

# CRS Issue Brief for Congress

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## Haiti: Issues for Congress

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Maureen Taft-Morales  
Foreign Affairs, Defense, and Trade Division

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## Haiti: Issues for Congress

### SUMMARY

Congress continues to express concern about a number of developments in Haiti, especially its stalled democratic process and increased violence and human rights violations.

Since the virtual withdrawal of U.S. troops in February 1996, Congress has been concerned that U.S. assistance to Haiti be effective and that Haitian leaders pursue democratic reforms, including holding free and fair elections, adopt sound economic policies, improve security conditions, and fully investigate reported human rights abuses.

Concern over political stability increased as Haiti operated without a fully functioning government. An April 1997 election dispute remained unresolved, the prime minister resigned in June 1997, and a successor could not be agreed upon. President Preval dissolved the Haitian Parliament in January 1999 and ruled by decree after that. This political paralysis also contributed to economic stagnation, preventing major reforms from being finalized and impeding access to over \$500 million in international assistance.

In July 1999, President Rene Preval signed a new electoral law that effectively annulled the disputed April 1997 elections. After three postponements and international expressions of concern about Haiti's failure to set a date, new elections were held on May 21, 2000. Both domestic and international observers noted irregularities in the tabulation of election results. Nonetheless, the electoral council affirmed those results, which favored former President Aristide's Lavalas party.

Because of this controversy, the opposition boycotted the November 26, 2000

national elections, and international donors, including the United States, withheld election aid. Aristide won the elections and was inaugurated on February 7, 2001. President Aristide has pledged to enact political, judicial, and economic reforms. Negotiations between Lavalas and the opposition alliance Convergence, mediated by the Organization of American States (OAS), have stalled repeatedly.

International organizations have been increasingly concerned about Haiti's inability to resolve its impasse. The U.N. withdrew its mission in Haiti in February 2001 and issued reports expressing concerns about the Haitians' failure to find a compromise and the current lawlessness and fear of political violence. In December 2002, Caribbean heads of state expressed concern over "continuing instability and the prospect of a breakdown in the social order" in Haiti.

In 2002, the OAS passed two resolutions to establish an OAS Mission in Haiti, call on the Haitian government to "restore a climate of security" necessary for resuming negotiations, and to strengthen the mission and support normalization of Haiti's relations with international financial institutions. A June 2003 resolution urged implementation of the earlier resolutions.

U.S. assistance to Haiti for FY2000 was \$78 million; for FY2001, \$72 million; for FY2002, \$54 million. The request for FY2003 is \$47 million, but the FY2003 Foreign Operations Appropriations bill (P.L. 108-7) provides "not less than \$52.5 million" from food aid funds for Haiti. The bill contains no conditions on aid to Haiti. It allows Haiti to purchase defense articles and services for the Haitian Coast Guard.

## **MOST RECENT DEVELOPMENTS**

The OAS discussed the next steps to be taken regarding Haiti at its General Assembly session in Santiago, Chile, from June 8 to 10, 2003. OAS Secretary General Cesar Gaviria noted that the situation in Haiti “has barely changed since July 2002,” but added that, “We cannot allow our member country most afflicted by social problems and underdevelopment to gradually lose its democratic way...” He urged working with “renewed vigor” in new negotiations and in maintaining the major role of the OAS Special Mission. U.S. Secretary of State Colin Powell announced an additional \$1 million U.S. contribution to the Special Mission, and an additional \$23 million in humanitarian aid to Haiti for FY2003. He also stated, however, that if the Haitian government has not created the climate of security necessary for forming a credible and neutral electoral council by September, “we should reevaluate the role of the OAS in Haiti.”

In its June 11 “Trafficking in Persons” report, the Bush Administration said that the Haitian government “does not fully comply with the minimum standards for the elimination of trafficking [in persons] and is not making significant efforts to do so.” The report said Haiti is “mainly a source country for trafficking of children for forced labor and sexual exploitation,” mostly within Haiti, but also into the Dominican Republic.

Under the OAS resolutions, the Haitian government committed to professionalization of the Haitian National Police force, but observers have criticized efforts to date. Two police chiefs resigned in June, one had been accused of involvement in a 1991 political killing, the other said he went into exile “rather than allow myself to become corrupt....”

## **BACKGROUND AND ANALYSIS**

Congress has followed events in Haiti closely during this decade, but especially since September 19, 1994, when about 20,000 U.S. military forces, under code name Operation Uphold Democracy, entered Haiti as the lead force in a multi-national force to restore Jean-Bertrand Aristide to power. Aristide was first elected President in December 1990 in elections that were considered democratic, and he took office in February 1991. He was overthrown by a military coup on September 30, 1991, and lived in exile for 3 years until the United States negotiated his return in October 1994. During the last year of President Aristide’s first 5-year term, elections were held. Rene Preval was inaugurated as the new President of Haiti on February 7, 1996, in Haiti’s first democratic transfer of power. In January 1999, Preval dissolved the legislature and ruled by decree for the rest of his term. Having won elections that were boycotted by most of the opposition in November 2000, Aristide was inaugurated for his second term as President on February 7, 2001. As election disputes from 2000 remain unresolved, political turmoil has increased, human rights conditions worsened, and most foreign aid remains blocked.

## From Aristide to Preval and Back Again

The Haitian military regime agreed to relinquish power after 3 years of diplomatic pressure and economic sanctions by the United States, and members of the Organization of American States (OAS) and the United Nations (U.N.). Faced with the imminent threat of a U.S. invasion, they signed an agreement calling for the immediate, unopposed entry of U.S. troops, a legislatively approved amnesty for the military, the resignation of the military leadership, and the return of President Aristide. Shortly after the initial entry of the multinational forces, President Aristide returned to Haiti on October 15, 1994, and within a few months, on March 31, 1995, the U.S.-led operation gave way to the U.N. peacekeeping operation, called the U.N. Mission in Haiti or UNMIH.

Following President Aristide's return, Haiti took steps to hold democratic elections, with substantial assistance from the United States and the international community. Most first-round parliamentary and municipal elections were held on June 25, 1995. Although deadly violence, which marred past Haitian elections, did not occur, election observers alleged that there were numerous irregularities, including ballot burning in some places. Several rerun or runoff elections were held subsequently, from July to October, 1995. Pro-Aristide candidates won a large share of the parliamentary and local government seats. Presidential elections were held December 17, 1995. The Haitian constitution prevented Aristide from running for a second consecutive term. Rene Preval, an Aristide supporter, won, with 89% of votes cast, but with a low voter turnout of only 28%, and with many parties boycotting the election.

Rene Preval was inaugurated as President of Haiti on February 7, 1996. Preval was trained as an agronomist in Belgium in the late 1960s, and he lived and worked in the United States in the early 1970s. He returned to Haiti in the mid-1970s and worked for several businesses, after which he opened a bakery in 1983. With the fall of the Duvalier dictatorship in 1986, Preval was active in several civic groups, particularly Respect for the Constitution, and he also worked with Father Aristide's Family Is Life orphanage. In 1991, he served as Prime Minister and Defense Minister of Aristide's government, until Aristide was overthrown. In March 1993, he joined Aristide in Washington, D.C. Preval returned to Haiti in October 1994, and served as the director of the internationally-funded Economic and Social Assistance Fund from March 1995 until he was elected President of the country.

As President, Preval launched his "Democratization by Capitalization" program to privatize government enterprise through joint ventures with private capital. Despite public protests against the economic reforms, the Haitian Senate passed privatization and administrative reform laws on September 25 and 26, 1996 allowing the release of \$226 million in foreign aid through the International Monetary Fund. Protests against the associated austerity measures continued, however. One of the most vocal critics of the proposed economic austerity program was Aristide. In January 1997 he formed a new party, Lavalas Family, as a vehicle for his presidential bid in the year 2000. Prime Minister Rosny Smarth barely won a parliamentary no-confidence vote on March 26, but bowed to pressure from opponents of the government's unpopular economic reform and resigned on June 9. He cited the Electoral Council's mishandling of the April elections as a reason for his resignation, saying he did not want to be associated with fraud.

By the end of 1997, Haiti's failure to form a new government had already cost the nation \$162 million in assistance from the Inter-American Development Bank, and tens of millions from other sources. On July 15, 1998, then President Preval nominated a prime minister. The nomination process was stalled for months, however, by bureaucratic procedures. On January 11, 1999, Preval declared that most of Parliament's term had expired, even though elections had not been held to replace them. He then installed members of his Cabinet and an electoral council by decree, and began ruling by decree. He continued to do so through the end of his term in February 2001.

In elections boycotted by most of the opposition, Aristide was elected president again in November 2000. He signed an agreement with outgoing President William J. Clinton, promising to make several political, judicial, and economic reforms. According to the White House, no new promises were made by the United States. The Bush Administration accepted the reforms set forth in the letter as necessary steps for the Aristide government to make. Aristide took office again on February 7, 2001.

The dispute stemming from irregularities in the May 2000 elections remains unresolved. At the third Summit of the Americas in April 2001, hemispheric leaders singled out Haiti as a country whose democratic practices were in trouble and asked the Organization of American States (OAS) to try again to help negotiate a solution to the crisis. The OAS has been mediating on-again off-again talks between the Aristide government and the opposition alliance Convergence, but negotiations remain stymied.

Tensions and violence in Haiti have increased dramatically since Aristide resumed office. Supporters of both President Aristide's Lavalas Family party and the opposition coalition Convergence have reportedly engaged in the cycle of violent revenge. Human Rights Watch said that while Aristide called for a peaceful response to a December 2001 attack on the National Palace, his supporters were allowed to commit "serious acts of violence with apparent impunity." On January 15, 2002, the OAS Permanent Council passed Resolution 806 establishing an OAS Mission in Haiti and calling for the Haitian government to do all it could to ensure a climate of security and confidence necessary to hold free and fair elections, including prosecuting anyone found to be involved in the December violence. On July 2, the OAS released a report stating that the attack on the National Palace was not an attempted coup, as the Aristide Administration had claimed, and that "[T]he political opposition did not participate in the planning or in the execution of the attack." It also said that the government and Lavalas party officials armed militants who plundered and burned the homes and offices of opposition members after the palace attack.

On September 4, invoking the Inter-American Democratic Charter, the OAS passed Resolution 822. This further strengthened the OAS mission to "support, monitor, and report on implementation" of OAS resolutions pertaining to Haiti, and on commitments previously made by the Haitian government, including strengthening democratic institutions, forming a new Provisional Electoral Council, and developing and implementing a comprehensive disarmament program. It also called for Haiti to proceed with elections in 2003.

A high-level OAS- Caribbean Community(CARICOM) delegation visited Haiti in March 2003. The delegation urged the Haitian government to take "immediate and concrete measures to improve the security situation" and the Haitian opposition parties and other sectors of civil society to "participate actively" in forming a Provisional Electoral Council.

As the political impasse remains unresolved, analysts say prospects for elections in 2003 grow dimmer. On June 10, at its session in Chile, the OAS passed Resolution 1959, regretting that neither the government nor the opposition had fully implemented their obligations under the previous two resolutions, and urging both to do so. (For OAS resolutions and reports, see [<http://www.oas.org/>].)

## **Congressional Concerns**

In the last few years, Congress has been concerned about a number of developments in Haiti, with attention shifting from one area to another as the situation changed. From 1991 to 1994, Congress expressed concern over the flow of Haitian refugees and ways to restore the democratic process to Haiti during the period of the military regime. Later, following the military action in September 1994, Congress was concerned with the cost and safety of U.S. troops in Haiti, and the holding of democratic elections to select a new parliament and a replacement for Aristide. Following the inauguration of President Preval in 1996, Congress was concerned that U.S. assistance to Haiti be effective. Congress also expressed concern that Haiti's political stalemate stymied reform and economic development, and that various election disputes be resolved in a transparent manner. Since Aristide's return to office in February 2001, other ongoing concerns include the improvement of security and human rights conditions in Haiti, and the reduction of illegal trafficking of narcotics through Haiti.

### **Holding of Democratic Elections**

After Aristide was restored to power in 1994, Congress was concerned that Haiti continue to strengthen its transition to democracy, and in particular that it hold democratic elections in 1995 in accordance with Haiti's 1987 Constitution. In keeping with the arrangements for President Aristide's return to power, Haiti pledged to hold democratic elections, even though some of Aristide's supporters argued that he was entitled to another 3 years because he was denied office for 3 years by the military coup.

The Clinton Administration spent \$1.3 million in technical aid for the presidential election, which was held on December 17, 1995. Although deemed to be generally free and fair by international observers, the turnout was only about 28% and many of the parties boycotted the elections. Rene Preval, President Aristide's Prime Minister in 1991, received 89% of the vote, with Leon Jeune coming in a very distant second with 2.5%. Preval was inaugurated as the new President of Haiti on February 7, 1996.

The low turnout and the lack of competition has raised questions about the adequacy of the elections. The official U.S. Presidential Delegation to the Haitian elections found the election to be "another important achievement in establishing a fully functioning democracy." The report on the election by the International Republican Institute (IRI) observation group, however, while praising the fact that it was an election without violence, expressed reservations about the election because it lacked adequate participation or competition, key elements of a fully satisfactory democratic election.

Elections for one-third of the Senate and for territorial assemblies were held on April 6, 1997. An assembly was elected in 565 communal sections, roughly equivalent to U.S. towns or districts. These are the smallest administrative unit in Haiti's governmental structure. Communal sections are part of 133 communes, similar to U.S. counties, which belong to nine departments, similar to U.S. states. Each communal section assembly will choose one member to represent them at the communal level on a municipal assembly, which will in turn select a representative to serve on a departmental assembly. Although these assemblies, collectively referred to as territorial assemblies, are mandated in the 1987 constitution, this was the first time Haitians were able to vote for officials at this local level.

Many observers expressed the same concerns they had during the presidential elections: low turnout — estimated to be 5% — and numerous irregularities. The United States decreed the first round elections free and fair, but the Organization of American States disagreed. IRI called the elections “another lost opportunity in Haiti's democratic development,” citing the extremely low turnout and the continued “breakdown in the ballot and result collection and consolidation process.” Partial Senate results were announced in early May: two of the nine Senate seats open were won by candidates of Famille Lavalas, former President Aristide's new party. The top two candidates in the other seven races were to face each other in a runoff election.

These runoff elections were indefinitely postponed by the Electoral Council in June, amid widespread charges that it had manipulated the elections in favor of Aristide's party. Most political parties had planned to boycott the runoff elections. The postponement came after U.S. Ambassador William Swing told President Preval that the United States would not recognize the runoff elections unless the Electoral Council reheld elections in areas where the boycotting parties claimed fraud had been committed in the April elections.

Prime Minister Smarth said his resignation was due in part to the fraud he believes was committed by the electoral council, to which he did not want to be party. “I cannot justify that abuse of power,” Smarth reportedly said. “In our country, power is a sickness.” The country was without a prime minister for a year and a half, with four failed attempts to name a new one, and no resolution to the 1997 elections controversy. Preval named a new electoral council by decree in early 1999. After criticizing the council's new electoral law, Preval signed it on July 16, effectively annulling the April 1997 elections and seeming to pave the way for a resolution to the country's 2-year old crisis.

The United States allotted \$16 million over two fiscal years for elections assistance. The provisional electoral council's tasks included the registration of almost 4 million eligible voters, issuing voter identification cards for the first time, and organizing legislative and municipal elections for some 10,000 posts on May 21, 2000. Every elected position in the country except for president and eight Senate seats, were on the ballot. Contested in those elections were the entire 83-seat lower house, 19 of the 27 seats in the upper house — including the two seats won, but never occupied, by Famille Lavalas — 133 mayoral posts, and hundreds of local consultative assemblies.

Many observers hoped these elections would mean that, after two years of a deadlocked government and more than a year of President Preval ruling by decree, a new Parliament could be installed and international aid released. Instead, the elections brought Haiti into another crisis. Both opposition parties and international observers have said the process used

to tabulate winning percentages was erroneous and gave Lavalas ten more first-round victories than they should have had. Increased political violence surrounded the vote, including the arrests or murders of many opposition activists. Elections council president Leon Manus fled Haiti in fear of his life, reportedly saying he refused to give in to pressure from President Preval to approve incorrect results giving Lavalas candidates 18 Senate seats; Manus said Lavalas candidates won only eight seats and that the others should have faced second-round runoffs. Two other council members resigned. The remaining council members announced the disputed results as final. Despite domestic and international objections, the remaining run-off elections were held July 30.

In September, thousands of protesters shouting anti-Aristide and anti-Lavalas slogans called for the resignation of the Lavalas-controlled legislature. The OAS tried to broker an agreement between Lavalas and the opposition, to no avail. Presidential elections were held on November 26, 2000. Because the Haitian government refused to address the contested election results, the United States and other international donors withheld election assistance and refused to send observers, and opposition parties boycotted them. Aristide won the election and took office on February 7, 2001. His inauguration was attended by few, if any, heads of state. The United States was represented only by its ambassador.

President Aristide pledged to make several political, judicial, and economic reforms, including correcting the problems of the May 2000 elections. Efforts to resolve the dispute frustrated the international community. In OAS-mediated talks in July 2001, the Aristide government and the opposition alliance Convergence agreed to hold new elections for local and most parliamentary seats but could not agree on a schedule. In July 2002 the opposition proposed that presidential elections be re-held as well, although all the OAS member states recognize Aristide as Haiti's legitimate head of state, and the OAS Secretary General said that the November 2000 elections "have never been the subject of an OAS or Summit of the Americas mandate." Negotiations have also been interrupted repeatedly by episodes of violence.

The OAS passed Resolution 822 on September 4 that tried to break the political impasse by recognizing the government's "constitutional electoral prerogatives." In other words, it removed the obstacle of having to complete negotiations with the opposition before elections can be held. The resolution, a consensus resolution negotiated by member states and voted for by Haiti, says legislative and local elections will be held in 2003, on a date to be set by a new Provisional Electoral Council (CEP). An "autonomous, independent, credible and neutral CEP" was to be established by November 4, 2002. Haiti failed to meet that deadline, in part because the opposition alliance, the Democratic Convergence, refuses to name a representative for the council until the government makes all reparations to opposition forces it agreed to for damage done by government supporters in December 2001 and deals with security issues. Aristide named a partial CEP in February. The OAS has called on the government to create a safe environment for elections and on the opposition to actively help form a CEP. If those steps are not taken, the possibility of holding elections in 2003 becomes less and less likely.

## **Cost and Effectiveness of U.S. Assistance**

Congress has been concerned about the cost and effectiveness of U.S. assistance to Haiti, despite recognition of the great needs of the poorest country in the hemisphere. The

Clinton Administration provided approximately \$100 million in foreign assistance to Haiti each year from FY1996 - FY1999. Aid decreased after that, with \$78 million in FY2000, \$72 million in FY2001, \$54 million in FY2002. The original request for FY2003 was \$47 million; Secretary of State Powell announced in June that aid was increased to \$70 million. The request for FY2004 is \$53 million.

Congress has monitored aid to Haiti closely, and has established a number of conditions on this assistance over the years. In the past, it has conditioned aid upon the holding of free and fair democratic elections, the investigation and prosecution of those responsible for human rights abuses, and full cooperation in narcotics interdiction efforts. Congress has also required that all assistance be approved under special notification requirements, prohibiting any funding to Haiti except through regular notification procedures of the Committees on Appropriations. Acting under this provision, the House International Relations Committee and the Senate Foreign Relations Committee have at times placed holds on aid to Haiti.

Congress placed conditions on aid to Haiti under variations of the Dole amendment in the Foreign Operations Appropriations bills from 1996-1999. The bills limited all foreign aid to Haiti, except humanitarian and electoral assistance, unless there were progress in investigations of extrajudicial and political killings, and other conditions. The FY2000 foreign aid bill outlined congressional priorities for assistance to Haiti, including “aggressive action to support the Haitian National Police;” ensuring that elections are free and fair; developing indigenous human rights monitoring capacity; facilitating more privatization of state-owned enterprises; a sustainable agricultural development program; and establishing an economic development fund to encourage U.S. investment in Haiti. The bill also required the president to regularly report to Congress on the Haitian government’s progress in areas of concern to Congress.

**Table 1. U.S. Aid to Haiti, FY2000-2004**

(dollars in millions)

<b>Program</b>	<b>FY2000 (actual)</b>	<b>FY2001 (actual)</b>	<b>FY2002 (actual)</b>	<b>FY2003 (req.)</b>	<b>FY2004 (req)</b>
Development Assistance	0.00	0.00	0.25	11.00	7.15
Child Survival and Health (CSH)	—	—	0.64	14.00	21.83
Econ. Support Funds (ESF)	52.50	46.90	30.00	0.00	0.00
P.L. 480 Food Assistance, Title II (grants for emergency/ humanitarian purposes)	25.08	25.11	23.13	22.37	23.85
International. Narcotics Control	—	—	—	—	—
Peace Corps	1.38	1.32	1.50	1.69	1.93
For. Military Financing Grants	—	—	0.30	0.40	0.33
Interntl. Military Ed. Train. (IMET)	0.30	—	0.01	0.05	0.20
Peacekeeping Operations	—	—	0.09	—	—
<b>TOTAL</b>	<b>79.26</b>	<b>73.33</b>	<b>55.92</b>	<b>49.51</b>	<b>55.28</b>

**Source:** U.S. Department of State.

**Note:** FY2000 USAID operating expenses totaling \$174.60 million in Hurricane Supplemental.

The Foreign Operations Appropriations bill for FY2001 shifted conditions, prohibiting aid to the Haitian government until Haiti held free and fair elections to seat a new parliament

and was fully cooperating with U.S. efforts to interdict illicit drug traffic through Haiti. The only condition in FY2002 foreign aid appropriations law (P.L. 107-115) required notification to Congress prior to provision of any aid to Haiti. The FY2003 foreign assistance appropriations bill (P.L. 108-7, Division E) contains no conditions on aid to Haiti. The FY2003 foreign aid bill continues to allow Haiti to purchase defense articles and services for the Haitian Coast Guard, and provides for "not less than \$52.5 million" in food assistance program funds to be allocated to Haiti (Sec. 551).

The Bush Administration says aid to the government will not be renewed until President Aristide fulfills his promises of political, economic and judicial reforms. U.S. assistance is being provided through non-government organizations (NGOs). Supporters of this policy argue that providing aid to the government would permit the government to avoid resolving its political dispute and making other promised reforms, such as privatization of inefficient government enterprises, which are necessary to revive the economy. They argue that not much progress was made in Haiti when massive assistance was provided earlier. They also note that aid is still provided to Haiti for basic programs in health, education, food security, and environmental projects through NGOs, and for police and other reforms through the OAS Special Mission in Haiti. Secretary of State Powell announced on June 9 an additional \$1 million U.S. contribution to the OAS mission, and an additional \$23 million in humanitarian aid to Haiti for FY2003. He also stated, however, that if the Haitian government has not created the climate of security necessary for forming a credible and neutral electoral council by September, "we should reevaluate the role of the OAS in Haiti."

Critics argue that aid to the government is necessary to support the fragile democracy in a time of severe need, and to prevent instability and massive migration from the island. They stress that Haiti is the poorest country in the Western Hemisphere with annual per capita income of only \$225, and argue that withholding aid to the government is contributing to the continuing deterioration in Haitians' quality of life. In a November 2001 letter to President Bush, the Congressional Black Caucus said that "it is wrong to impose an inflexible policy which conditions US relations and aid, be it loans or grants, entirely on a country's political process." The Caucus called for a review of U.S. policy toward Haiti and the removal of its "blockade" of aid to Haiti.

**Other Foreign Assistance.** In addition to the former Clinton Administration and the Bush Administration, representatives of the International Monetary Fund and the World Bank have criticized Haiti's continued failure to resolve the political impasse under President Aristide, despite extensive efforts on the part of the OAS and other international players. Since 2000 other conditions have continued to grow worse as well. Human rights conditions have deteriorated following President Aristide's announcement of a "zero tolerance" policy for "criminals." According to AID, the executive branch has moved steadily to consolidate power at the expense of the judicial and legislative branches of government. The international community has responded by greatly reducing or eliminating assistance to Haiti. Because of the questioned legitimacy of the spring and fall 2000 elections, the international community initially withheld about \$600 million in aid. Over a two-year period, donor grants to Haiti declined by over 50%, from \$357 million in FY1999 to about \$160 million in FY2001. During the same period, gross loan disbursements declined by over 66%. The World Bank closed its office in Haiti, primarily because of the government's failure to adhere to IMF targets. Much of this international aid has expired or been redirected

elsewhere. Most funding will have to be renegotiated even if the Haitian government resolves the election dispute and carries out other promised reforms.

The Inter-American Development Bank has six undisbursed loans to Haiti, totaling about \$199 million. Although the loans were approved by the IDB between 1996 and 1998, the Haitian parliament did not approve four of them until December 2000; two have still not been ratified. The Haitian government is seeking the release of the loans, but several issues remain unresolved. These include the question of the legitimacy of the parliament. Furthermore, Haiti is in arrears with the IDB, precluding further disbursement of loans. The Haitian government also had not met conditions required by the loans prior to disbursement.

OAS Resolution 822, passed in September 2002, supports “normalization of economic cooperation” between the Haitian government and the international financial institutions, urging the parties “to resolve the technical and financial obstacles that preclude such normalization.” On May 14, 2003, Haiti reached an agreement on a one-year economic program with the IMF, removing one obstacle. The program still needs to be approved by IMF management, and would not start until the Haitian parliament approves a revised budget for 2003. The Haitian government still has not cleared its arrears, a second step which would lead to normalization. Negotiations between the IMF, other international donors, and the Haitian government are underway to accomplish that goal as well.

## **Haiti’s Economic Policy and Role for U.S. Business**

Congress has been concerned that Haiti follow sound economic practices and that U.S. business play a role in Haiti’s economic recovery and development. Haiti is the poorest nation in the hemisphere; Haitian unemployment is as high as 80%. Haiti’s per capita income is \$250 — much less than one-tenth of the Latin American average, according to an August 1998 World Bank report, *Haiti: The Challenges of Poverty Reduction*. “The overwhelming majority of the Haitian population are living in deplorable conditions of extreme poverty,” says the report, pointing to a long history of political instability, corruption, misuse of public funds, and lack of governance as a key factor in that poverty.

U.S. and international lending institutions have urged Haiti to enact reforms to reduce the role of government and to encourage domestic and foreign investment. Privatization of nine government-operated para-statal enterprises (electricity, telephone, seaports, airports, two financial institutions, and cement, flour and vegetable oil factories) has been seen as a key reform to reduce government expenditures and stimulate investment. Other proposed reforms funded by AID or other institutions were measures to strengthen budget and monetary policy, to modernize the investment and commercial codes, and to improve banking practices.

Economic reform, and the flow of international assistance triggered by it, have been uneven. During Aristide’s first term, the Haitian parliament passed legislation guiding economic policy reform, including privatization of the many inefficient state-run enterprises. The Agency for International Development (AID) and the international financial institutions were then able to release most of the non-project assistance that had been on hold. Funds moved more slowly than originally intended, however, because the lack of expertise in the Haitian government made the negotiating and carrying out of programs more difficult. Furthermore, although President Aristide had agreed to privatize some of the government

enterprises, he backed off when political opposition arose. This decision prompted the resignation in October 1995 of his Prime Minister, Smarck Michel, and the suspension of assistance by the international financial institutions.

Former President Preval's privatization of government enterprises drew public protests against that and other aspects of economic reform. Preval's "Democratization by Capitalization" program called for increasing agricultural production through the partial sale of four state-run businesses: Electricity of Haiti (EDH), the Telecommunications Service (TELECO), the Minoteri (a flour mill), and the Haitian Cement Co. The Haitian Parliament passed President Preval's privatization and administrative reform proposals on September 25 and 26, 1996, paving the way for the release of some \$226 million in foreign aid through the International Monetary Fund. Prime Minister Rosny Smarth's resignation in June 1997, the failure to replace him for a year and a half, and Preval's dissolution of parliament left Haiti without a fully functioning government. This caused further delays in the execution of economic reforms, stymied the passage of important legislation, including annual budgets (Haiti has had only one approved budget from 1996 to 2002), and again interrupted the delivery of international aid.

The lack of infrastructure in Haiti, its political problems, rising insecurity, and extreme poverty make for a poor investment climate. Haiti's political stalemate has inhibited both public and private investment.

## **Security and Human Rights Concerns**

Congress has been concerned with the security and human rights conditions within the country. In 1995, during his first term, President Aristide took steps to break with the pattern in which a military-dominated police force was associated with human rights abuses. Haiti, with U.S. assistance, demobilized the old military, established an interim police force of selected ex-military personnel, and began to train a professional, civilian Haitian National Police (HNP) force. The level of reported violence, flight of refugees, and alleged assassinations dropped markedly from very high levels during the de facto military regime. Since the return to civilian rule in 1994, Haiti has made progress in the protection of human rights, but the gains made are fragile and threatened by political tensions and problems with impunity. According to the *Human Rights Watch 2002 World Report*, "worsening human rights conditions" marked President Aristide's first year back in office. Two major human rights reports were released in April 2003. The U.N. Commission on Human Rights "expressed deep concern at the deteriorating human rights situation" in Haiti. The OAS Inter-American Commission on Human Rights reported that "human rights defenders and journalists are increasingly at risk in Haiti."

Congress passed the Foreign Operations Appropriations bills for 1996-1999 with conditions on aid to Haiti under variations of the Dole amendment. These bills limited all foreign aid to Haiti, except humanitarian and electoral assistance, unless there were progress in investigations of extrajudicial and political killings and other conditions. The FY2000 foreign aid bill outlined congressional priorities for assistance to Haiti, including developing indigenous human rights monitoring capacity. The Foreign Operations Appropriations bill for FY2001 reflected a shift in congressional concern, prohibiting aid to the Haitian government until Haiti held free and fair elections to seat a new parliament and was fully cooperating with U.S. efforts to interdict illicit drug traffic through Haiti. For FY2002,

Congress prohibited aid to Haiti except through regular notification procedures, but placed no other conditions on aid. Current law (P.L. 108-7) contains no conditions on aid to Haiti, allows Haiti to purchase defense articles and services for the Haitian Coast Guard, and provides “not less than \$52.5 million” from food aid funds for Haiti. The final Foreign Relations Authorization Act for FY2003 (P.L. 107-228) has no provision on Haiti.

Shortly after taking office in 1996, President Preval asked U.N. troops and police monitors to remain in Haiti to maintain security. The U.N. maintained a presence in Haiti for another 5 years, shifting from peacekeeping forces to civilian forces charged with police monitoring and some human rights monitoring duties. Under pressure from China, however, the size of the mission, and lengths of the extensions were diminished. (China challenged the U.N. mission there because of Haiti’s ties with Taiwan, which China considers to be a renegade province.) The U.N. ended its mission in February 2001. U.N. Secretary General Kofi Annan said the mission could not function in a “climate of political turmoil.”

Annan’s report also said that Haiti’s police force is under-equipped, “demoralized and unmotivated” and that Lavalas had “disregarded all calls for a rectification” of the May 2000 elections. On May 18, 2001, Annan released another report expressing “concern about lawlessness and an ever-present fear of an outbreak of major political violence ...” in Haiti. He noted that Aristide had asked for a renewed U.N. mission but did not indicate whether one would be provided.

Most observers agree that extensive reform of the judicial system is necessary to further strengthen the state’s ability to maintain law and order and to continue improving respect for human rights. In May 1998, a judicial reform bill that had languished in parliament since late 1996 was finally passed. Haiti took major steps forward in its judicial reform process and fighting police impunity in 2000. In two major human rights cases, former Haitian soldiers were found guilty of extrajudicial killings and given prison sentences ranging from three years to life terms.

Over the last several years, increases in political violence renewed concerns over security and police effectiveness. In June 2001, President Aristide announced a “zero tolerance” policy toward suspected criminals. According to various human rights reports, this announcement was followed by numerous extrajudicial killings by the Haitian National Police and lynchings by mobs. The government’s respect for freedom of the press continued to deteriorate. Most media outlets practice self-censorship out of fear of retaliation. Over 20 journalists went into exile after receiving death threats. Another, Brignol Lindor, who hosted opposition speakers on his radio talk show, was hacked to death by members of a pro-government group after a local Lavalas Family official announced over the radio that Lindor should be met with “zero tolerance.” According to the State Department’s March 2003 Human Rights Practices Report, the Haitian government’s human right record remained poor, with political and civil officials implicated in serious abuses.”

Although the investigation into the April 2000 killing of prominent radio journalist Jean Dominique continued, the process was slowed by a lack of cooperation from police and other officials, according to human rights reports. An investigating judge fled the country because of death threats. Two key suspects have died under suspicious circumstances. Lavalas Family Senator and president of the Senate Commission on Public Security Dany Toussaint is a suspect in the Dominique murder. In January 2002, on the day his Senate colleagues

were to vote whether to lift Toussaint's immunity from prosecution as a member of the legislature, Toussaint appeared on the Senate floor accompanied by "at least a half-dozen gun-toting men" (*Washington Post*, March 4, 2002, p.A14). The Senate returned the case to the judge prosecuting the case, rejecting his request to lift Toussaint's immunity and asking for more evidence linking Toussaint to the murder.

Another spate of violence occurred in December 2001, involving an attack against the national palace and subsequent violence targeting members of the opposition. On July 2, 2002, the OAS released a report stating that the December attack was not an attempted coup, as the Aristide Administration had claimed. Although the OAS did not confirm opposition claims that the government staged the attack as a pretext for clamping down on dissent, it did say that "[T]he political opposition did not participate in the planning or in the execution of the attack." The report also said that the government and Lavalas party officials armed militants who plundered and burned the homes and offices of opposition members following the palace attack. The opposition has complained that the government is not paying all the reparations it agreed to pay. Since late 2002, violent protests have erupted around the country, with reports of increased calls for Aristide's removal among Haiti's poor, usually considered Aristide's core supporters.

The Haitian National Police (HNP) is widely reported to be corrupt, and its leadership troubled. In May 2003, a force of international police officers arrived to support the government and the OAS Special Mission in efforts to professionalize the police force, establish security, and conduct disarmament. After the head of the counternarcotics task force was arrested for allegedly blocking a main highway to allow a cocaine-carrying plane to land, the OAS urged Aristide to appoint new leadership of the HNP in consultation with its Special Mission. According to the OAS Mission's April 2, 2003 report, the Aristide Administration appointed three top leaders in March, with cursory or no consultation with the Mission. Two of the appointments drew sharp criticism from opposition parties and human rights groups, who said that the new interim Director General, Jean-Claude Jean-Baptiste, had been involved in the murder of political party leader Pastor Sylvio Claude in 1991, and that the new Chief Inspector General, Pierre Evans Sainturne, had threatened the judge investigating the murder of journalist Jean Dominique in 2001. Jean-Baptiste resigned on June 3. His successor went into exile after only 16 days, alleging that he was being given orders he could not follow without becoming "corrupt and subservient" (*Washington Post*, 6/23/03).

## **Narcotics Trafficking**

Haiti is a major transshipment point for illegal narcotics, mostly cocaine, being transported from South America to the United States, according to the State Department's March 2003 International Narcotics Control Strategy Report. Several factors make Haiti attractive to narcotics traffickers. Located between South America and the United States, its coasts and border with the Dominican Republic are largely uncontrolled. Haiti's nascent democratic institutions and ineffectual infrastructure have been further weakened by the political impasse that has characterized the country since 1997. Haiti's current legal system is antiquated. Haitian authorities charged with controlling drug trafficking are inexperienced, lack sufficient resources, and, because of Haiti's extreme poverty, are considered highly susceptible to corruption. According to the State Department's 2002 report, "There are allegations that high-ranking [Government of Haiti] officials in the government, judiciary, and police are involved in or tolerate [drug] trafficking."

In 2001, the Bush Administration said Haiti was not certified as having fully cooperated with U.S. drug-control efforts. In 2002, and again on January 31, 2003, the Administration determined that Haiti had “failed demonstrably” to counter international narcotics trafficking. All three years it granted a waiver so that aid to Haiti could continue. According to the Administration, the Haitian government’s commitment to counternarcotics in 2002 was “very weak,” although it did take two important actions. The Haitian government put into force a bilateral maritime narcotics interdiction agreement with the United States, and established an “as yet untested” financial intelligence unit. The Administration has said that “Haitian poverty and hopelessness” were chief catalysts in Haitian involvement in the drug trade and in illegal migration to the United States. Cutting off aid to Haiti, including programs aimed at attacking those catalysts, “would aggravate an already bad situation.”

## Haitian Migration

The main elements of current immigration policy regarding Haitians are migrant interdiction on the high seas and mandatory detentions of undocumented, interdicted Haitians. The Bush Administration lists “limiting the number of illegal immigrants from Haiti” as its first national interest in Haiti (USAID Budget Justification to the Congress FY2003).

Since 1981, U.S. policy has been for the U.S. Coast Guard to stop and search Haitian vessels on the high sea that are suspected of transporting undocumented Haitians. This policy developed as a response to a massive migration of Cuban and Haitian boat people in 1980, when about 25,000 Haitians arrived in Florida. There was another surge of Haitian migrants during the de facto military regime, peaking at 38,000 just after President Aristide was overthrown in 1991, and dropping to barely 1,000 after Aristide’s return in 1994. The number of Haitian migrants interdicted at sea by the U.S. Coast Guard has remained fairly steady since 1998, with slightly over a thousand interdictions per year for the past 5 years. Fourteen hundred eighty-six Haitians were interdicted in FY2002. Renewed attention has been focused on Haitian migrants, however, since October 29, 2002, when some 220 Haitians arrived on Florida’s shores.

Some of the Congressional debate over the years has focused on whether interdicted Haitians are economic migrants, and should therefore be returned to Haiti, or whether they are refugees with a well-founded fear of persecution who should be allowed to stay in the United States while applying for political asylum. Some Members and human rights advocates express concern that Haitians are not given the same treatment as other immigrants seeking asylum in the United States. Attorney General John Ashcroft issued a ruling in April 2003 that illegal Haitian immigrants with no known links to terrorist groups can be detained indefinitely to address national security concerns. Ashcroft said the ruling was needed to discourage mass migration from Haiti, and use of Haiti by people from the Middle East for illegal migration to the United States. The latter charge was disputed by immigrant advocates and some U.S. consular officials. (For more information see CRS Report RS21349, *U.S. Immigration Policy on Haitian Migrants*, by Ruth Ellen Wasem.)

## Legislation in the 107<sup>th</sup> Congress

**P.L. 107-115 (H.R. 2506).** The Foreign Operations appropriations bill for FY2002. **Section 520** prohibits providing assistance to Haiti except through regular notification procedures to the Committees on Appropriations. The law contains no other conditions on aid to Haiti. **Section 554** allows the Haitian government to purchase defense articles and services for the Haitian Coast Guard, subject to regular notification procedures of the Committees on Appropriations. Signed into law January 10, 2002.

**P.L. 107-228 (S. 1401/H.R. 1646).** The final Foreign Relations Authorization Act for FY2003 has no provision on Haiti. The version passed by the House May 16, 2001 (H.R. 1646, the Foreign Relations Authorization act for FY2002 and FY2003), authorized \$6,000 to the Organization of American States for each fiscal year to be appropriated only for the investigation and dissemination of information on violations of freedom of expression by the government of Haiti. The Senate version, S. 1401, with an amendment in the nature of a substitute, contained no such provision, nor did the final conference version, which passed on May 1, 2002. Signed into law September 30, 2002.

## LEGISLATION

### **P.L. 108-7 (H.J.Res. 2)**

Consolidated Appropriations for FY2003. The Commerce, Justice and State appropriations bill makes available, in the “Federal Prison” section, an amount “not to exceed” \$20 million of contract confinement funds for the care and security in the U.S. of Haitian (and Cuban) entrants. Under the Foreign Operations appropriations (Division E), Sec. 551 a) allows the Haitian government to purchase defense articles and services for the Coast Guard. Sec. 551 b) provides that “not less than” \$52.5 million of funds appropriated by Title II and to carry out AID food aid programs should be allocated for Haiti. Signed into law Feb. 20, 2003.

### **P.L. 108-25 (H.R. 1298/S. 1009)**

The U.S. Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act of 2003. Haiti is among 13 countries (Guyana and 12 African countries) that the legislation expressly benefits, with an HIV/AIDS Coordinator in charge of approving all U.S. activities (funding included) aimed at combating AIDS in these countries (Sec. 102 (a)). Appropriates \$3 billion per year through FY2008 for bilateral and multilateral efforts to combat HIV/AIDS, tuberculosis and malaria. Signed into law May 27, 2003.

### **H.R. 643 (Waters)**

Debt Cancellation for New Millennium Act. Proposes reforms of the Enhanced Heavily Indebted Poor Countries (HIPC) Initiative. Calls for full cancellation of HIPC debts to the IMF and World Bank, and making Haiti eligible for the program. Introduced Feb. 6; referred to House Committee on Financial Services. Referred Feb. 27 to Subcommittee on Domestic and International Monetary Policy, Trade, and Technology.

**H.R. 1031 (Shaw)/S. 489 (DeWine)**

Haiti Economic Recovery Opportunity Act of 2003. Amends the Caribbean Basin Economic Recovery Act to give additional preferential trade treatment to Haiti beginning Oct. 1, 2003, if the President certifies to Congress that Haiti has fulfilled certain requirements, including that Haiti “has established or is making continual progress toward establishing” a market-based economy that “...minimizes government interference in the economy...;” the rule of law; elimination of trade barriers to U.S. trade and investment; economic policies to reduce poverty and achieve other goals; a system to combat corruption; protection of internationally recognized worker rights; and that Haiti does not engage in activities that undermine U.S. national security or foreign policy interests; and does not engage in gross violations of human rights or support acts of international terrorism, and cooperates in international efforts to eliminate them. Introduced Feb. 27; H.R. 1031 referred to House Ways and Means Committee; S. 489 referred to Senate Committee on Finance. House referred April 11 to Subcommittee on Trade.

**H.R. 1108 (Waters)**

Access to Capital for Haiti’s Development Act. Requires the Secretary of the Treasury to direct the United States Executive Director at the Inter-American Development Bank to use the voice, vote, and influence of the United States to urge the immediate resumption of lending to Haiti. Introduced Mar. 5; referred to House Committee on Financial Services; referred March 28 to Subcommittee on Domestic and International Monetary Policy, Trade, and Technology.

**H.Con.Res. 78 (Lee)**

Expresses the need to re-engage Congress and the Administration regarding social conditions and the need for poverty reduction in Haiti and other purposes. Introduced Mar. 5; referred to Committees on Financial Services and International Relations; referred March 10 to Subcommittee on Domestic and International Monetary Policy, Trade, and Technology.

**H.Res. 241 (Meek)**

Expresses the sense of the House that there should be a “Haitian-American Heritage Month.” Introduced May 19; referred to Committee on Government Reform.

**S. 925 (Lugar)**

Foreign Relations Authorization Act for FY 2004. A section under the “Miscellaneous Provisions” division (Title VIII) requires the Secretary of State in consultation with the Secretary of the Treasury to report to relevant congressional committees on U.S. policy toward Haiti. The report shall describe U.S. activities regarding the political crisis in Haiti, assess the multilateral framework adopted by the Organization of American States (OAS) to treat the political and economic crisis, and describe the status of efforts to release loan funds of the Inter-American Development Bank. Introduced April 24; placed on the Senate Legislative Calendar under General Orders (Calendar No. 77).

**S. 1161 (Lugar)**

Foreign Assistance Authorization Act, FY 2004. Sec. 238 of the “Arms Export Control Act Amendments and Related Provisions” (Title II, Subtitle B), continues to allow the Government of Haiti to purchase articles and services for the Haitian Coast Guard subject to existing notification requirements. Sec. 504 of the “Miscellaneous Provisions” (Title V) combines reports derived from the 1999 Commerce, Justice and State Appropriations Act

concerning the status of investigations and prosecutions on several human rights violations. Introduced May 23, adopted by Foreign Relations Committee June 10, and ordered to be reported an original measure.

## **CHRONOLOGY**

- 02/07/01** — President Aristide is inaugurated to a second term. The Democratic Convergence, an opposition coalition, forms an alternative government.
- 11/26/00** — Former President Aristide and his party win presidential and legislative elections boycotted by opposition.
- 05/21/00** — First and second round of legislative and local elections held. Observers  
**07/30/00** report fraudulent counting of votes.
- 12/17/99** — U.N. General Assembly creates the International Civilian Support Mission in Haiti (MICAH) to replace U.N. peacekeeping and police-training missions on March 15, 2000.
- 03/99** — President Preval appoints new prime minister and electoral council by decree.
- 01/99** — President Preval dissolves parliament and local governments and begins to rule by decree.
- 06/09/97** — Prime Minister Rosny Smarth resigns, citing a lack of public confidence in the government and his unwillingness to be associated with electoral fraud.
- 04/06/97** — Elections for one-third of the Senate and for territorial assemblies are marred by low turnout and allegations of fraud by the Electoral Council.