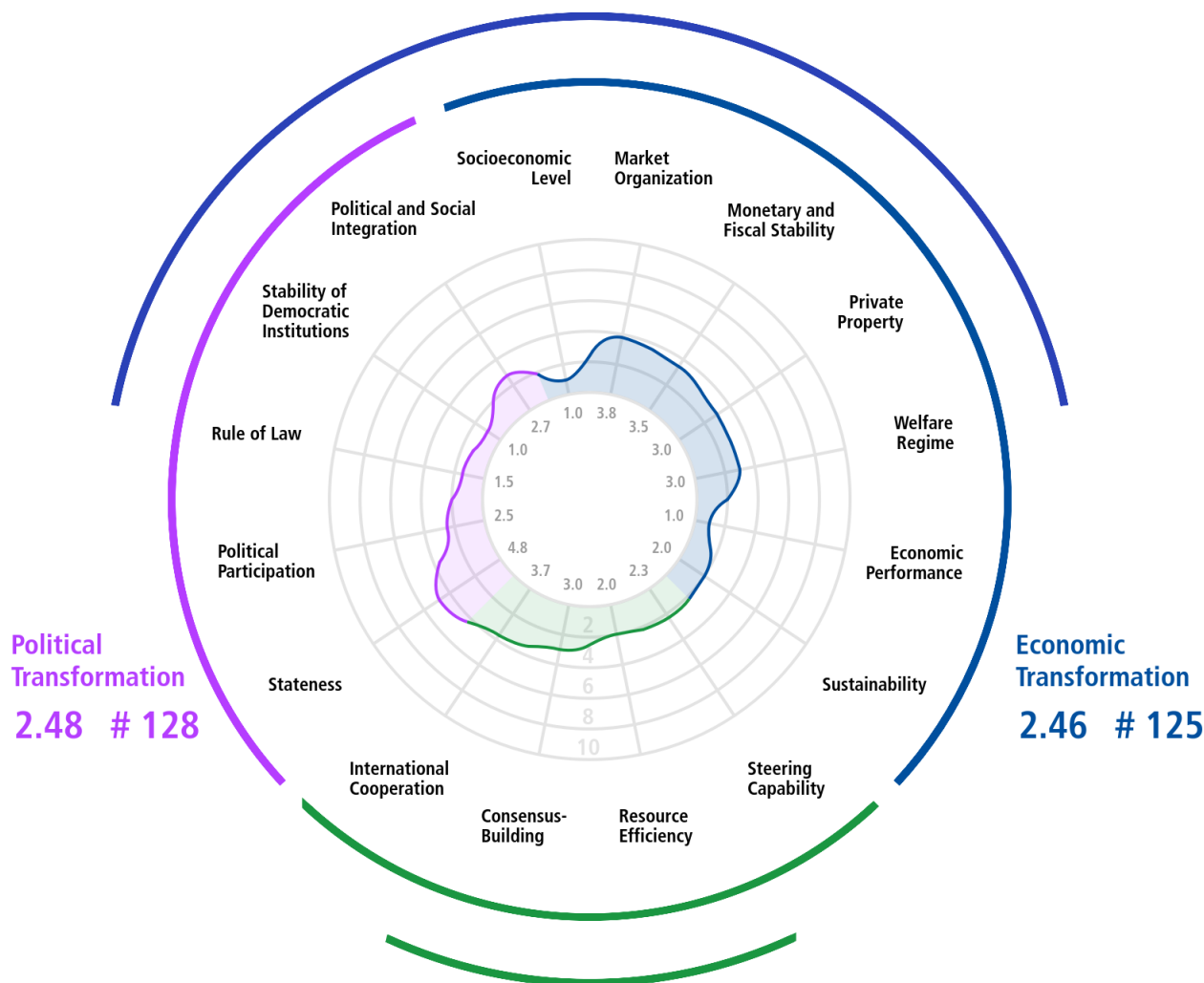


# Haiti

## Status Index

**2.47 # 127**

on 1-10 scale out of 137



**Political Transformation**  
**2.48 # 128**

**Economic Transformation**  
**2.46 # 125**

## Governance Index

**2.62 # 121**

on 1-10 scale out of 137

This report is part of the **Bertelsmann Stiftung's Transformation Index (BTI) 2024**. It covers the period from February 1, 2021 to January 31, 2023. The BTI assesses the transformation toward democracy and a market economy as well as the quality of governance in 137 countries. More on the BTI at <https://www.bti-project.org>.

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## Contact

Bertelsmann Stiftung  
Carl-Bertelsmann-Strasse 256  
33111 Gütersloh  
Germany

### **Sabine Donner**

Phone +49 5241 81 81501  
[sabine.donner@bertelsmann-stiftung.de](mailto:sabine.donner@bertelsmann-stiftung.de)

### **Hauke Hartmann**

Phone +49 5241 81 81389  
[hauke.hartmann@bertelsmann-stiftung.de](mailto:hauke.hartmann@bertelsmann-stiftung.de)

### **Sabine Steinkamp**

Phone +49 5241 81 81507  
[sabine.steinkamp@bertelsmann-stiftung.de](mailto:sabine.steinkamp@bertelsmann-stiftung.de)

**Key Indicators**

Population	M	<b>11.6</b>	HDI	<b>0.535</b>	GDP p.c., PPP \$	<b>3305</b>
Pop. growth <sup>1</sup>	% p.a.	<b>1.2</b>	HDI rank of 189	<b>163</b>	Gini Index	<b>41.1</b>
Life expectancy	years	<b>63.2</b>	UN Education Index	<b>0.455</b>	Poverty <sup>3</sup>	% <b>58.0</b>
Urban population	%	<b>58.8</b>	Gender inequality <sup>2</sup>	<b>0.635</b>	Aid per capita \$	<b>82.7</b>

Sources (as of December 2023): The World Bank, World Development Indicators | UNDP, Human Development Report 2021-22. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.65 a day at 2017 international prices.

## Executive Summary

On July 7, 2021, President Jovenel Moïse was assassinated in his residence. Since then, the political and security crisis has severely deteriorated against a backdrop of ongoing negotiations to re-establish a democratically elected government. Prime Minister Ariel Henry – appointed by Moïse two days before his death – took office on July 20 and swore in a new cabinet in late November 2021. The interim government has been negotiating the prospects for new elections with opposition groups. On August 30, 2021, a broad coalition of civil society members and political groups, known as the Montana Accord (Bureau de Suivi de l'Accord de Montana, BSA), proposed a two-year interim government. The goal of this government was to establish stability and oversight until new elections could be held. The signatories of the accord rejected Henry's government and held elections on their own terms in early 2022. However, Henry's administration rejected those elections. The most recent round of negotiations, which took place in early March 2023 shortly after the review period, between the Montana Accord and the parties associated with Henry's government, also concluded without success.

On September 11, 2021, Henry signed an agreement with 20 main parties and civil organizations for “peaceful governance” to establish a transitional government to serve until the next elections, initially foreseen for the end of 2022. In the same month, the Control and Monitoring Authority was formed to validate the government's decrees, and a new cabinet was installed to implement the agreement. Over a year later, in December 2022, after consultations with political leaders, CSOs and private sector members, the government signed a new consensus, the National Consensus agreement, which rescheduled elections for 2023 and the inauguration of the new government for February 2024. It also established the High Transitional Council (HCT) to carry out the tasks of revising the constitution, forming the Provisional Electoral Council (CEP), and strengthening the judicial system, and the Body for the Control of Government Action (OCAG) to ensure compliance with good management and transparency in public governance. The opposition negatively assessed the conclusion of this agreement and the installation of the HCT members.

Amid failed political agreements, the security and economic situation have continued to decline. An intensification of gang warfare throughout Port-au-Prince has caused many to flee their homes and live in makeshift shelters. Gang control has also expanded beyond the capital into the suburbs and other provinces. The number of killings has soared. In October 2022, amid the fuel shortage crisis set off by the elimination of fuel subsidies and gang control over the largest fuel terminal (Varreux), which had a disastrous impact on drinking water supply, Henry called for foreign intervention to stop escalating gang violence – an appeal rejected by many Haitians and the opposition. Instead, the United Nations imposed a sanctions regime (Resolution 2653) against Haitian politicians, including two of Henry’s ministers, and businessmen suspected of collusion with gangs and serious corruption.

The deteriorating security situation in the country is accompanied by an economic crisis marked by the continued depreciation of the gourde and skyrocketing prices for basic consumer products. Inflation levels reached 47.2% by the end of 2022, one of the highest in the country’s recent history. Additionally, Haiti is on track to experience a fourth consecutive year of negative economic growth. The government has been compelled to reduce social programs despite increasing poverty and growing food insecurity. Beyond this, Haiti endured devastating consequences from the earthquake in August 2021, resulting in the loss of approximately 2,000 lives. A resurgence of cholera – an infection associated with inadequate sanitation and limited access to clean drinking water – also occurred toward the end of 2022.

## History and Characteristics of Transformation

Haiti’s transformation process suffers from fragilities that have their roots in the country’s tumultuous history. The democratic movement that emerged in the late 1980s aimed to quell the country’s chronic instability by introducing new political norms and advocating for economic and social inclusivity. Unfortunately, this movement faced formidable challenges from anti-democratic forces, as evidenced by numerous coups and fraudulent manipulation of elections designed to obstruct the democratic process. Nevertheless, attempts to reinstate authoritarian rule have consistently encountered opposition from popular movements fueled by a desire for a better life.

The democratic movement of the 1980s culminated in the ousting of the Duvalier regime (1957 – 1986) in 1986, when Jean Claude Duvalier was compelled to flee due to widespread protests and pressure from the United States. In 1990, Haiti conducted its first free and democratic elections, resulting in the election of Jean-Bertrand Aristide, a former priest, as president in early 1991. However, a coup d’état disrupted the democratization process, forcing Aristide into exile and ushering in a three-year military regime. In October 1994, Aristide returned from exile with the assistance of two thousand American troops deployed by the Clinton administration in Operation Restore Democracy. In 1996, René Préval, a close ally of Aristide, assumed the presidency.

In 2000, Aristide regained power through contentious elections. Popular among the impoverished, Aristide implemented wealth redistribution measures and reduced privileges for the affluent. Faced with tough measures from the United States and international financial institutions, Haiti's fragile economy suffered multiple setbacks, making it increasingly difficult for Aristide to govern amid mounting political polarization. Following violent protests and an armed rebellion, Aristide was compelled to leave the country on February 29, 2004. Subsequently, the Boniface-Latortue transitional government (2004 – 2006) took power and invited the United Nations to deploy a peacekeeping mission. The UN Security Council authorized the deployment of a multinational interim force to restore stability until the arrival of a UN peacekeeping mission (MINUSTAH). In 2017, MINUSTAH was succeeded by a smaller UN mission (MINUJUSTH), tasked with reforming Haiti's judicial system. In 2019, MINUJUSTH was replaced by a UN monitoring program known as the United Nations Integrated Office in Haiti (BINUH).

During Préval's second term (2006 – 2011), in January 2010, Haiti was devastated by a catastrophic earthquake that claimed over 250,000 lives and made 1.5 million people homeless, severely damaging the country's already-fragile infrastructure. Amid this chaos, the international community insisted on holding elections in November 2010. The elections were marred by irregularities and violence, resulting in the election of Michel Martelly, a former singer, as president. In 2015, Martelly was unable to organize general elections for a smooth transition of power, leading to him relinquishing power to a provisional administration in February 2016. Haiti finally conducted elections in late 2016, with the Provisional Electoral Council (CEP) declaring Jovenel Moïse the winner with 55% of the vote. However, only 21% of eligible voters participated, severely undermining Moïse's legitimacy. Moïse assumed the presidency on February 7, 2017, but was assassinated in mid-2021.

Haiti operates under a free market economic system that relies primarily on small-scale subsistence agriculture, free trade, assembly industries, tariff liberalization and foreign exports. In the 1980s, Haiti embarked on economic liberalization and became a key partner in the Reagan administration's Caribbean Basin Initiative, transitioning from a partially state-dependent economy to an open system. This shift entailed the removal of protective import barriers and high tariffs, along with restructuring local production, particularly in the agricultural sector, which had to contend with subsidized agricultural products from the United States. Several structural adjustment programs were also implemented to foster private sector growth, albeit with limited success. Political instability, corruption and the government's failure to modernize infrastructure and legal systems have discouraged foreign investment and hindered economic growth.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

## Transformation Status

### I. Political Transformation

#### 1 | Stateness

The state's monopoly on the use of force is contested by gangs that have formed a federation called the G-9 Family and Allies against the Haitian National Police (PNH). While the gangs have a sophisticated arsenal at their disposal, the PNH is under-equipped and unable to guarantee citizens' safety against gang transgressions (e.g., kidnappings, rapes, assassinations). According to the United Nations Integrated Office in Haiti (BINUH), the actual ratio of active police officers to population is 1.2/1,000 which is far below the United Nation's standard (2.2/1,000). Moreover, the PNH's workforce is deteriorating, affected by an increasingly high rate of desertions, dismissals and imprisonments. Police are also prime targets for gangs. Gangs murdered 150 officers between 2020 and 2022 and 14 more in January 2023 alone. Nine police stations were attacked in the Port-au-Prince metropolitan area. The police also suffer from increasing politicization, and some members have direct ties to gangs.

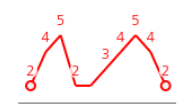
Currently, gangs control several neighborhoods in the capital, including the whole metropolitan area, including the neighborhoods of Martissant, Carrefour-Feuilles, Cite Soleil, Village de Dieu, Delmas and Bel-Air. Gangs also have control over the roads to several departments, including four through the blockade of Martissant, and to Centre, Artibonite (considered the breadbasket of the country) and the international road that leads to Haiti's border with the Dominican Republic. Part of the administrative city containing parliament and the Public Prosecutor's Office is also under their control. In recent months, gangs have extended their influence to neighborhoods that were previously considered relatively calm, such as several middle-class ones. The situation has deteriorated even further in 2023.

Question  
Score

Monopoly on the  
use of force

2

'06 '24 10



The conditions for the emergence of the Haitian State have given it an anti-slavery, anti-colonial and anti-racist character. All the constitutions promulgated by the Haitian State have enshrined these values. The large majority of the population accepts the nation-state as legitimate. However, from the moment of its foundation, the new state was marked by a fracture between the urban elites and the rural communities, between the French language spoken by a minority of citizens and the Creole language spoken by all Haitians. This divide is expressed in social relations by the existence of a certain social disdain on the part of the elites and of resentment by those who feel excluded from society. Despite adopting the Creole language in the 1987 constitution as the country's second official language, all acts, laws, decrees, orders and court decisions are still published solely in French.

The Haitian State has failed to provide all citizens with civil status certificates and identity documents. Access to viable identity documents has been one of the main demands of the people since the beginning of the popular protests against the Duvalier regime. President Moïse's program to distribute identity documents failed, as it was marred by multiple irregularities.

The Haitian State is secular, although Catholicism was for a long time the only official religion and the Catholic Church enjoys privileges originating from the 1860 Concordat signed between the government and the Vatican. The 1987 constitution recognized Voodoo as a legal religion before it became the country's second official religion in 2003. With this legal recognition, adepts of Voodoo can undertake legal activities previously reserved only for the Catholic Church. The Catholic Church's influence has greatly diminished to the benefit of the Protestant Church, which is considered closer to the working population. Other religions, such as Rastafarianism and Islam, are also on the rise.

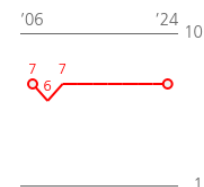
Though religion typically does not have a direct influence on politics, the Catholic and Protestant churches have played an important role as facilitators in negotiations to overcome political crises. In 2020, the Catholic and Protestant Churches also protested against the draft law on the new penal code recognizing LGBTQ+ rights and abortion, arguing that the draft was immoral and penalized discrimination based on sexual orientation. Their efforts were unsuccessful.

Haiti's physical infrastructure and services are concentrated in the capital and in a few provincial towns. In poor urban and rural areas, mostly international technical and financial partners and non-governmental and civil society organizations provide social services. The central government does not allocate sufficient resources for drinking water, health, education and electricity, and local authorities have few resources to meet demands for basic services.

According to the World Bank, only 0.6% of GDP is spent at the communal level; communal revenues account for only 1.7% of overall state revenues. According to Direction Nationale de l'Eau Potable et d'Assainissement de l'Eau à Domicile

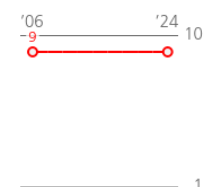
#### State identity

7



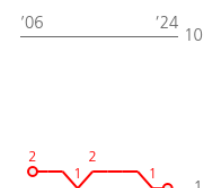
#### No interference of religious dogmas

9



#### Basic administration

1



(DINEPA), 55% of the population had regular access to potable water in 2022 (48% in rural areas and 68% in urban areas). Provision of electricity is irregular and subject to frequent breakdowns; 46.9% of the population has access to electricity, of which only 18% reaches rural areas. One out of five inhabitants does not have access to improved sanitation, and only one out of ten inhabitants has access to a solid waste collection system. More than one-third of the population has experienced high levels of food insecurity; in July 2021, 66% of households reported that they did not have enough to eat at least once in the previous month, according to the World Bank.

Transport services are inadequate, with 50% of the country's territory poorly connected. However, Haiti has made some progress in disaster risk management and civil protection. Compared to the management of the 2010 earthquake, the administrative structures were far more effective in managing the August 2021 earthquake that devastated the southern peninsula.

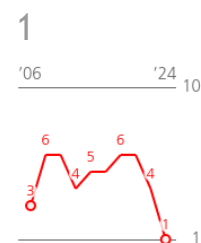
During the review period, the loss of territorial control to gangs further weakened the state's ability to provide basic social services. Blocking access to four departments in the south of the country for more than two years has isolated the inhabitants of these regions, making it harder for them to access basic services. Health services in the regions have also deteriorated, with hospitals unable to obtain medicine supplies. Provincial hospitals and schools remained closed for several months of the year.

The system of basic services, both in urban and rural areas, was further weakened by the fuel crisis that the country experienced between June and September 2022. With electricity production in the country depending on petroleum products for 86% of its output, the crisis negatively impacted services that depend on diesel-powered generators, such as drinking water, electricity and medical services.

## 2 | Political Participation

Haiti has a semi-presidential system, with the president elected for five-year terms and the prime minister appointed by the president with confirmation from the parliament. On February 7, 2017, Jovenel Moïse became president. However, the 2016 elections were marred by irregularities. Moïse was assassinated on July 7, 2021, and an interim government led by Prime Minister Ariel Henry – appointed by Moïse two days before his death – was installed with a cabinet of 10 out of 18 ministers from Moïse's administration. The Senate is supposed to include 30 members and its lower legislative chamber, 119; no seats are filled. On January 10, 2023, the tenure of the 10 remaining senators expired, leaving Haiti with no elected members in the Senate or house. As of January 31, 2023, Haiti is without any elected authority, as required by its constitution.

Free and fair elections





Currently, perhaps somewhat by “accident,” there are no elected political decision-makers. Irrespective of that, there are various powerful groups capable of vetoing the initiatives of those who may be democratically elected. Among these, the business sector has increased its power in recent years and is able to influence election outcomes through financial support and to impose its power on elected officials afterwards. Moïse’s campaign exposed the problem of state capture by increasingly powerful rentier networks, which control the public administration and short-circuit public policy decisions. The state’s financial weakness and its dependence on foreign donors, international organizations and NGOs reinforce this decline of effective power to govern.

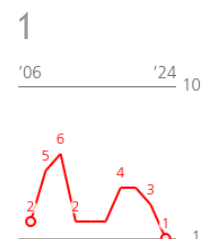
The 1987 constitution guarantees the right of association, assembly and freedom of expression. There are no prohibitions on independent political or civic groups or interference in their assembly. There have been several cases of intimidation of public protests organized by the opposition or movements critical of the government, and also of protests by government supporters.

Haitian law (Decree of July 23, 1987 on public meetings) requires anyone wishing to hold a public meeting or peaceful demonstration to notify the local police 48 hours in advance. The person who has notified the police of the demonstration is responsible for the proper conduct of the demonstrators and participants in the gathering. Accordingly, the government grants demonstration permissions. However, the government regularly permits the National Police to use lethal weapons to repress authorized demonstrations. The Moïse government made excessive use of the PNH to quell even the smallest demonstration against his regime, although the excessive use of force by police is strictly prohibited by an internal order of the PNH. Under the government of Ariel Henry, demonstrations and brutalities against demonstrators have decreased mainly due to gangs terrorizing the slum neighborhoods, where most of the demonstrations take place, and thereby preventing protests. According to the United Nations, 1,490 demonstrations, roadblocks and barricades were recorded in 2022, an increase of 35.5% over last year.

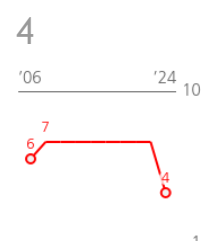
The constitution guarantees freedom of expression and freedom of the press. Journalism, particularly radio journalism, is rather robust and varied, which is the result of a long struggle during the Duvalier years. In 2022, Reporters Without Borders (RSF) ranked Haiti 70th out of 180 countries in terms of freedom of the press, pointing out a dangerous and precarious work environment for journalists given lawlessness and uncertainty, self-censorship, the 2017 defamation law and a lack of financial resources.

Since the 2000s, the media landscape has changed significantly. Today, only two daily newspapers exist, while there is a real proliferation of radio stations, television stations and especially online media, which represent the most widespread means of information. In September 2019, CONATEL (Conseil National de Télécommunications) counted 398 broadcasting stations on the FM band, about 60

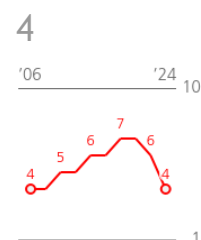
Effective power to govern



Association / assembly rights



Freedom of expression



community radio stations and 111 TV stations. However, CONATEL denounced the fact that many of the broadcasting stations were not operating legally and caused interference to the telecommunications system.

It is very difficult for journalists to access public information regarding public contracts and the execution of public works or audits. Journalists are also often confronted with government allegations of defamation, which restricts them from publishing reports on political figures. Investigative journalists are especially vulnerable. Threats against them have led to self-censorship and avoiding reporting on the involvement of public figures in drug and arms trafficking or corruption, for fear of reprisal. Nine journalists were killed in 2022, according to the Inter-American Press Association, a significant number for a small population of about 12 million. Some were targeted by gangs, and at least two were shot by police. Actors in the public sector usually enjoy impunity when violating freedom of the press.

### 3 | Rule of Law

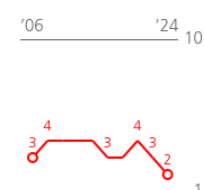
The constitution establishes the separation and balance of power between the executive, the two houses of parliament and the judiciary. However, both the head of state and parliamentarians have always sought to undermine the balance of power. Parliament has the means to oppose the claim of pre-eminence of the head of state, but not always with the goal of strengthening institutions. Under Moïse's government, the previous year's budget had to be renewed several times because the deputies refused to vote for the budgetary law submitted to parliament by the executive. During his presidency, Moïse appointed no less than seven prime ministers because parliament would not approve his candidates for the post.

The executive branch in Haiti has two significant levers that effectively grant it power over the other two branches: patrimonial control over the resources of the treasury and the authority to call the populace to the polls. This electoral power is outlined in the constitution and entrusted to the Permanent Electoral Council. Past presidents have not taken the necessary steps to establish this council due to concerns about losing influence over its composition, despite the fact that, by law, various stakeholders must be involved in the process of selecting council members. Overall, this situation jeopardizes the rule of law by providing an incentive for the president to delay elections and avoid renewing the parliament. The PHTK governments have frequently employed this tactic to postpone elections, ultimately consolidating unchecked executive authority. President Moïse employed this strategy until his death in mid-2021.

Under Moïse, the executive inserted itself into the judiciary's affairs. In February 2021, he unilaterally dismissed and replaced the three sitting judges of the Court of Cassation, despite their constitutional security of tenure. Additionally, the president failed to renew the terms of judges approved by the CSPJ (Cour Supérieure de la Police Judiciaire). Approximately 60 judicial positions remain vacant, making the courts dysfunctional.

Separation of powers

2



The judicial system is based on the constitutional provisions that define different jurisdictions. It is in a state of total dysfunction, plagued by corruption and objected to several arbitrary decisions by Moïse's government. Moïse's intervened in the judiciary to prevent the processing of multiple cases of corruption and assassinations in which government representatives were involved.

The Cour Supérieure des Comptes et du Contentieux Administratif (CSCCA), which is responsible for overseeing public finances, was restricted at the president's instigation in retaliation for the court's willingness to prosecute government officials for the misuse of PetroCaribe funds and other acts of corruption. Moïse criticized the CSCCA for its slow processing of public procurement cases submitted by the government and restricted the body's oversight function because the court released a report implicating Moïse in the spoliation of the PetroCaribe fund.

In February 2021, Moïse took action against Judge Yvickel Dieujuste Dabresil from the High Court of Justice. This move was prompted by the judge's engagement with the opposition, who had asked him to step in as a temporary president to counter Moïse's desire to extend his time in power. As part of his strategy, Moïse forced the retirement of court judges and hand-picked new judges who were aligned with his interests. He also declined to renew the terms of judges suggested by the CSPJ. This led to a situation in which 60% of judicial positions remained vacant, severely hampering the courts' functionality. Despite lacking the constitutional authority to appoint judges to the Court de Cassation, Prime Minister Ariel Henry proceeded to appoint eight new judges in February 2023, replacing those who had been removed by Moïse.

Impunity, which has a long tradition in the country, became widespread during the review period. As abuses of power have multiplied, it has become considerably more difficult to hold authorities accountable. During the review period, the Haitian Senate issued two reports on the misappropriation of PetroCaribe funds and established the responsibilities of high-level state officials. The reports were published by the CSCCA, which also issued a report on the misappropriation of PetroCaribe funds. In June 2021, the PetroCaribe investigation was suspended indefinitely, and the defendants' assets were released for lack of evidence. However, the judge did not explicitly acquit the defendants.

Prime Minister Ariel Henry has not appeared before the government commissioner in charge of the investigation into the assassination of President Moïse to respond to accusations of his involvement. Several ministers in Henry's government, including the minister of justice and the minister of the interior, have been implicated in arms trafficking scandals and kidnapping. Senators have also been publicly denounced for having close ties with gang leaders. None of these officeholders have been arraigned or prosecuted. Additionally, the judicial system has failed to follow up on numerous massacres in which police and senior public officials were implicated. Police officers frequently act with impunity when dealing with civilians, particularly during events such as demonstrations and while conducting arrests.

#### Independent judiciary

1

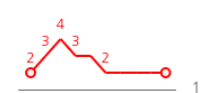
Year	Score
'06	10
'24	1



#### Prosecution of office abuse

2

Year	Score
'06	10
'24	2



However, since the beginning of 2023, some actions have been taken by the judicial and anti-corruption authorities against judges and former senators. On January 16, 2023, the Superior Council of the Judiciary published a list of 28 judges accused of corruption, possessing false academic credentials or lacking moral integrity. As a result, these judges were not certified to continue their roles. It's worth noting that no formal charges have been brought against these individuals, leaving open the possibility for them to potentially serve as judges in the future.

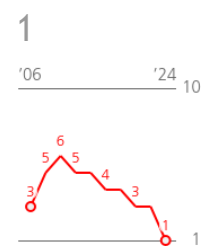
In early March 2023, the Anti-Corruption Unit (ULCC) submitted nine investigation reports on cases of flagrant corruption against eight former senators and a former director of the General Administration of Customs. The senators will not be able to participate in the next elections. The ULCC has formally requested that the judiciary prosecute those denounced in its report. To date, no authority accused of abuse of office, whether a member of the executive or parliament, has been brought to justice.

Civil rights are guaranteed by the constitution; however, access to justice is poorly protected, making it difficult for citizens to claim their rights in court. Poor citizens face discrimination in terms of access to justice, as judicial services are generally out of reach. Moreover, the courts use French, rather than Creole, and legal decisions and documents are in French, which effectively excludes most of the population.

With the deterioration of the security situation, protecting civil rights has become even more difficult. Haiti has ratified the CEDAW and Belém do Para Conventions on the elimination of all forms of discrimination against women and the achievement of gender equality. The security situation and the expansion of gangs in the country have, however, led to massive violations of the rights of women and girls, who are raped, kidnapped and killed by gangs. Between January and March 2022, BINUH counted an average of 98 victims of sexual violence each month. In August 2022, clashes between gangs in Cite Soleil resulted in 52 acts of sexual violence. Other clashes in the Croix des Bouquets area led to the gang rape of 40 women in November 2022. Multiple civil violations, even when they are well documented, are neither prosecuted nor punished.

Haiti has ratified the International Covenant on Civil and Political Rights, which guarantees the rights of nondiscrimination and equality before the law, but the country's poverty and the influence of religion in the formation of opinions influence its widespread intolerance of LGBTQ+ people. The Senate approved during the 50th legislature two anti-LGBTQ+ bills, one of which prohibits same-sex marriage.

#### Civil rights



#### 4 | Stability of Democratic Institutions

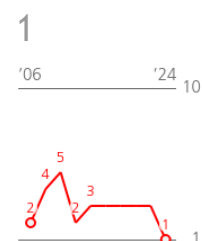
One reason for the poor performance of democratic institutions is the conflict between the two heads of the executive, the Presidency and the Prime Minister's Office. The president is the head of state, elected by universal suffrage, and the prime minister is from the party with a majority in the Assembly but appointed by the president. The history of conflictual relations between the two heads of the executive has been a factor in the institution's instability and counter-performance. Conflicts with the parliament over the appointment of the prime minister were the source of institutional crises during the presidency of Moïse, who appointed seven prime ministers in five years.

The president's interference in the judicial system has ruined his legitimacy in the eyes of the public and prevented him from playing his constitutional role. Corruption in the judiciary has also contributed to its poor performance.

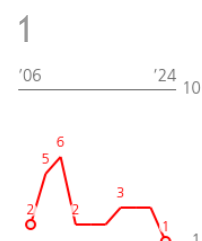
Political parties in Haiti are not actively contributing to the vitality of political life and the strengthening of democratic institutions. Instead, they often resemble groups associated with individual political figures that are able to exercise pressure and which lack a genuine social base. The disorderly and fraudulent nature of many of the country's elections has led citizens to doubt the credibility of election results, eroding their trust in the functioning of these institutions. Surveys conducted by LAPOP on the opinions of Haitian citizens regarding the performance of their democratic institutions consistently reveal a very low level of confidence in both the institutions themselves and the individuals in charge of them. Prime Minister Henry has inherited the institutional challenges left behind by Moïse, operating without clear performance requirements and lacking accountability to any overseeing authority. The mechanisms designed to maintain checks and balances are largely ineffective, if not entirely absent.

Currently, Haiti lacks functioning democratic institutions, primarily due to the absence of elections. This absence alone underscores the questionable commitment of most actors involved. This situation illustrates the extent to which politics in Haiti are a ruthless pursuit of power, where individual and group interests often supersede any consideration of the common good. Most democratic institutions are only weakly accepted as legitimate by relevant actors, whether political or economic elites. There are certain business interest groups, such as the Economic Forum (which is comprised of major import businesses), the Haitian-American Chamber of Commerce, the National Lottery Association and drug-trafficking networks, which aim to influence the selection of a government that can be easily manipulated to serve their own interests.

Performance of democratic institutions



Commitment to democratic institutions



## 5 | Political and Social Integration

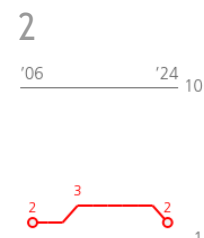
The political landscape is structured around two types of organizations: a first circle made up of parties such as ex-President Michel Martelly's PHTK, the party in power, the Lavalas Party and a set of parties and political organizations connected to the ex-President Préval's party, UNITÉ. These parties have various constituencies, although the dividing lines between them are not clear and representatives can be found changing sides. They have been able to exert their control over power for more than 30 years. They are all creations of presidents, a characteristic of the Haitian political landscape. Deputies and senators, although they nominally belong to parties, must, for several reasons, be approached as part of a special group of politicians. They straddle the party, business sector, gang network and their social bases.

Other political parties in Haiti typically emerge as ad hoc coalitions of politicians shortly before elections. These groups are usually led by a figure with some political renown, positioning themselves as part of the winning candidate's movement. They also actively engage in numerous rounds of political negotiations to secure appointments to public service positions. These parties have networks within society that they can mobilize during these negotiations, lending an appearance of legitimacy to the initiatives of the incumbent government. These parties lack a clear ideological vision for Haitian society that would define their role in political struggles. Their financial fragility makes them susceptible to capturing state resources in exchange for their support. Despite successive governments having announced efforts to enact a law on political party financing to enhance their independence, such endeavors have not yielded significant success.

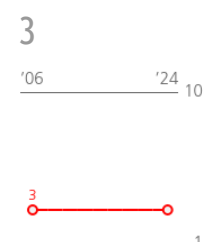
Various interest groups, like unions, represent several sectors of society (e.g., rural communities). These groups have, however, lost their influence in state affairs and dominance in sociopolitical struggles. They are victims of the transformation of the political system from parties with a strong popular base and populist orientation to new political actors who emulate an economic oligarchy. The dismantling and privatization of public enterprises as part of neoliberal policies contributed to the erosion of the power of these groups. The only unions active in the last two years are the textile companies' union and the transport union, which have participated in several large demonstrations and strikes.

Students did hold sporadic demonstrations, but they were violently suppressed by the PNH. Moreover, although professional associations are weak, they openly condemn kidnapping for ransom, as professionals were prime targets for gangs during the review period. Still, professional associations have little internal life or capacity for mobilization.

Party system



Interest groups



In summary, the most powerful interest groups in Haiti are those in the private business sector. In recent years, this sector has established several representative organizations through the numerous regional chambers of commerce and industry and bilateral chambers of commerce. These organizations are points of contact for international technical and financial partners in the country and actively engage in negotiations aimed at addressing the ongoing crisis. Still, their real strength lies, as observed during Moïse’s mandate, in the close ties they maintain with the presidency, deputies and senators and, for some, with the gangs.

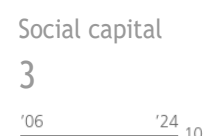
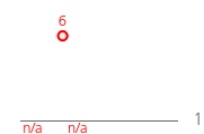
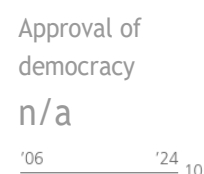
Since the fall of the Duvalier dictatorship, Haitians have continued to fight for the deepening of the democratic process. However, this has experienced many setbacks (rigged and contested elections, failure to respect electoral deadlines, failure to create the Permanent Electoral Council provided for in the 1897 constitution) and impacted confidence in democracy.

Support for democracy requires support for its institutions. While trust in elections has increased in the region, from 38% in 2018 to 42% in 2021, in Haiti it is 27%, at the bottom alongside Honduras and Colombia. Haitians display little pride in the political system, at 28%, alongside Brazil.

Only 37% of Haitians think the country is a democracy. For democracy to work well in a country it is not enough that trust in institutions be high, trust among citizens is equally important. In Haiti, 54% of citizens say they trust their fellow citizens. Given the crisis situation in the country and the proliferation of violence, this level of interpersonal trust is most likely on the decline. Compared to other countries in the region, Haitian citizens are less willing to sacrifice freedom of expression in order to obtain a minimum income from a political regime. This does not prevent Haitians from expressing their dissatisfaction with the democratic system.

Social capital has different meanings in rural and urban settings. In rural areas, the organization of mutual aid among peasants in agricultural work is based on relationships of proximity, interpersonal trust and good reputation. The role of social capital in promoting popular solidarity during the 2010 earthquake showed it can contribute to strengthening the resilience of the population, helping it to cope with the various shocks to which it was exposed and to compensate for the absence of the state in providing basic social services. However, the multiple shocks to which the country has been exposed in recent years have contributed to a weakening of solidarity networks and interpersonal trust. The spread of gang violence and the intensity of the mobility of people in a territory subject to a frantic pace of urbanization have weakened the old solidarity networks and reduced the scope of proximate interactions.

In urban environments, corruption networks and the practice of “passe-droit” in public administration are only possible if people make intensive use of social capital. However, according to LAPOP 2021, 54% of Haitians say that members of their





community are fairly or very trustworthy. The huge impact of gang violence during the review period has, however, damaged the social fabric considerably. Community trust has certainly deteriorated since the last LAPOP report.

## II. Economic Transformation

### 6 | Level of Socioeconomic Development

Haiti is ranked 163rd out of 191 countries in the Human Development Index in 2021, with a score of 0.535. According to World Bank estimates for 2021, the poverty rates are 87.6% (\$6.85/day), 58.7% (\$3.65/day) and 30.32% for extreme poverty (\$2.15/day). Haiti's Gini coefficient is 0.61, making it one of the highest in the world. The gender inequality index was 0.635 in 2021, which is also particularly high. These two elevated levels demonstrate the stark division within Haitian society, with a privileged economic elite controlling the formal sector of the economy, while the majority of poor people and actors engage in the informal economy, accounting for approximately 90% of employment. Women dominate the informal economy, which is characterized by very small production units with low profit margins, and are excluded from the bank credit system, government subsidy programs and public procurement. In rural areas, the subsistence economy relies heavily on small farms with low yields, which face competition on the domestic market from inexpensive agricultural imports.

In addition to structural factors that constitute heavy socioeconomic barriers and contribute to the reproduction of poverty among the vulnerable population (e.g., low access to basic social services, financial exclusion, prejudice against women in the labor market), the current crisis situation has reinforced socioeconomic barriers and created new ones. Due to the disruption of supply chains caused by gang occupations of the country's main roads, women merchants cannot go to the markets to sell their products. Women are also the main victims of inflation, as they are confronted by the fall in demand on consumer product markets where they sell their products.

Question  
Score

Socioeconomic  
barriers

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Economic indicators		2019	2020	2021	2022
GDP	\$ M	15016.1	14508.2	20877.4	<b>20253.6</b>
GDP growth	%	-1.7	-3.3	-1.8	<b>-1.7</b>
Inflation (CPI)	%	18.7	22.8	16.8	<b>34.0</b>
Unemployment	%	13.8	15.1	15.0	<b>14.8</b>
Foreign direct investment	% of GDP	0.5	0.2	0.2	<b>0.2</b>
Export growth	%	-2.1	-37.9	23.5	<b>2.4</b>
Import growth	%	4.7	-18.3	2.3	<b>4.9</b>
Current account balance	\$ M	-168.8	216.2	141.4	-
Public debt	% of GDP	25.4	22.0	25.6	<b>23.9</b>
External debt	\$ M	2213.9	2317.7	2604.1	-
Total debt service	\$ M	21.6	25.5	25.3	-
Net lending/borrowing	% of GDP	-	-	-	-
Tax revenue	% of GDP	-	-	-	-
Government consumption	% of GDP	7.2	7.3	7.5	<b>6.9</b>
Public education spending	% of GDP	1.8	1.4	1.8	<b>1.3</b>
Public health spending	% of GDP	0.4	0.4	-	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	0.1	0.2	0.1	<b>0.1</b>

Sources (as of December 2023): The World Bank, World Development Indicators | International Monetary Fund (IMF), World Economic Outlook | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database.

## 7 | Organization of the Market and Competition

The Haitian market comprises an informal sector estimated by the World Bank at 60% of GDP, along with a small, poorly regulated formal sector that is highly concentrated. Haitian firms are primarily young microenterprises with few employees and generally low levels of education. These firms exhibit a minimal level of managerial skills and productivity. While women entrepreneurs play a prominent role in the Haitian market, their businesses tend to be smaller than those owned by men. Additionally, women are less inclined to take risks than men, particularly during the review period, when acts of gang violence disproportionately targeted women.

Market organization

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Liberalization in the 1980s was accompanied by an institutional framework that guarantees competition, so the Haitian market remains highly concentrated despite the country's trade openness. Price setting is mainly determined by market forces, but the existence of monopolies and oligopolies in many markets for goods and services distorts the price mechanism.

The Haitian state does not impose any restrictions on the export of profits generated in the country or on the free movement of business personnel. The government has an incentive system for new investors in sectors such as agriculture but has had to eliminate certain subsidies and exemptions because of their negative impact on revenues.

Regarding currency convertibility, there is a structural scarcity of foreign exchange in the country due to the low level of exports, despite the high level of remittances from the diaspora. There is a system in place to channel foreign exchange to specific essential imports, such as fuel. The central bank has attempted to protect the gourde against the dollar by injecting dollars into the foreign exchange market, but these efforts have proven unsuccessful.

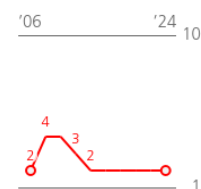
Haitian markets for goods and services are controlled by a minority of actors who enjoy monopoly and oligopoly positions. They use their parallel networks within the government to pay very little tax. In a World Bank study on competition in Haiti, a group of 17 families is singled out for their control over all the country's major markets for several decades. This explains why Haitian consumers pay the highest prices for goods and services in the region and why new investors, although interested in the Haitian market and eager to exploit its opportunities, are reluctant to invest in the country.

Haiti does not have a price control system. Instead, efforts to control prices appear to be arbitrary and are managed by the Ministry of Commerce and Industry through mobile brigades. Consumer associations face difficulties organizing themselves primarily due to financial constraints. Haiti also lacks a competition authority and is not a member of the International Competition Network.

Efforts to enhance the legal framework for trade and establish quality control services have waned due to a lack of political will, financial resources and qualified personnel. The initiative to create a competition law and establish a competition authority has not been pursued. The adoption of an anti-dumping law is crucial, considering the prevalence of anti-competitive practices in the import market for goods and services and their potential to hinder the development prospects of domestic production.

## Competition policy

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Haiti became a WTO member in 1996 and a GATT member in 1950. Its economy stands out as one of the most open in the Caribbean region. There is no discrimination between local and foreign companies in the country's legislation. As part of the structural adjustment policies embraced during the 1980s, Haiti extensively liberalized its economy by removing tariff and non-tariff barriers, while also opening up the market to agricultural products. However, this liberalization occurred without implementing any measures to enhance competitiveness, establish legislation to counteract the entry of cheap imports at dumping prices or create effective mechanisms to combat smuggling. Consequently, local production, particularly in the agricultural sector, has suffered considerably, as the country dedicates a significant portion of its foreign currency reserves to purchasing food products.

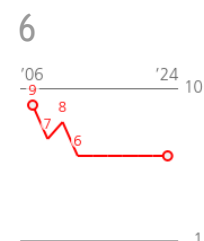
Haiti grants most-favored nation treatment to all of its partners. It is a member of the Caricom Community and Common Market. The country has ratified the revised Treaty of Chaguaramas, although implementation is pending. Similarly, the Caricom Common External Tariff has not been published in the Official Journal *Le Moniteur* of the Haitian State. Consequently, customs duties in Haiti are considerably lower than in Caricom countries.

Under the Generalized System of Preferences (GSP), Haiti enjoys non-reciprocal preferential treatment from several developed countries. Haiti has privileged access to various markets, with the United States and the European Union being the most important. However, the country is unable to fully benefit from this due to its restricted capacity for exports. Haiti has comparatively low customs tariffs, but importers face additional levies at the border, including verification fees, duties and contributions to local government management funds. These additional charges may surpass the consolidated duties.

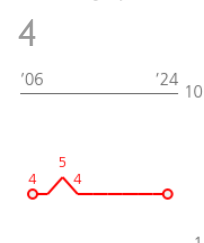
The Haitian government has a very liberal incentive regime but has had to reverse some of the benefits granted to investors because of the loss of revenue this incentive regime represents as a significant proportion of its GDP. At the last trade policy review of the country, these losses were equivalent to 4.1% of GDP. The country has proceeded with a tariff rearmament by imposing a 5% tariff on all products that were duty-free. Haiti applies a simple average most-favored nation (MFN) rate of 9.7% for agricultural products and 4.2% for non-agricultural products (a total of 4.9%).

The banking system is characterized by a high geographical concentration of banking institutions in Port-au-Prince and a dominance of the banking market by three banks – Unibank, Sogebank and BNC – which hold about 83% of the assets. The Bank of the Republic of Haiti (BRH) supervises financial banking institutions through its inspection and prudent standardization activities. The BRH has introduced a supervisory framework for the banking system based on the Basel principles, aiming to ensure that banks conduct their activities in a sound manner and that their capital is sufficient to bear the risks.

#### Liberalization of foreign trade



#### Banking system



The banks' portfolio is highly concentrated – about 70% of loans are monopolized by 10% of borrowers. Additionally, the banking system and capital market are poorly differentiated. All banks are controlled by the same tiny business elite. The intermediation function is parasitic, primarily benefiting speculation, causing an incoherence between the financial sector and the real sector of the economy.

Banks have shown an improvement in their return on assets (ROA), according to a recent central bank report (December 2022). The report highlights that the banking system's asset quality has deteriorated due to the sociopolitical crisis and the deteriorating business climate. As of November 30, 2022, the ratio of non-performing loans to gross loans reached 10.09%, compared to 6.67% as of September 30, 2022. Additionally, the ratio of provisions for credit losses, as a percentage of gross non-performing loans, decreased from 89.51% in September 2022 to 59.9% in November 2022. This decline signifies a reduction in the degree of coverage of the banking system against the risk of default by debtors in the sector. Consequently, the banking system's coverage against the risks of default by system debtors has worsened.

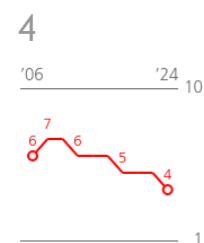
Another major challenge is the laundering of illicit funds. The proliferation of illegal trafficking, widespread corruption and incidents of kidnapping for ransom have contributed to the growth of Haiti's criminal economy, thereby placing the banking sector in a precarious position. The sector is tasked with implementing measures to combat these issues; however, there is a risk that foreign banks may decline to engage in business with Haitian banks. Currently, Haiti is listed on the Financial Action Task Force (FATF) blacklist and must begin adhering to control and transparency standards for financial transactions by March 2023.

## 8 | Monetary and fiscal stability

The monetary policy pursued by the central bank over the past five years in an economic context marked by negative growth rates for the fourth consecutive year (-1.7% in 2018/2019, -3.3% in 2019/2020, -1.8% in 2020/2021, -1.7% in 2021/2022) is highly controversial. The central bank has failed to curb inflation. At the end of January 2023, inflation reached the highest level in many years at 49.3%, according to the Institut Haïtien de Statistique et d'Informatique (IHSI). This meteoric rise in inflation can be attributed to the increase in world prices, the change in the exchange rate, the high levels of insecurity and the October 2022 fuel crisis. One main factor fueling price increases is the persistence of the budget deficit, which has been accommodated by the central bank.

The exchange rate has been particularly volatile. The massive injunctions implemented by the BRH on the foreign exchange market to slow down the depreciation of the gourde against the dollar did not achieve their objective. The BRH has made decisions to raise key rates and increase the coefficients on foreign currency

Monetary stability



liabilities. The central bank has justified these interventions in the foreign exchange market due to the adverse effects of weakening private transfers without counterparty, recorded in Haiti as of July 2022.

The Staff Monitoring Program signed with the IMF (SMP, 2022) obliges the BRH to provide guarantees related to limiting its interventions in the currency market and to mitigate excessive volatility in exchange rate fluctuations. It will also need to develop an appropriate, transparent mechanism for its interventions and continue implementing a digital currency project. Financing the budget deficit should be reduced to a level that aligns with low inflation.

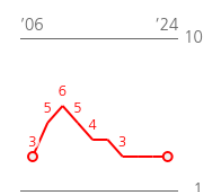
On the fiscal side, the budget deficit was estimated at 2.5% of GDP in 2021, with an energy sector subsidy share at about 1.3% of GDP. Haiti's tax revenue is 13% of GDP, the lowest in the region. Several factors have influenced the government's inability to raise revenue. The first is the loss of revenue to customs due to its capture by influential members of the business sector and their ability to circumvent their tax obligations. In addition, there has been a decline in economic activities due to the combined effects of the sociopolitical environment of gang violence, the fuel crisis, violent street demonstrations, strikes and the blocking of activities through the *peyi lòk* operation. The drop in tax revenue has impacted the state's ability to increase public investments. The government has made cuts in social programs despite increasing poverty and food insecurity, which affects 4.5 million people, according to estimates by the National Food Security Council (CNSA).

The national debt in 2022 was 23.06% of GDP, a slight decrease from 2021 when it was 24.23%. Government consumption in 2021 was 7.45% of GDP. The country's external debt was \$445 per capita in 2021, compared to \$274 in 2020. Net international reserves in months of imports were six months in 2021, compared to seven months in 2020.

The budget deficit has continued to grow in recent years. In 2022, the budget deficit – representing 6% of GDP – was financed by the central bank, despite the existence of a pact limiting its financing through increasing the money supply. Moreover, the government's capacity to collect taxes remains weak. In this, the implementation of a tax code in October 2022, the publication of a tax procedures book, a new customs code and the customs tariff are steps in the right direction. In customs, a clear increase in revenue can already be seen after the application of restrictive measures against members of the economic sector and against customs officials involved in smuggling and influence peddling. As a result of these measures, customs revenues in the first quarter of the 2022/2023 fiscal year almost doubled. The state has also ended several subsidies.

#### Fiscal stability

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## 9 | Private Property

The constitution guarantees private property and assigns the state the duty to protect and promote private entrepreneurship. According to the International Property Right Index (2022), Haiti ranks at the bottom of a list of 129 countries in terms of property rights, coming in at 127th. At the regional level, it ranks 20th out of 21 countries. Respect for private property has significantly declined in recent years. Attacks by gangs occur with impunity and target residences and business buildings, which are often burned down, resulting in the displacement of their owners. Additionally, stores and warehouses are regularly looted by bandits. In popular neighborhoods, inhabitants are systematically chased out of their homes and robbed of their possessions, while shopkeepers in markets are also targeted and robbed of their merchandise.

The most violent and concerning expression of these attacks on private property is the theft of land and land titles. Over the past decade, land theft has increased thanks to a coalition of gang members, judges, police and notaries. The creation of the Brigade d'Intervention Contre l'Insécurité Foncière (BRICIF) did not yield the expected results, as this institution was soon implicated in acts of corruption. Gangs' control over the Metropolitan Area of Port-au-Prince has enabled them to regularly carry out land occupation operations and steal from residential homes, resulting in disastrous consequences for the financial market and property owners who purchased their properties with bank credit.

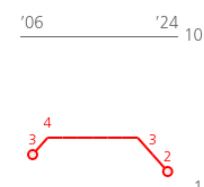
Certainly, this problem is not new to Haiti. Haiti's unique history has made the state the largest landowner in the country. It lacks a land registry system. This deficit is the root cause of several problems the country faces, including an unstable land tenure system, an increase in land conflicts and their negative impact on social stability, subpar agricultural investments that are usually short-term and not financially viable, and the inability to foster modern agriculture. Land instability has far-reaching consequences for real estate credit, the growth of construction firms, mortgage loans and the implementation of urbanization policies.

In principle, private enterprises can operate without restriction in Haiti. However, the country does not offer sufficient guarantees for the protection of private property and lacks effective arbitration and mediation mechanisms.

The entrepreneurial sector comprises 96% individual or family businesses, with 77% of these businesses engaged in the purchase and resale of mostly imported products. There are very few production enterprises. These enterprises face numerous difficulties as they operate within a regulatory framework that does not promote private investment. Additionally, they must contend with a market dominated by anti-competitive practices. The Business Support Services, introduced by the Ministry of Commerce and Industry, have not significantly affected this situation. Firms still

### Property rights

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### Private enterprise

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receive minimal credit from the financial system and still lack management, marketing and accounting skills. The presence of foreign companies is extremely limited. A census conducted by the Ministry of Commerce and Industry revealed that only three out of every 1,000 enterprises were owned by foreign investors.

The state has developed support programs to facilitate the access of Haitian companies to regional and international markets and to make it easier for them to obtain credit. However, the country's dual economic and political crisis, which has persisted for years, has caused these to be interrupted. A serious hindrance to the expansion of private investment in the country is Haiti's poor integration into the global network of major shipping lines. Additionally, the costs of port operations in Haiti are the highest in the region.

During the period under review, there was no privatization of public enterprises, but the operation of former publicly owned enterprises indicates the problematic practices developed by many of these entities. The public is not informed of the financial performance of the privatized firms. Privatized through a public-private partnership, the Haitian state is expected to receive dividends and taxes from these firms. However, these firms accrue debts to the state and do not fulfill their tax and dividend obligations.

## 10 | Welfare Regime

There is almost no welfare regime in Haiti. The social safety net is extremely rudimentary, fragmented, limited in reach and underfunded. Public expenditure on health in Haiti is relatively low, averaging around 0.5% over the past decade. However, international aid and private expenditures significantly increase this percentage. Life expectancy in Haiti is considerably the lowest in the region, 64.3 years in 2020.

Four institutions form the backbone of the welfare system: Office Assurance Vieillesse (ONA), which provides benefits to employees of private establishments, Office des Accidents du Travail, de la Maladie et de la Maternité (OFATMA), which depends on the Ministry of Social Affairs and Labor (MAST) and provides insurance against work-related accidents and disability to workers in the private and public sectors, the Directorate of Civil Pensions (DPC), and the CAS, which caters to the poorer segments of the population. The CAS provides personalized social assistance to the needy, distributes food kits and subsidizes communal asylums.

These institutions face governance problems, weak financial means and corruption scandals. Additionally, the contributory part of this system targets a very small clientele – people who have a job and represent only 10% of the population. The country has the lowest level of net safety transfer in the region. The rural poor, who make up almost 70% of households and are considered chronically poor, are the most

Social safety nets

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excluded from basic services such as clean drinking water, sanitary waste management and access to health care. Family and community networks function as the only reliable safety net in rural areas. The largest contribution to social welfare comes from the significant Haitian diaspora through remittances. Development partners for Haiti play a crucial role in financing safety nets and providing education, health care and nutritional support, but they lack coordination.

The constitution contains provisions to promote respect for the economic and social rights of citizens and to inspire programs that correct inequalities in treatment. However, these values have limited influence on public policy. No special legal framework, apart from general provisions, has been established. Women have long experienced widespread gender discrimination. Violence against women, girls, people with disabilities and LGBTQ+ people represents the most severe form of discrimination. Due to a history marked by significant social divisions and institutional mechanisms that exclude the majority of the population, rural communities and residents of poor neighborhoods face the greatest disadvantages in accessing equal opportunities.

Gender is a significant risk factor for living below the poverty line. Historically, women have never occupied more than 6% of the seats in the two official legislative chambers. Additionally, there is a lack of public programs or initiatives aimed at increasing gender equality. Haiti has a Ministry of Women's Condition and Women's Rights; however, it suffers from inadequate funding, preventing successful implementation of proposed legislation. Furthermore, despite a constitutional amendment in 2012 mandating that 30% of public offices be held by women, no subsequent action has been taken to enforce this provision.

Women receive an inferior education compared to men and face employment limitations. In 2021, the Gender Inequality Index ranked Haiti among the worst globally at 0.635. The literacy rate in Haiti is approximately 65.3% for males and 58.3% for females. Although there are no recent enrollment data available, 27.9% of women and 41.0% of men have received at least some secondary education. The female labor force accounted for 48.2% of the total labor force in 2021 but is primarily concentrated in low-skilled (informal) employment. Haitian women's wages are, on average, 32% lower than those of men. While 62% of female-headed households in rural areas live below the poverty line, the percentage for men is 54%. The incidence of gender-based violence is a significant contributing factor to gender inequality, with 13% of women in Haiti experiencing sexual violence.

The Social Protection and Promotion Policy document, elaborated in 2020 by the Ministry of Social Affairs and Labor (MAST), outlines the areas of intervention to promote to address inequalities of opportunity and initiate a policy of active social promotion for vulnerable population segments. However, it has not yet been implemented.

Equal opportunity

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## 11 | Economic Performance

Haiti has experienced negative per capita growth rates for three consecutive years: 2.9% in 2019, 4.5% in 2020 and 3.0% in 2021. Meanwhile, the GDP per capita PPP decreased from \$3,203 to \$3,095 to \$3,127. The economy has been consistently contracting year after year. In 2021, the agricultural sector saw a decline in value of 4.1%, which followed a 2.4% decrease the year before. This downward trend has also impacted the secondary and tertiary sectors, with respective contractions of 2.4% and 2% in 2021. Although unemployment has remained relatively stable at approximately 14% to 16% for several years, the more pressing concerns revolve around issues of informality and underemployment.

The process of transforming the economy toward the predominance of the tertiary sector over the agricultural sector, which accounted for 50% of GDP until the 1970s, is constant. In 2021, the service sector accounted for 57% of GDP. The country attracted foreign direct investment at 0.2% of GDP in 2021, after peaking at 2.5% in 2017.

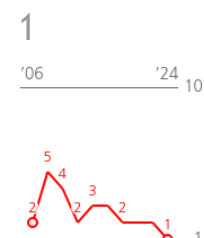
Investments decreased by 21.8% in 2021 compared to the previous year, and the inflation rate was close to 49.3% in January 2023, due to an increase in the exchange rate of the U.S. dollar against the gourde.

The government consumption level was 7.45% of GDP in 2021, slightly higher than in 2020 (7.13%). According to ECLAC, international reserves have remained at about \$1.3 billion since 2017 (\$1.26 billion in 2021). The Joint World Bank/IMF Debt Sustainability Analysis in July 2022 assessed the risk of debt distress as “high” but considered the overall public debt sustainable. As of the end of 2021, public debt was 27.1% of GDP, with two-fifths of that external.

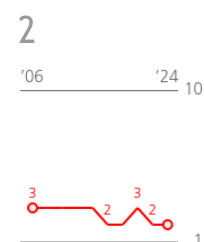
## 12 | Sustainability

Haiti faces significant environmental degradation, which increases the country’s vulnerability to natural disasters such as earthquakes and tropical storms. This degradation has serious consequences for the population in terms of health, the economy, biodiversity and security. The disappearance of biodiversity and the impact of climate change illustrate the degradation of Haiti’s ecosystems, underscoring the need for a dynamic environmental policy that addresses issues such as soil erosion, protection of watersheds and the adoption of a low-carbon energy system. In 2017, Haiti ratified the Paris Agreement, committing to reducing its greenhouse gas emissions by 31% by 2030 and significantly increasing the proportion of renewable energy in its energy production system. Additionally, the country pledged to enhance the management of coastal areas.

Output strength



Environmental policy



However, it has failed to make significant progress on all of these issues. It has a very low percentage of protected areas, and its forest area makes up 12.6% of the national territory (2020). Additionally, it has an Environmental Protection Index (2022) score of 26.1 and ranks 173rd out of 180 countries in terms of environmental performance. During the COP-27 in Egypt, Haiti expressed its need to reduce greenhouse gas emissions to comply with the Paris Agreement and to mitigate its significant vulnerability.

The Ministry of Environment, with the assistance of international technical and financial partners, has developed a series of conservation programs. In 2017, the Moïse government introduced a bill to protect the country's watersheds, which should allow the state to address the lack of access to drinking water. In 2022, Haiti finalized its National Adaptation Plan (NAPA; 2022 – 2030), which will serve as a reference framework for public policies to confront the impacts of climate change. The plan includes the establishment of a national monitoring and verification system to track greenhouse gas (GHG) emissions and the impact of mitigation measures.

Haitian families demonstrate a high level of commitment to education and are willing to make significant sacrifices to ensure their children receive an education. However, the quality of education in Haiti is rapidly declining. The education system is plagued by numerous governance deficits and lacks sufficient public resources. A key issue in the school system is the unequal access to education faced by children from low-income families. Approximately 80% of schools in Haiti are private institutions that collect prohibitively high fees, rendering them unaffordable for impoverished families who have no choice but to send their children to public schools, where the quality of education is not guaranteed. The prevalence of private schools in the Haitian education system is exceptional in the Caribbean region. According to the U.N. Education Index, Haiti ranks 109th out of the 134 countries covered by the BTI, receiving a score of 0.455 in 2021.

The low level of resources available to the Ministère de l'Éducation Nationale et de la Formation Professionnelle (MENFP) does not allow it to effectively exercise its role as a regulator, even though the share of the budget devoted to education is high compared to other sectors. Government spending on education in 2021 represented 16% of the national budget, equivalent to 1.37% of GDP. Government spending on primary education represents 0.63% of GDP. The 2020 Competitiveness Report ranks Haiti 139th in research quality out of 140 countries and 137th in research and development, reflecting a total lack of connection between universities, business and the public sector.

The Haitian state has not promoted a process of ownership of its strategies within its administration. The resource gap is filled by a wide range of technical and financial partners, including the World Bank, the IDB, UNESCO, the European Union and UNICEF. These partners support the ministry in developing and implementing numerous education projects in the areas of educational quality, education plans and school access.

Education policy /  
R&D

2

'06 \_\_\_\_\_ '24 10



Still, the higher education system is facing serious capacity problems. It is unable to absorb the demand coming from secondary schools. There are about 15,000 high school graduates. Yet, the university system can only absorb a small part of them due to its low capacity and the weakness of its material, financial and human resources. Haitian students are increasingly choosing to study at universities elsewhere in the region, especially in the Dominican Republic. According to the Binational Observatory on Migration, Education, Environment and Commerce (OBMEC), citing the Dominican Ministry of Education, there are more than 60,000 Haitian students in Dominican universities.

Research and development are practically nonexistent. According to the 2019 Global Competitiveness Report, Haiti ranked at the bottom with regard to the quality of scientific research institutions (137th out of 141).

## Governance

### I. Level of Difficulty

The country has faced entrenched structural difficulties for decades, the permanence of which makes it fragile. The persistence of macroeconomic imbalances is at the root of low growth rates, resulting in a very high poverty level and the state's severely limited ability to meet the population's needs for basic social services. These macroeconomic imbalances are reinforced by an economy whose physical capital accumulation and sector productivity is very low. This applies to the agricultural sector, which has low productivity levels and is exposed to massive imports of agricultural products into the country through smuggling.

In addition, the decades-long lack of competition enforcement structures has facilitated the expansion of monopolistic and oligopolistic behavior in the markets, with consequences for the quality and price of goods and services. The resulting high prices of consumer goods, especially food products and consequent low purchasing power, reinforce poverty and food insecurity for a large majority of the population.

The high recurrence of natural disasters, since at least the 2010 earthquake, has contributed to a drop in GDP and the decapitalization of households. The losses and damage caused by Hurricane Matthew in 2016 and the 2021 earthquake in the southern peninsula of the country is estimated at 32% of GDP. The impact of natural disasters is amplified by accelerated urbanization with a growing migrant population in search of opportunities. This population generally settles in coastal areas where they are exposed to serious environmental risks and live in situations of environmental injustice.

Other serious shocks include the COVID-19 pandemic with its economic consequences, such as the closure of factories, the collapse of formal sector activities hit by the distancing measures enforced by the state, the resurgence of cholera, which threatens to turn into a pandemic if measures against drinking water pollution are not sufficiently effective. Another factor is heightened sociopolitical conflicts, the expansion of violence and the reinforcement of practices of predation. The capture of the state by the influential private sector and the political class hinders the production of new wealth, maintains social inequalities and provokes growing disaffection among the population regarding the democratic transformation of the country.

Structural  
constraints

9



1

Until 1986, the culture of civic participation was very weak. With the fall of the Duvalier regime, there was a real explosion of civil society. In the years that followed, there was the development of a dense network of organizations of all kinds: peasant organizations, students, professional associations, religious communities, women's organizations, human rights organizations, etc. While the dictatorship had fostered a climate of general suspicion among the population, the fall of the regime helped to restore social trust, which allowed the emergence of many CSOs. The first generation of social organizations played a key role in interfacing with the state in political negotiations.

Social organizations were very active during Moïse's presidency. It was in the streets that social organizations expressed themselves, organizing and participating in large demonstrations against impunity, corruption, the authoritarian drift of the president and the illegitimate power of Prime Minister Henry.

New CSOs, such as NOU PAP DOMI, having launched a movement to denounce the squandering of funds from the PetroCaribe Program and the corruption that plagues the state, have given the protest movement against President Moïse and Prime Minister Henry new dynamism by introducing new forms of struggle through social media, sit-ins and advocacy before international bodies and the U.S. Congress. A large number of parties and CSOs signed the Montana agreement, which is the result of the rapprochement between civil society and political parties.

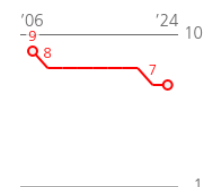
In December 2022, the private business sector, which was in the background during all the negotiations that took place after President Moïse's assassination, launched the Alliance for Change, in which it called for signing a political agreement and establishing a government of national unity and expressed its willingness to aid the implementation of reforms establishing new rules of conduct in the business sector.

The 2010 earthquake showed the resilience of trust among the population, helping to compensate for the absence of the state in providing basic social services. However, the multiple shocks to which the country has been exposed in recent years have contributed to the weakening of solidarity networks and interpersonal trust.

Although Haiti has no ethnic, religious or racial conflicts, the country's history is marked by violent social and political conflicts. The original divide that exists in the country between a minority economic and cultural elite and the vast majority of citizens fuels social conflicts, which explode intermittently out of a context of resentments accumulated over the course of history. The deep income inequality that characterizes Haitian society, poverty, the long tradition of police and military authoritarianism, and the lack of recognition of the general population's social and economic rights are the reasons for the repeated crises that the country is experiencing.

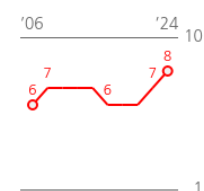
#### Civil society traditions

7



#### Conflict intensity

8



The country's traditions do not include a culture of compromise and of listening to divergent interests and just demands. Political parties and CSOs have not succeeded in building mediation channels capable of reducing the intensity of crises and providing lasting compromises. Although the promotion of dialogue and calls for negotiated solutions to crises are part of the political vocabulary, there are few moments of social understanding around common projects.

In a survey by BINUH, it was noted that, in the Metropolitan Area of Port-au-Prince, the percentage of violent demonstrations rose from 56.5% in 2018 to 89.5% in 2021 due to the violent practices of the police, which indicates a clear desire to prevent the population from expressing its demands and to force the state to take responsibility.

## II. Governance Performance

### 14 | Steering Capability

The priorities defined by Moïse during his campaign were reaffirmed after his presidential election: fighting corruption, modernizing the agricultural sector and developing an organic food industry, providing electricity to the entire country during the first two years of his administration, promoting a national dialogue with political leaders and opposition groups in order to revamp the political system and launching a vast program called the Caravan of Change aiming to fix the country's deficits in road, agricultural and environmental infrastructure. However, these priorities were not defined within the framework of a coherent vision and a long-term implementation strategy. The president came to power with no political or public administration experience, having come from the business sector. He did not have a team of experts capable of planning the implementation of his strategies and monitoring them. Still, President Moïse tried to stay the course on at least two of his priorities: the implementation of the Caravan of Change and electrification.

In the last two years of the presidency, apart from a campaign against energy sector operators, other priorities were imposed on the administration, such as elaborating a new constitution and penal code, organizing a constitutional referendum, establishing a new Provisional Electoral Council and running presidential, legislative and communal elections.

After Moïse was assassinated in 2021, Prime Minister Ariel Henry, who succeeded him, continued his policies and kept most of the cabinet ministers, even though many CSOS demanded that he replace them.

The priorities defined by President Moïse during his campaign were not implemented. Corruption, which was one of the crucial points of his program,

Question  
Score

Prioritization

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Implementation

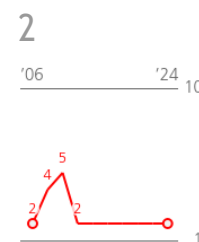
continued and spread during his administration. Moïse himself was challenged by reports from the CSCCA and was unable to put an end to the corruption scandals in his administration. Nonetheless, he did attempt to stay the course regarding the implementation of the Caravan of Change and electrification projects. However, he was not able to assemble a competent technical team to address these matters. On the contrary, he made promises that were not fulfilled within the time he set, which cast doubt on his ability to deliver. Moreover, the numerous changes in the government (seven prime ministers in five years) did not help ensure continuity in the pursuit of strategic priorities, leaving Moïse as the sole bearer of these priorities in a context of growing suspicion on the part of the population and the opposition questioning his authority.

His flagship Caravan of Change project, which aimed to modernize and revive agriculture in order to establish an organic food industry, was an abject failure. He had to abandon the project. Introduced with great fanfare on May 1, 2017, during the Fête de l'Agriculture in the canton of Bocozele, in Artibonite, the country's breadbasket, the Caravan of Change was supposed to contribute to the irrigation of 100,000 hectares of land, the cleaning of about 200 kilometers of canals and the rehabilitation of 100 kilometers of agricultural roads. In this region, there was a clear decline in all sectors targeted by the program.

The electrification of the country and the modernization of EDH, the state electricity company, was one of Moïse's top priorities. His ambition was to provide the entire country with electricity 24 hours a day. He personally led this project and intervened with force during his term. Nevertheless, Moïse had to face powerful rentier interests represented by operators in the energy sector, which held contracts for the delivery of electricity to the state.

Achieving the other priorities Moïse set during the last two years of his administration was not possible, as the president had to devote a lot of energy to a long, intense political controversy about the date his term would end.

The government of Ariel Henry did not have a general policy document or an implementation plan that could serve as a reference for its interventions. During Moïse's presidency and even more so with Henry's government, the projects and programs of the sectoral ministries were products developed for the most part by international experts.



President Moïse and his successor, Ariel Henry, have not learned from the failures of previous administrations to adopt measures for better governance and a peaceful dialogue with civil society. Contrary to their party campaign declarations announcing Moïse's willingness to engage in politics differently, he promoted an authoritarian approach that cemented divisions instead of opening up space for dialogue with society. One rare instance when Moïse's government seemed to demonstrate policy learning was during the creation of the Presidential Commission called the États Généraux de la Nation (Sectoral States General of the Nation), charged with conducting consultations with representatives of different sectors of national life.

Ariel Henry's government did not learn from Moïse's. Due to its lack of legitimacy, it has mainly used political negotiations to obtain agreements with certain political parties. Consultations around the elaboration and implementation of public policies have not occurred. Even a sector as important as public security was not subject to consultation with academic experts and professionals in that field.

## 15 | Resource Efficiency

Haiti faces severe financial constraints and difficulties in raising revenue. These weaknesses are reflected in budget deficits that have grown under the impact of several factors: the COVID-19 pandemic, the August 2021 earthquake, increased social and health expenditures, the sociopolitical crisis, gang violence and the peyi lòk phenomenon. Due to the above factors, as well as poor budgetary management, waste and inefficiency in the management of financial resources, the state has had to find other sources of financing to underwrite its expenditures, through monetary financing, which has negatively affected inflation and the exchange rate of the gourde.

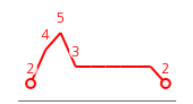
Since increasing tax revenue is a top priority, the development of a tax code and a tax procedure manual is a major step toward increasing public investment, creating budgetary space for financing social protection and promotion programs, and reducing dependence on external financing. Reorganizing the tax system would make it possible to create a social contract by providing the state with a financial base that would enable it to provide basic services to the population and to acquire sufficient authority to require all citizens to comply with the rules of the game when it comes to taxation.

Regarding human resources management, the public administration has very few qualified personnel. According to the OMRH (Office de Management des Ressources Humanizes), fewer than 5% of public administration managers have a degree. The number of civil servants is also limited, with the country having already lost a significant number of executives (16,000) during the earthquake in 2010. Haiti has the lowest proportion of civil servants in the region. For every 1,000 inhabitants, the public administration employs only eight people (the Dominican Republic employs 34).

### Policy learning

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### Efficient use of assets

2

'06 '24 10





Moreover, the public administration faces the politically motivated problem of integrating new civil servants with each new election and each new government. Through the State Modernization Program (2018 – 2023, PME-2023) piloted by OMRH, efforts have been made to establish recruitment procedures based on competence, but the many exceptions made to the new rules cast doubt on the impartiality of the exercise.

The 1987 constitution enshrined the principle of decentralization, but the institutional structures it introduced have proved cumbersome to implement, involving different levels of territorial power that are difficult to reconcile. This affects the state's governance capacity in a context marked by deficits in administrative culture. The state is faced with a duplication of its decision-making bodies and a confusion of responsibilities that negatively influence its ability to govern. The weakness of planning instruments and their limited technical and financial capacities make effective implementation of public policies difficult.

There is also interference from actors interested in influencing the course of policies and a great diversity of technical interlocutors, which is problematic, as Haiti's partners have during interventions. These various interventions require coherence capacities that the public administration does not have.

Other factors include bureaucratic traditions that privilege a vertical style of coordination, with negative effects, are both a lack of transparency and gaps in task assignment. A weak communication culture in the public administration exacerbates this situation. Ministerial cabinets are the result of political negotiations and are not comprised of technicians used to collaborating and who share a vision of the country's issues and challenges.

President Moïse prioritized fighting corruption in his electoral campaign. However, once in power, he protected those accused of corruption. He also helped strengthen the power of corrupt officials by not taking measures to end impunity and by weakening the judicial system. The country does have a single system in place to monitor the management of state resources or to fight corruption. No fewer than five institutions and agencies are responsible for monitoring the management of public resources: the ULCC (Unité de Lutte Contre la Corruption), the UCREF (Unité Centrale de Renseignements Financiers), the BAFE (Bureau des Affaires Financières et Economiques), the CNMP (Commission Nationale des Marchés Publics) and the CSCCA (Cour Supérieure des Comptes et du Contentieux Administratif).

All these institutions have the institutional and legal means to carry out their oversight work on paper but receive little support from the political authorities and have limited technical and financial resources. In addition, reporting corruption by high-ranking political figures and senior public officials can be very risky. This explains why, according to an investigation by the National Human Rights Defense Network (RNDDH) published in 2021, in the last 20 years, the CSCCA has only handed down one conviction.

#### Policy coordination

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#### Anti-corruption policy

2

'06 '24 10



There is no system of party financing in Haiti, despite multiple efforts in the past to introduce one. The excessive proliferation of parties and the heavy weight of co-optation and corruption practices that characterize the political system prevent implementation. Another handicap to the development of anti-corruption policies is the systematic exclusion of the media from data about the functioning of public markets and about the allocation and use of resources by public administrations. This is especially true for collection agencies such as the DGI (Direction Générale des Impôts), the General Administration of Customs, the National Port Authority, the Vehicle Insurance and Transport Control Agency and institutions like the National Insurance Office, which collects contributions to the pension fund for private sector employees.

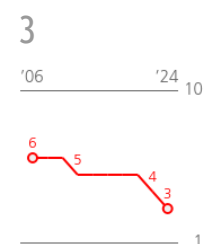
## 16 | Consensus-Building

Multiple rounds of negotiations between Ariel Henry's government, the opposition parties and civil society raise the question of whether all the major actors involved in these negotiations agree that Haiti should commit to democratic values and a market economy as a long-term strategy. Negotiations revolve around two projects: a government one that advocates a short transition and the organization of elections as soon as possible and the opposition's project, mainly the Montana Accord, which advocates for a long transition during which the authority of the state should be re-established, gang violence curbed and citizenship reconstituted.

Behind these two projects are two different, irreconcilable approaches to democracy, which explains the difficulty of creating a robust and broad agreement to get the country out of the crisis. The experiences of successful democratic transformation in other countries have shown that such agreements between reformist political actors, old elites and potential opponents of reform are possible. In the Haitian case, there appear to be powerful actors among the negotiators who are fundamentally opposed to deepening the country's democratic transformation process. The Haitian paradox lies precisely in the fact that those who most advocate the need to organize elections as quickly as possible under any conditions do not necessarily adhere to the values of democracy. They may not be ready to respect the rules of a market economy open to competition and respectful of state prerogatives.

The acceptance of or support for the market economy in Haiti is not currently a topic of intense public debate. The discussions surrounding Haiti's economic choices were particularly heated during the 1980s and 1990s, when two opposing groups clashed. One group advocated for neoliberal values, pushing for a fully open economy, the withdrawal of the state from the market and the privatization of public enterprises. The other group, supported mainly by rural communities, trade unionists, representatives of the middle classes and civil society organizations, believed that Haiti's underdeveloped state required an active state capable of making choices in

Consensus on goals



the broader public interest. Support for neoliberalism came from multilateral agencies and private sector associations. Now, almost 40 years later, the outcomes of these years of unbridled trade liberalization are highly negative. Monopolistic and oligopolistic positions have been reinforced, and those who supported trade liberalization haven't emerged as dominant figures in the country's industries. The Haitian case can be seen as a paradigm, and it would not be surprising if discussions about democracy and the market economy as models for transformation resurface in the public sphere.

The history of democratic struggles in Haiti demonstrates the capacity of anti-democratic actors to oppose the country's transformation process. The democratic process has been interrupted many times by military coups and strategies to block actors attempting to initiate reform.

The democratic transformation in Haiti has backslid. How President Moïse managed the state, the massive use of violence as a political weapon and the extent of corruption and impunity testify to the strength of authoritarian tendencies in Haitian society and the influence of anti-democratic actors. Neutralizing these veto actors to advance democracy does not necessarily involve the organization of elections.

Historically, a small economic and political elite has concentrated all power and resources in its hands. Rentier behavior and corruption have weakened efforts to institute democratic governance. Veto players have actively created a state that is blind to the public's interests. These players include members of the dominant, monopolizing families of the commercial sector, the traditional political class, drugs, arms and smuggling networks, and the administration and rural oligarchies.

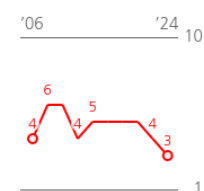
Given the financial power of these actors, their control over power networks and their history of manipulating elections, only truly transparent elections that respect the will of voters can advance the process of democratic transformation in the country.

The conflict between the executive and the judiciary reveals the persistence of strong authoritarian tendencies and the weakness of institutions. Throughout Haitian history, the controversial interpretation of term limits has led to prolonged periods of political instability. Jovenel Moïse's decision to stay in power beyond February 7, 2021, was a factor that intensified the conflict between his government and the opposition. The country then entered a turbulent phase, resulting in the assassination of the president on July 7, 2021.

Negotiations between the political opposition, civil society and Prime Minister Ariel Henry since July 2021 demonstrate that only discussions leading to granting positions in the public administration are successful, while calls for in-depth reforms to the state are swept aside by supporters of the status quo who veto the transformation of the country and prefer chaos, which is conducive to all kinds of excesses.

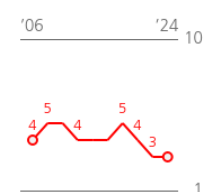
Anti-democratic actors

3



Cleavage / conflict management

3



Prime Minister Ariel Henry's first negotiations with the opposition resulted in the agreement of September 11, 2021, and the formation of a government that included members of the opposition to President Moïse. This move helped to alleviate political pressure on Henry's administration because the coalition of parties that had previously opposed him, including SDR, Fusion and INITE, were now working alongside his government. With this support, Ariel Henry appeared less inclined to engage in substantive negotiations with the representatives of the Montana-PEN Accord.

In December 2022, Prime Minister Ariel Henry launched a second round of negotiations with political parties, representatives of the business sector, and civil society that resulted in the formation of the High Transitional Council (HCT) and the Organe de Contrôle de l'Action Gouvernementale (OCAG). The resulting document, entitled "National Consensus for an Inclusive Transition and Transparent Elections" calls for holding presidential and legislative elections in 2023. In the Montana-PEN Accord, several political parties and influential people did not participate in the negotiations or sign this agreement, which suggests that this is not a solution to the crisis.

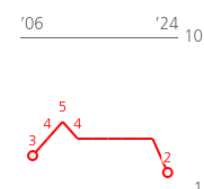
President Moïse did not consult civil society actors when defining his agenda or when formulating his policies, let alone for their implementation or evaluation. Coming from the business community and not having participated in the struggles led by civil society organizations to advance democracy in the country, President Moïse considered CSOs particularly disruptive actors that would oppose his policies on principle. One of the few times that Moïse's government addressed civil society actors and organizations was while creating the presidential commission, Sectoral States General of the Nation, responsible for consulting with representatives from different sectors of society.

The president, when presenting this commission, described it as a space for dialogue between the different segments of the nation and the best way to help the country emerge from the crisis and produce a pact for stability and economic and social progress. Representatives of several social organizations from different regions participated in these consultations. But the impression that emerged from their participation was that the presidency was not at all willing to take into consideration their recommendations and grievances. In fact, these recommendations were not pursued.

The government of Ariel Henry has focused on meeting with members of political parties and CSOs in order to reach political agreements. To date, it has not made any efforts to consult with civil society on public policies to address the many challenges facing the country.

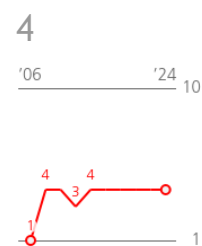
Public  
consultation

2



The last year of President Moïse's mandate showed that authoritarian traditions remain strong in the country. This explains why no effort was made on the part of the state to face the dark past of the dictatorship years and promote reconciliation. Authoritarian tendencies assumed to have disappeared because the Duvalier regime fell over 30 years ago are still very much alive. No case was successfully brought against Duvalier before he died suddenly from a heart attack in October 2014.

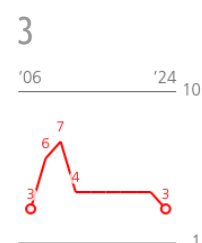
#### Reconciliation



## 17 | International Cooperation

The international community and Haiti's technical and financial partners have been very active during the period under review. International assistance has been provided for disaster management, the COVID-19 pandemic, education, provision of basic social services, social protection and the development of programs to modernize the state. This assistance is integrated into the national agenda. The government has developed strategic documents for almost all these areas of intervention with the help of technical and financial partners (TFPs). However, there is no road map specifying the different steps to achieve defined objectives or the choice of necessary inputs.

#### Effective use of support



The Haitian government has benefited from the support of the International Monetary Fund in addressing problems related to reviving economic growth, improving economic governance and reforming fiscal policy. The IMF has helped the Haitian government put in place policies to create fiscal space for increased public investment and safety-net transfers. As part of the Haitian government's signing of a Staff Monitored Program in September 2022, the IMF has provided technical support to address monetary and exchange rate policy reform to help the central bank address exchange rate volatility, improve its banking sector supervision and end its public deficit financing policy. With help from the World Bank, USAID and the United Nations World Food Program, another important area is the development of a social protection system, the NSPPP, based on a social protection strategy and establishing a social registry.

However, a number of problems have arisen in implementing international cooperation in Haiti. First, there is the issue of the volatility of aid, which increases considerably during disasters and then is drastically reduced. As a result, humanitarian aid has allowed the country to respond to the numerous disasters it has experienced in recent years but has not allowed it to effectively and continuously address the country's major priority development challenges.

International assistance has fueled a certain dependence among the sectoral ministries on TFPs; it has not facilitated the development of national capacities to elaborate and evaluate projects and programs. Moreover, coherence has been a weak link in these interventions. TFPs have been known to shortchange national authorities in order to obtain quicker results. As a result, the public sector does not sufficiently appropriate

implemented policies. A serious handicap to the effectiveness of the aid is the high level of corruption in the public administration and the scarcity of national expertise in technical evaluation.

In the area of political advice, the weight of the international community has been decisive but rarely takes into account the expertise of Haitian civil society. It has accepted that Moïse's government took advantage of its unconditional support to engage in authoritarian rule that imposes policies for the application of which it has not sought national compromise.

Over the last 20 years, successive Haitian governments have aligned themselves with the international agenda and welcomed cooperation with donors and the main international agencies, particularly those of the United Nations system. While there is a clear willingness to meet the commitments arising from the conventions and agreements Haiti signs, the achieved results are not satisfactory. In several areas, such as human rights and conventions related to the International Court of Justice or the International Criminal Court, the country has not been able to meet its commitments.

Regarding the commitments Haiti made regarding climate change or International Labor Organization (ILO) core standards, efforts have been undertaken that need to be pursued to ensure that they are fully respected. Thus, the Haitian government has developed a National Adaptation Plan (NAPA; 2022 – 2030) in response to its commitments regarding climate change. This plan will serve as a reference framework for public policies to address the impacts of climate change.

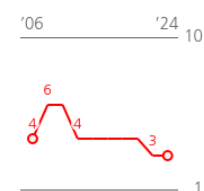
In the area of labor standards, Haiti has developed, through the Ministère des Affaires Sociales et du Travail (MAST) and in cooperation with USAID, the International Finance Corporation (IFC) and the ILO, the Better Work project, which collaborates with factory managers and workers in the textile industry to establish ways to improve compliance with international labor standards.

On the economic front, the IMF's mid-term review found that the country has made significant efforts to meet the commitments made in the Staff Monitored Program (SMP) signed in September 2022. Regarding Haiti's outstanding external debt, it is concessional, as is the debt to Venezuela, which represents 82.7% of the country's external public debt.

Haiti is a member of specialized international agencies, all the organizations of the U.N. family and all regional organizations, including the Caricom (Caribbean Community Common Market). In 2018, it hosted the Conference of Heads of State in Port-au-Prince. After Haiti's progress in the first half of President Moïse's term in overcoming some delays in deepening its regional integration, relations with Caricom have cooled. Caricom has played an active role in searching for solutions to Haiti's crisis and expressed interest in participating in mobilizing financial and technical resources to facilitate normalization and the organization of elections in Haiti.

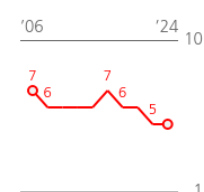
#### Credibility

3



#### Regional cooperation

5



Haiti has maintained close cooperative relations with Cuba for over two decades. Relations between Haiti and Venezuela, historically very close, have cooled significantly after the decision of President Moïse to vote to expel Venezuela from the Organization of American States (OAS), a motion presented by the United States. Haiti's relationship with its nearest neighbor, the Dominican Republic, is generally amicable. However, there are ongoing disagreements between the two nations regarding matters such as the citizenship status of Dominican Haitians and the treatment of Haitian migrants in the Dominican Republic who are deported to Haiti.

## Strategic Outlook

As 2023 unfolds, Haiti faces an escalating economic, social and security crisis of alarming proportions. The security landscape is marked by a disturbing loss of state control, with gangs asserting dominance in all neighborhoods of Port-au-Prince and intensifying their attacks against the Haitian National Police (HNP). The outlook for improving this dire situation is bleak, particularly following the refusal of the United States and Canada to intervene and send troops to confront these criminal groups. Rising insecurity, coupled with the government's inability to address it, has left the Haitian population to fend for themselves. Citizens have lost all faith in the government's ability to restore order and criticize Prime Minister Ariel Henry's determination to cling to power despite his failure to address the deteriorating situation. This insecurity, coupled with the government's lack of legitimacy, is exacerbated by mounting inflation, food shortages, inequality and poverty, all of which intensify social tension.

All indications suggest that the political agreements upon which Prime Minister Ariel Henry's government partially bases its claim of legitimacy have failed to move the country toward social and political reconciliation. Instead of engaging in negotiations aimed primarily at co-opting select members of the opposition, the government must initiate open, sincere dialogues with all factions of the opposition to achieve an inclusive solution to the crisis. These new negotiations should prioritize the formation of an inclusive government that incorporates opposition members. The revamped road map should clearly outline a realistic timeline for holding elections and a concrete plan to ensure that these elections take place in a secure environment that enables voter participation. This implies presenting strategies and actions to neutralize gangs, restore the state's control over violence, bolster national security and dismantle arms trafficking networks. Admittedly, this is a complex undertaking. As noted by the Brookings Institute, the central question is whether gangs can be persuaded to engage in less criminal behavior. However, having a legitimate government in power that is willing to employ a range of strategies to weaken the gangs' hold on power is a necessary starting point.

Additionally, economic and social measures must be considered to stimulate economic growth, guarantee basic food security and create job opportunities, particularly for women and youth. The reduction of petroleum subsidies should release some capital, a portion of which should be directed toward reconstruction efforts. Moreover, implementing measures to combat corruption and reform the justice system, thus restoring citizens' trust in the judicial system, is crucial. Fiscal reform should be expedited to create conditions to reinforce the social contract, enabling the state to regain legitimacy and enforce the rules of economic and political competition for all stakeholders. The development of this new road map should be part of an ongoing social and political pact, built on trust and inclusivity, involving all stakeholders committed to rescuing the country from the abyss of a collapsed state, a crippled economy and a shredded social fabric. Haiti's international partners should provide the necessary financial and technical support to facilitate the implementation of this program.