, particularly in the

³ The Haitian government has no control of the number of NGOs in the country. Most of the NGOs are not registered. Only about 500 NGOs are currently registered in the Ministry of Planning, the government entity in charge of regulating NGOs in the country.

global south, through powerful international institutions. Hintzen defines state effects as follows:

The actual effects of the processes and practices of power on the material lives of people and on their subjectivities, exercised either directly in the deployment of the technologies of global power or indirectly through the authority of the national apparatus of governance (Hintzen, 2018:185).

When taking into account the increased relevance of NGOs in the global south as it relates to fragmentation of the state power, the question then pose is: What is left to the role of the state in developing countries?

To begin to answer, the author would like to point to the shift in the architecture of aid and the way this has deeply changed the mission of NGOs during the last two decades. After World War II and until the 1970s, the mission of NGOs was fundamentally humanitarian (Riddell, 2007, Pierre-Louis, 2011). By the 1980s, however, they began to engage in other activities, including development. Kim D. Reimann, in his 2006 article *A View from the top: International Politics, Norms and the Worldwide Growth of NGO*," notes that before 1988, only six percent of World Bank development projects were implemented through NGOs. By early 1990, this number rose to 30%. During the late 1990s, 50% of the World Bank projects were implemented through NGOs (Reimann, 2006:49). With the UN reductions of poverty agenda and sustainable development goals, NGOs have become even more engaged in development and poverty reductions. Increasingly, funders and development agencies are shifting their funding allocations to NGOs (Reimann, 2006).

In Haiti's case, as neoliberal policies became more extensively implemented during the 1990s and early 2000s, aid increasingly shifted to NGOs. This shift increased their relevance and influence in such a way that some scholars, most notably Schuller (2009, 2012), have portrayed them as functioning as a "parallel state." In his book, *NGOs in Haiti: Killing with Kindness*, Schuller makes his observation:

The earthquake exposed the weakness of the state. . . . The state has no ability to prevent the disaster or coordinate the relief efforts. The government had been weakened since the mid-1990s by donor's policies of giving their aid directly to NGOs. Even before the earthquake, more than 80% of the health clinics and 90% of schools were private, run by individuals, missions, and NGOs—particularly the large food distribution agencies like World Vision, CARE (Cooperative for American Relief Everywhere), or Catholic Relief Services became parallel states, even marking off territory into their area (Schuller, 2012:6).

There is a great deal of discussion about the relevance of the state in the age of globalization as mentioned earlier. The Haitian anthropologist Michel

Rolph Trouillot has attempted to explore the transformational role of the state during the last decades. In his seminal work, *The Anthropology of the State in the Age of Globalization: Close Encounters of a Deceptive Kind*, Trouillot distinguishes the state from the national government. He depicts the state not as a site or an apparatus of government, but rather as a "set of processes and practices" (Trouillot, 2001:130). Based on his unconventional approach, he points out what he identifies as a displacement—a move away from the national power in the age of globalization. He argues that state power is diffused and transferred beyond the site of national governments as other institutions began to act in a state-like manner. Trouillot writes, "state like processes and practices also obtain increasingly in nongovernmental sites such as NGOs or trans-state institutions such as the World Bank. These practices in turn, produce state effects as powerful as those of national governments" (Trouillot, 2001:130).

Ferguson (2006) makes a similar observation in pointing to the emergence of new forms of government through NGOs and transnational networks. In the case of Africa, Ferguson points out that humanitarian organization such as Oxfam, CARE, or Doctors without Borders perform state-like functions (Ferguson, 2006). He argues that those organizations do not replace the state, which has far from disappeared. He affirms that they act unquestionably in a state-like manner in many aspects. Trouillot (2001) further affirms that nongovernmental sites such as NGOs or trans-state institutions such as the World Bank produce state effects that are even more powerful than national governments.

If a question is place in the context of the heavy presence of powerful NGOs in developing countries, and thus transnational corporations, the IFIs, and bilateral control of their economies and other multilateral presences, it is no exaggeration to assert that the national government in many developing countries has become a "shadow state."

The concept of "shadow state" was used initially by Reno (1999) to reference the way officials in the weak states of Africa gained power through concealed alliances with warlords, arms traders, and multinational firms, instead of through more formal processes used by Western democracies (Reno, 1999; Ferguson, 2006). In a general sense, the word "shadow" describes a doubling—a copy of something real (Ferguson, 2006:16). Likewise, and for the same reasons Schiller and Fouron (2001) considers Haiti to be an apparent state, which implies that the primary functions of governance are other powerful forces such as influential international NGOs.

NGOs cannot replace the state. Whether a shadow or an apparent entity, the national government will continue to be consequential in many aspects as it continues to maintain what Hintzen calls "strategies for regime survival" through the use of ideology, patronage,

control, and coercion (Hintzen, 1989:10-12). Regimes use the national apparatus of governance to control many functions such as the military and police, constitutionality and legality, legislation, the judiciary, etc. My argument is that, as a consequence of neoliberalism, some processes and practices that were formerly the purview of state function has been taken over, for reasons discussed above, by other entities, both local and international.

In the case of NGOs in Haiti, they have not replaced the state, but rather see them as parallel structures that perform certain state functions that have been abandoned because of the state's inability to cater to the needs of its population. The author characterizes the NGOs in Haiti as a parallel state. Such considerations have political and economic implications. Among these, the most important ones are related to the reality that: 1) NGOs have more access to international transfer than the Haitian state, 2) they provide more services than the state, and 3) they exercise considerable influence over the government.

NGOs have more capacity than the state

The access to international transfers of funds by NGOs in Haiti has increased since the 1990s, when international donors decided to fund them directly, bypassing the government. This trend has continued into the 2000s, persisting after the 2010 earthquake. In 2004, USAID pledged 1.2 billion USD to Haiti, the vast majority of which was disbursed through NGOs (Hallward, 2007). At the International Donors' Conference after the earthquake, donors pledged \$5.3 billion USD to Haiti to be disbursed in two years but only one percent of the fund was channeled through the national government (Klarreich and Polman, 2012).

NGOs provide more services than the state

Due to the large sum of money at their disposal, NGOs provide services that would otherwise be provided by the state. Before the 2010 earthquake, 72% of Haiti's basic health care services were delivered by NGOs. They also provided eighty percent of primary education, sanitation, and water provision (Hallward, 2007; International Crisis Group, 2009; Zanotti, 2010). NGOs also operate in agricultural, infrastructural, and housing sectors. Finally, NGOs are reaching out to people in remote areas of the country where there is no governmental presence at all. In those areas, they engage through community organizations and act in a state-like manner.

The national government is complicit in this reality. It serves the political and economic interests of the governing elite benefiting from NGOs and supports their role in the production of state effects. The national

government is relieved from the burden of catering to the needs of the population. This same argument can also be made for remittances. Recent governments in Haiti have been able to mobilize the country's overseas communities to send remittances. These exceed foreign exchange earnings from foreign direct investments, foreign aid and grants, and export earnings. Members of the diaspora organize themselves to help their communities and intervene where the national government failed to. And the national government has simply adapted to this reality.

NGOs exercise considerable influence over the government

With budgets bigger than those of the government, NGOs exercise considerable influence over the government. Following the earthquake, with billions of dollars of reconstruction aid, NGOs constructed a powerful structure of operations and intervention. Many government projects have been oriented and financed by NGOs.⁴ They decide what their priorities are, and the domain and length of their intervention. They self-evaluate their projects, and decide for themselves how, where, and when to allocate funding. They are also accountable to donors who have the ability to withdraw their funding and investments.

The stage was set even before the earthquake. Pierre-Louis (2011) in his article "Earthquakes, Nongovernmental Organizations, and Governance in Haiti," reports that even before the earthquake, for every ministry there was a parallel NGO that executed programs and projects. Decisions were often made on the type of projects to finance without the Haitian government's knowledge and consent. Pierre-Louis indicates (2011) that in 2017, for example, USAID, one of Haiti's biggest donors, distributed funds directly to NGOs and assigned specific NGOs to specific ministries to execute specific projects.

There is a case to be made that an NGO also has a vested interest in catering to the needs of its own officials and institutional needs. It also contributes to the production and reproduction of domestic elite. It provides the latter with significantly more prestige, income, and authority than working for the government. It exercises influence and power, grants access to visas, and offers opportunities to travel and to participate in relevant meetings in diverse countries. NGOs' offices are better equipped than governmental offices. Their employees work in spaces similar to those in the Western industrialized metropolis. They enjoy all the amenities, including air-conditioning, computers, and Internet access. NGO officials often have chauffeurs, drive nicer vehicles, and earn better salaries than their government counterparts. NGOs hire the most educated people in the country, and those well-paid employees represent what Schuller (2009,

2012) calls the “NGOs class,” a group of high-income earners who are benefiting from privileges that are not accessible to the majority of the Haitian population. This class comprises not only Haitians but also international workers and organizational officials from countries in which they are headquartered or where their donors are located. They live in large modern houses in wealthy areas of Haiti. This is because they are donor-dependent (Pierre-Louis, 2011) upon funders integrally tied to the U.S., Canada, and Union European economies to which their job security is tied. The interests of the countries in which they are located are not necessarily paramount.

Furthermore, they form an integral part of the neoliberal agenda and its imperatives. This may explain, partly, why NGO projects often address the symptoms of problems instead of the structures that produce them. They may have a vested interest in their perpetuation.

CONCLUSION

In this article, the author critically examines the literature with respect to the political and economic factors that contribute to Haiti's heavy reliance on NGOs. While the problems engulfing Haiti long precede the implementation of neoliberalism, He argued that neoliberalism exacerbated poverty, inequality, and many other endemic sociopolitical conditions that thwarted the country's development. Particularly, He emphasized that neoliberalism disrupted an economy that was based on domestic production and local public and private ownership. The result was depeasantization as well as foreign ownership and control through policies of liberalization. The latter reduced state capacities and capabilities which led to dependence on NGOs to perform a function that was previously assumed by the national government. This was in keeping with global processes linked to transnationalization.

Haiti was particularly and especially vulnerable because of the influence of external factors even before the implementation of neoliberalism. It was also rendered vulnerable because of a history of corrupt governance that catered almost exclusively to the interests of an upper strata linked to Western and, particularly, American capitalist interests.

CONFLICT OF INTERESTS

The author has not declared any conflicts of interests.

⁴ For more information, see a list distribution of USAID funding to NGOs working in Haiti in 2007, with the type of the projects and the parallel government ministries they work with, and the amount of funding that they received (Pierre-Louis, 2011:194-95).

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