

Similar Policies, Different Outcomes:

U.S. Policies toward Haiti and the Dominican Republic

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Abstract

Since gaining its independence from French rule in 1804, Haiti has constantly struggled to achieve political and economic stability and viability. On the other hand, the Dominican Republic, which shares the island of Hispaniola with Haiti as well as a similar colonial history under Spanish rule, has been able to sustain democratic governance and economic growth in recent history. The United States has long played a significant role in the economics and politics of both the Dominican Republic and Haiti, but despite similar policies, we have seen dramatically different outcomes. In this thesis, I will argue that the United States' policies designed to promote economic development in Haiti will continue to be wholly ineffective until political stability is accomplished and basic infrastructure has been built throughout the country.

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INTRODUCTION

This paper is the result of an experience I had nearly four years ago, when I went on a service trip to work in a medical clinic in Jeremie, Haiti during the spring of my senior year of high school. Shocked by the severity of Haitian poverty, I wondered how the United States could allow this distressing situation to persist so close to its borders. It did not seem to make sense that Americans would gladly take a vacation in the Dominican Republic but avoided Haiti at all costs, even though the two nations are located on the same island. My undergraduate study in public policy has led me to further explore the role of the United States' policies in shaping the current states of affairs that we see in both countries today.

The nations of Haiti and the Dominican Republic constitute the island of Hispaniola, located in the southeastern Caribbean Sea. Both nations' histories are marked by colonial periods that have had a significant impact on shaping the development of this island into the two nations that exist today. Haiti, which occupies the western third of Hispaniola was originally colonized by the French and the Dominican Republic, which covers the eastern two thirds of the island was under the control of the Spanish empire. Upon achieving independence, both nations experienced countless periods of political instability and oppressive dictatorships. In addition, economic development in both Haiti and the Dominican Republic has been a difficult process. Not surprisingly, since the independence of both nations, the United States has sought to exert influence in this region through economic and humanitarian aid, financial and military support for political figures, and direct military intervention, among other things.

Despite very similar histories, today the Dominican Republic and Haiti are extremely different in terms of culture, politics, and economic development. The Dominican Republic is doing relatively well in comparison to Haiti. On the 2009 United Nations (UN) Human Development Index, the Dominican Republic ranks 90th while Haiti ranks 149th of 182 nations (“Human Development Index” 2009). Life expectancy in the Dominican Republic is 71 years for men and 73 years for women while life expectancy in Haiti hovers around 59 years for men and 62 years for women. The success of their economies is another realm in which much inconsistency can be found between the Dominican Republic and Haiti. GDP in 2009 for the Dominican Republic was \$45.6 billion (“Dominican Republic”. U.S. Department of State 2010). Haiti’s GDP for the same year was only \$6.56 billion (“Haiti”. U.S. Department of State 2010). The United States’ role in these disparities cannot be ignored.

This thesis will argue that the different development outcomes that one sees in Haiti and the Dominican Republic are the result of the use by the United States of a mix of economic policies that these two countries have implemented very differently. In the case of Haiti, U.S economic policies result in one of two outcomes—either economic development funds end up in the hands of corrupt Haitian politicians and proposed development plans never come to fruition, or trade policies intended to grow Haiti’s economy yield gains for the United States while failing to improve the situation in Haiti. Both outcomes can be attributed the lack of political structure and stability in Haiti. On the other hand, in the Dominican Republic the presence of democratic political structures has allowed the Dominican government to take advantage of these policies. Overall, I will assert that political stability is a precursor to successful economic development and

therefore, U.S. policies towards Haiti should focus on fostering political stability and promoting infrastructure development before successful economic policies can be implemented.

The first two chapters of this thesis will provide the background information necessary to understand how Haiti and the Dominican Republic arrived to the current situations by outlining the history of both countries from colonialism until the early 1990s. Next, the thesis will explore the role of the Clinton Administration in Haiti and the Dominican Republic, helping to set the stage for current U.S. policies. The following two chapters will critically evaluate two of President George W. Bush's economic policies: the Dominican Republic – Central America Free Trade Agreement and the Haitian Hemispheric Opportunity Through Partnership Encouragement Act. Finally, a brief discussion of the Obama Administration's current policies will be followed by policy recommendations aimed at addressing the underlying issue of political instability in Haiti that has prevented economic policies from succeeding.

A BRIEF HISTORY OF HAITI AND US – HAITI RELATIONS (1492–1993)

Colonial Haiti

In 1492, the Spanish explorer Christopher Columbus landed on the island of Hispaniola in the northeastern Caribbean Sea. At the time, natives of the Taino tribe inhabited the mountainous island and no other European power had laid claim to the land. Called “Ayiti” by the Tainos, meaning “land of high mountains”, Columbus immediately claimed the island for Spain (Schmidt 1971, p. 19). He renamed the island Santo Domingo and established a small settlement, *La Navidad*, on the northern side of the island. When he returned a year later in 1493, the settlers had disappeared, presumably killed by the natives. He again tried to establish a settlement on the eastern side of the island, naming it *La Isabela*. This time, the European settlers wiped out the indigenous population by inadvertently introducing infectious diseases to which the natives had no immunity (Haggerty 1989).

The Spanish briefly exploited the island for gold but by the 1520s, Spanish interest in Santo Domingo had waned due to more lucrative colonial establishments in Mexico and parts of South America and therefore, the population of Spaniards on the island barely grew. In addition, the island had become a popular location for pirates so Spanish authorities ordered the settlers to move closer to the capital of Santo Domingo to protect them from pirate attacks. This movement of the Spanish population allowed for British, French and Dutch pirates to further establish themselves throughout the island over the next 100 years (Bellegarde-Smith 1990, p. 50).

In 1625, French buccaneers established a settlement in Tortuga, an island off of the northwest coast of Hispaniola and in 1659, the Tortuga settlement was officially commissioned by the French under King Louis XIV. In 1664, the French West India Company took control of the colony at Tortuga, eliminating control of the island by pirates and legitimizing France's claim to Tortuga. Finally in 1697, France and Spain signed the Treaty of Ryswick in which Spain officially handed over the western third of Hispaniola to the French. The French, who called the island Sainte-Domingue, would rule the western part of the island until the beginning of the Haitian Revolution in 1791 (Haggerty 1989).

During the period of French colonial rule, Sainte-Domingue was economically prosperous due to the use of slave labor in the sugar, coffee, and cotton plantations. By the early 1770s, Sainte-Domingue "generated more revenue than all thirteen North American colonies combined." In the years leading up to the Haitian Revolution, Haiti provided about seventy-five percent of the world's sugar and was the largest single producer of coffee (Farmer 2003, p. 56). Unfortunately, such economic success was attributed to the fact that the colony relied on slaves brought from Africa to work the fields.

The Haitian Revolution

Despite numerous slave revolts throughout Haiti's colonial history, a large and particularly well-organized slave revolt broke out in the northern part of the colony in August of 1791, starting the Haitian Revolution. Upon hearing of the widespread discontent and possible revolution bubbling in the Haitian colony, the French Legislative Assembly sent Léger-Félicité Sonthonax to restore order (Hallward 2007, p. 10). In 1793, in attempt to appease the rebelling slaves, Sonthonax emancipated the slaves, although

their civil rights were still severely limited. The black leaders of the slave revolt pledged their allegiance to the French upon confirmation of the French Legislative Assembly's decision to abolish slavery. On the other hand, white colonists in Sainte-Domingue were enraged by this decree and subsequently sided with the British and Spanish forces, who hoped to seize the island from the French during this period of unrest. Their plan to gain control of the island was quickly foiled as a result of illness amongst their troops, in addition to the advantage of the French and former slave troops' central location (Haggerty 1989).

By 1801, Toussaint L'Ouverture, the leader of the movement to end the oppressive cycle of slavery, had gained control of the entire island. He never formally declared independence from France but enjoyed a short period of relative autonomy. The Colonial Assembly approved a constitution that gave L'Ouverture the power to make decisions on behalf of the colony and also granted him the right to choose his successor (Haggerty 1989).

To the dismay of the blacks in Sainte-Domingue, early in 1802, Napoleon Bonaparte sent forces to the island under his brother-in-law, General Charles Leclerc to regain control of the colony. Leclerc and his troops were successful in their mission and also managed to capture L'Ouverture in the process. L'Ouverture was deported to France, where he died in prison in 1803 (Bellegarde-Smith 1990, p. 64). Soon after sending Leclerc to Sainte-Domingue, Bonaparte signed a law that maintained slavery in Sainte-Domingue and stripped the newly freed slaves of their rights. When word of the new legislation reached revolutionary leaders in Sainte-Domingue, they immediately mobilized their troops against Leclerc and fighting soon broke out.

In 1803, war erupted between Britain and France and as a result, the French army in Sainte-Domingue, now under General Rochambeau, was deprived of supplies as the Royal Navy was largely in control of the Caribbean Sea (Bellegarde-Smith 1990, p. 64). The problem was further exacerbated when France sold Louisiana to the United States in order to raise money to fund the war with Britain, leaving the French army isolated in Sainte-Domingue. On November 18, 1803, the Haitian revolutionary army devastated the French at the Battle of Vertières and on January 1, 1804, Dessalines, the leader of the Haitian army, officially declared independence from France. Sainte-Domingue became the first independent nation in Latin America and was renamed “Ayiti”, the name formerly given to the island by the native Taino tribe (Haggerty 1989).

The French government refused to recognize Haiti’s sovereignty for decades after Dessalines declared the independence of Haiti. In 1825, the French government under King Charles X proposed that if Haiti paid 150 million francs to France as retribution for lost property, France would recognize Haiti as an independent nation. The Haitians refused to comply. In 1838, King Louis Phillippe and President Jean-Pierre Boyer negotiated a treaty in which the French would recognize Haiti in return for sixty million francs. The Haitians agreed to pay the sum in order to lift a crippling embargo that had been placed on them by the French, British and the United States since the Haitian Revolution. Haiti did not make its final payment in fulfillment of the treaty terms until 1922 (Bellegarde-Smith 1990, p. 74).

Early U.S. Relations with Haiti

Toussaint L'Ouverture engaged in the first official diplomatic relations on behalf of Haiti in 1798 when he signed an accord with Britain. This accord gave Britain complete control over the Haitian economy in return for protection (Bellegarde-Smith 1990, p. 70). The agreement was short-lived, lasting only until 1804 when Haiti declared independence from France. This declaration of independence by a nation of slaves challenged the foundations of the western international system, given that slavery was crucial to the prosperity of western economies. The subsequent destabilization of other European colonies and the outbreak of anxiety in the United States for fear of further slave rebellions were attributed to the Haitian Revolution, despite the fact that regular slave uprisings had occurred since the beginning of slavery (Hallward 2007, p. 11).

Soon after his inauguration in 1801, President Thomas Jefferson adopted a complex and ever-changing policy towards Haiti, as he had to take into account the interests of American slave-owners as well as the United States' revolutionary history. However, Jefferson sent a clear message to Haiti in 1806 when the United States enacted an embargo against Haiti and renewed it in 1807 and 1809. Similarly, the United States excluded Haiti from the Monroe Doctrine, as it did not recognize Haiti as an independent nation (MacCorkle 1914), despite the fact that in 1820-1821 U.S. – Haiti trade amounted to \$4.5 million (Bellegarde-Smith 1990, p. 74). Additionally, in 1826, the United States pressured the organizers of the Panama Congress to rescind Haiti's invitation to the Congress despite the fact that Haitians had provided a significant amount of support in the independence movements of other Latin American nations. It was not until 1862 when President

Abraham Lincoln emancipated the slaves that Haiti was recognized as a sovereign state by the United States (“Haiti”, U.S. Department of State 2010).

After the American Civil War, the expansionist policies of the American government resulted in the Secretary of State William Seward to visit Haiti. Shortly after, President Ulysses S. Grant proposed a plan for the United States to annex Haiti and other Caribbean nations. Although President Grant’s plan never came to fruition, during this post-war period the United States established many military bases in Haiti (Bellegarde-Smith 1990, p. 76-77).

In 1897, German warships forced the Haitian government to pay large sums of money to German businessmen, as Germany was playing an increasing role in Haitian economic activities. The Haitian government requested that the U.S. government intervene in the matter under the Monroe Doctrine but the U.S. refused, in spite of the fact that they now recognized Haiti as an independent nation (Bellegarde-Smith 1990, p. 78).

Between the years of 1908 and 1915, Haiti experienced a period of extreme political instability in which they had seven presidents in seven years. Relations between Haiti and the United States had become increasingly hostile as a result of a few key issues. First, the Haitian National Bank went broke and was then re-capitalized by the New York National City Bank, in effect an American takeover of the Haitian treasury. Similarly, the United States sought to gain control of the Haitian customs revenues as repayment for debts. Another dispute was between the Haitian government and the U.S.-owned Haitian National Railroad. The railroad company had been contracted to build a railroad between two major cities in Haiti and had laid three sections of the track but could not connect them because of instability within the country. The Haitian government refused to pay the

railroad company, as the work had not been completed, angering the railroad company (Schmidt 1971, p. 19-41). Lastly, the United States was threatened by the role of Germany in Haiti (Bellegarde-Smith 1990, p. 77).

U.S. Occupation of Haiti (1915–1934)

On July 27, 1915, President Vilbrun Guillaume Sam was assassinated and the U.S. saw this as the perfect opportunity to intervene in Haiti. The next day, the U.S. Marines landed in Haiti, claiming the intervention was launched in order to protect property and preserve order. For the next nineteen years, the United States occupied Haiti. Immediately following the U.S. takeover, the Haitian legislature passed a treaty that gave the U.S. control over the nation's finances. Soon after in 1917, the Haitian legislature was dissolved because it refused to approve a new constitution written by Franklin D. Roosevelt. The new constitution, which repealed the provision that forbade foreigners from owning land in Haiti, was approved by referendum immediately after the dissolution of the Haitian legislature. During this period of occupation, the U.S. had veto power over all government decisions and Marine Corps commanders were administrators in the provinces. In addition, the U.S. forces established the Gendarmerie d'Haïti (Haitian National Guard) and improved the nation's infrastructure (Schmidt 1971). However, Haitians were excluded from positions of authority and the racism of the occupying (white) forces allowed the mulatto elite to once again control the country's bureaucracy (Haggerty 1989). U.S. troops finally withdrew in 1934 as part of President Roosevelt's "Good Neighbor Policy" (Buschschluter 2010).

U.S – Haiti Relations During the Cold War Era (1934–1991)

Following many years of criticism on the world stage, President Roosevelt enacted the “Good Neighbor Policy” in the early 1930s, recognizing the unfairness of U.S. intervention in Latin America. U.S. troops were withdrawn from Haiti as a result of this policy and the United States began to mend its relations with the Latin American community (Sage 2006). In the decades since the U.S. occupation of Haiti ended until the end of the Cold War, the United States remained heavily involved in the economy and politics of Haiti. However, due to the fact that the United States was engaged in other international issues and conflicts, Haiti became a lower priority in United States foreign policy.

Conflicting Policies

Although the United States military withdrew from Haiti in 1934, the U.S. has consistently meddled in the affairs of this struggling nation. Following the U.S. occupation of Haiti, U.S. policies towards Haiti shifted away from the use of military force towards the use of money to exert control over Haiti in pursuit of American interests. According to the State Department, the United States, in conjunction with international organizations such as the Organization of American States, the International Monetary Fund and the United Nations, has sought to foster economic growth through development loans, free trade agreements and foreign investment, among other things. Moreover, the United States has consistently been the largest donor to Haiti since 1973 (“Haiti”, U.S. Department of State 2010). Unfortunately, the lack of political stability in Haiti often leads to ineffective or improper distribution of U.S. funds.

Despite the United States' seemingly altruistic economic policies towards Haiti, a further examination of U.S. actions in Haiti throughout the Cold War period illustrates the U.S.'s exploitation and manipulation of Haiti to serve American interests. Although the stated U.S. foreign policy during this time was to contain communism, it is questionable whether or not U.S. actions were in pursuit of this policy. For example, the United States undoubtedly supported Jean-Claude Duvalier's dictatorship from 1971–1988, made apparent by the fact that the United States airlifted him out of Haiti to safety after he was ousted in a popular protest in early 1996 (McGowan 1997). The United States has also regularly chosen to support Haitian politicians who agree to enact policies that benefit the United States, regardless of a politician's history of corruption or human rights violations.

Complicating matters is the fact that the United States often uses economic development funding as a sanction to coerce Haitian politicians to agree to U.S. demands for policies that benefit the United States. For example, President Kennedy terminated economic development assistance to Haiti during Francois Duvalier's dictatorship in 1963, hoping that the relinquishing of funds would coerce Duvalier into changing his behavior ("Haiti: Foreign Assistance", Country Data 1989). Then in 1971, the Nixon Administration promised to reinstate economic development funding and to support the transition of power from Francois "Papa Doc" Duvalier to his son Jean-Claude "Baby Doc" Duvalier in return for the creation of generous incentives to attract foreign investment, including a low minimum wage and the suppression of labor unions, policies that would be beneficial to the U.S. economy (McGowan 1997). The political climate of Haiti often determined whether or not the United States would provide economic development funding, a policy that has resulted in an inconsistent supply of funds for development projects. Constant change in

the provision of development funds is one possible reason why significant economic development has failed to occur in Haiti.

The only clear objectives of U.S. policies towards Haiti are to provide profitable business opportunities in Haiti for American investors and to maintain an adequate level of political stability as not to threaten the security of the United States. In short, the United States ultimately interacts with Haiti in pursuit of American interests.

Free Trade & Haitian Membership in Trade Organizations

The developed countries of the world, particularly the United States, argue that free trade is a means for economic development. Because “the United States, Canada, Mexico, and most of the rest of Latin America and the Caribbean base their economic recovery or development on strategies of export-led growth,” barriers to free trade would, in theory, inhibit export-driven development (Atkins 1993, p. 184). Based on this assumption, the United States has encouraged Haiti to participate in free trade initiatives throughout the twentieth century. Left with little choice but to adhere to U.S. demands if they wanted to continue any type of trade with the United States, Haiti has reluctantly signed many of the free trade agreements over the past sixty years.

Formed in 1949, the General Agreement on Tariffs and Trade (GATT) involved a series of multilateral trade agreements and reductions on tariffs aimed at creating uniform international trade rules and removing barriers to international trade. The Haitian government signed GATT on January 1, 1950 to become a contracting party (“GATT Members”, The World Trade Organization 2010). The World Trade Organization (WTO) replaced GATT in 1993, and the goal of this new organization was also to liberalize trade,

but through a stable set of rules instead of multilateral agreements. Haiti signed on to the WTO agreement in 1996 (“WTO Members and Observers”, The World Trade Organization 2010). The Caribbean Community (CARICOM) was established in 1973 with the objectives of coordinating economic development within the community as well as expanding trade and economic relations with third parties. CARICOM was revised in 1989 to create a single market and economy for all member nations (“The Caribbean Community”, The Caribbean Community Secretariat 2009). Haiti was a permanent observer of the CARICOM Treaty throughout its existence and finally became a member state in 2002. Despite Haiti’s membership in these trade organizations, Haiti was still one of the most isolated economies in the western hemisphere in 1993 due to political instability and a lack of the infrastructure necessary for successful economic activity (Atkins 1993, p. 192).

The Caribbean Basin Initiative

The Caribbean Basin Initiative (CBI) was the most important, albeit highly criticized, trade policy towards Haiti and other Caribbean countries enacted by the United States during the Cold War period. In the 1970s and 1980s, constant fluctuations in world energy prices greatly impacted the economies of many nations and the countries of the Caribbean Basin were particularly set back by this economic uncertainty (Messina and Seale 1993, p. 168). In 1982, President Reagan announced a policy aimed at revitalizing the economies of the Caribbean Basin through measures such as one-way free trade for Caribbean territories, technical assistance to expand production and export capabilities, incentives for private investment, and country quotas for certain products (Lowenthal 1982, p. 114-115).

The Caribbean Basin Initiative, which became law under the Caribbean Basin Economic Recovery Act (CBERA), was effective on January 1, 1984 (Griffith 1990, p. 33).

For all practical purposes, the Caribbean Basin Initiative was unsuccessful in developing the Caribbean economies. It has been reported that between 1983 and 1987, U.S. exports to the Caribbean area had increased by eighteen percent while imports from the Caribbean area had decreased during the same period (Griffith 1990, p. 34). In addition, although the initiative was touted for its creation of duty-free access to American markets, only about ten percent of the Caribbean region's exports were given new free trade access under the CBI, as most of the region's exports were already enjoying a duty-free status because they did not compete with domestic U.S. goods (Newfarmer 1985, p. 65). U.S. direct investment in the Haitian economy amounted to \$36 million in 1982 and actually decreased to \$35 million in 1983, after the enactment of the CBI (Newfarmer 1985, p. 86).

Haiti in particular experienced few, if any, gains from the Caribbean Basin Initiative. Of the \$350 million allocated in supplementary funding for the beneficiary nations of the CBI, Haiti only received \$10 million (Haggerty 1989). Additionally, when the CBI was enacted in 1984, sugar was one of Haiti's most important exports. Unfortunately, because a domestic sugar program heavily protected the U.S. sugar industry, Haiti was unable to capitalize on duty-free access to the U.S. market granted under the CBI.

Prior to the enactment of the CBI in 1982, the United States had developed a sugar program, which guaranteed loan prices to sugar-producing farmers. In addition, the program imposed a quota on foreign imports of sugar while allowing for unrestricted domestic growth of the American sugar industry. When the CBI went into effect in 1984,

sugar import quota restrictions took precedence over the provisions of the Caribbean Basin Initiative that would have allowed for duty-free access of Caribbean sugar to the U.S. market. Between 1981 and 1987, sugar imports from the Caribbean Basin decreased from 1.6 million short tons raw value to 0.3 million short tons raw value. It is clear that Caribbean sugar prices could not compete with subsidized U.S. prices and therefore, the Caribbean nations, particularly Haiti, could not benefit from the sugar tariff elimination under the CBI (Messina and Seale 1993, p. 167-168). The sugar policies, as Messina and Seale point out in *U.S. Sugar Policy and the Caribbean Basin Economic Recovery Act: Conflicts between Domestic and Foreign Policy Objectives*, are a perfect illustration of how “we (the United States) restrict access to the U.S. market for CBERA countries for one of their more important export commodities at the same time that we express our commitment to helping their economic development” (Messina and Seale 1993, p. 170).

Critics suggest multiple reasons why the CBI was wholly ineffective in improving the economies of Caribbean Basin countries. One such suggestion is that the Caribbean countries targeted by this initiative suffer from a lack of entrepreneurial talent. A supply of entrepreneurs is essential for exploiting potential economic growth opportunities (Griffith 1990, p. 36). Another possible explanation for the failure of the CBI is the requirement of Caribbean nations to adopt specific economic policies in order to benefit from the U.S. assistance via the CBI (Griffith 1990, p. 47). While these policies might not actually be in the best interests of a particular nation, Caribbean nations nevertheless chose to adopt the policies as a result of their desperate economic situation. Still others suggest that the United States was not genuinely interested in the economic development of the Caribbean region, rather the U.S. believed that stabilizing the economy in the Caribbean Basin was

critical to reducing the security threat from this area of the world (Newfarmer 1985, p 63).
Regardless of the reasons for the failure of the Caribbean Basin Initiative, it has become
apparent that the United States enacted the CBI legislation for mostly some national
benefit.

A BRIEF HISTORY OF THE DOMINICAN REPUBLIC AND US – DOMINICAN RELATIONS (1492–1990)

Colonial Dominican Republic

The Dominican Republic covers the eastern two-thirds of the island of Hispaniola, or *La Isla Espanola*, where Christopher Columbus landed in 1492 and claimed the land for the Spanish throne. After his first colony, *La Navidad* failed, he established another colony on the island named *La Isabela*, which proved to be much more successful than the initial Spanish attempt to colonize the island. The Tainos, an Arawak-speaking native population, originally inhabited Hispaniola but were nearly wiped out by the Spanish settlers in the early sixteenth century (“Dominican Republic”, U.S. Department of State 2010). By 1548, it is estimated that the Taino population had dwindled from approximately one million to only 500 on the island of Hispaniola (Haggerty 1989).

Under Spanish rule beginning at the end of the fifteenth century, the entire island bore the name Santo Domingo. Spain was mainly interested in this small island because of the discovery of gold early in the colonial period. The Spanish also realized the profitability of agriculture on the island and in 1503, only eleven years after Columbus first landed on the island, the Spanish began importing slaves from Africa to Santo Domingo to ensure an adequate supply of labor for the plantations (“Dominican Republic”, U.S. Department of State 2010). By 1520, African slave labor was used almost exclusively in Santo Domingo (Haggerty 1989).

In 1521, Hernán Cortés led the Spanish conquest of Mexico, where they discovered vast quantities of gold and silver. Soon after, these precious metals were also found in Peru. As a result, Spanish interest in Santo Domingo drastically declined over the sixteenth

century as they shifted their sights towards more profitable mainland colonies (Haggerty 1989).

Starting in the early 1600s, French settlers began to occupy the western third of the island, beginning a period of intermittent warfare between French and Spanish settlers on Hispaniola that would not come to an end until over 200 years later. The fighting became particularly intense following the establishment of the French West India Company in 1664, a clear indication of France's intention to completely control the western part of the island (Moya Pons 1998, p. 56). After a century of conflict over control of the western third of the island, Spain officially ceded this region of Hispaniola to the French in the Treaty of Ryswick in 1697 (Moya Pons 1998, p. 72).

Following a protracted period of population and economic decline in Santo Domingo, particularly during the second half of the seventeenth century, the Bourbon dynasty replaced the Habsburgs in Spain, sparking change in the Spanish colony. The new Bourbon dynasty enacted economic reforms that led to increased production and trade in Santo Domingo and subsequently, the colony experienced major population growth throughout the eighteenth century. Similarly, as population and production increased, immigration and slave importation also began to increase to the colony. Further, in 1790 Spanish authorities decreed that traders from any port in Spain could buy and sell anywhere in Spanish America and in 1800, they opened colonial trade to all neutral vessels. These policies helped to boost Santo Domingo's economy after a long period of decline (Haggerty 1989).

Meanwhile, revolution had been brewing on the other side of the island in the French colony. Following a successful slave revolt that created the Republic of Haiti,

the leader of the revolutionary movement Toussaint L'Ouverture had gained control and was beginning to exert his influence over the entire island of Hispaniola by 1797.

L'Ouverture abolished slavery in Santo Domingo and made many changes to the economic system among other things, leaving the Spanish colonists extremely displeased. After a decade of being subject to Haitian rule, the Spanish in Santo Domingo were finally able to regain control over their colony in a series of military engagements known as the War of Reconquest, if only for a brief period of time (Moya Pons 1998, p. 106-116).

Haitian Rule

Unfortunately for the Spanish in Santo Domingo, the leadership of the newly freed slave Republic of Haiti never lost sight of its goal to unify the entire island. The War of Reconquest had left the eastern part of the island completely devastated, damage that would take decades to restore. The Haitians had allied themselves with groups of Spanish colonists who wanted independence from Spain along the Haiti-Santo Domingo border, convincing them to advocate for Santo Domingo to declare independence from Spain and join the Republic of Haiti. These alliances eventually led the leadership of Santo-Domingo to realize that they had completely lost control of the situation and to provoke the coup d'état that would overthrow their own government in November, 1821. In January of 1822, Boyer, the leader of Haiti, wrote to the Dominican leadership to explain that Haiti was acting to preserve the independence of the entire island. At this point, Haiti had finally won complete control over the island of Hispaniola and would remain in control for the next 22 years (Moya Pons 1998, p. 117-123).

During the 22 years of Haitian control of Santo Domingo, spanning from 1822 until 1844, the Dominican economy experienced a steady decline. Many Dominican landowners chose to leave the Dominican Republic for other Spanish colonies instead of living under Haitian rule. The circumstances of Haitian rule in Santo Domingo continued the trend of halted economic progress in a land with such great potential (Haggerty 1989).

First Independence and Sparring Dictators

Boyer remained in control of Hispaniola for the entirety of Haitian rule in Santo Domingo but became increasingly unpopular amongst Haitians as time wore on. He proved to be inept in unifying the two former colonies, as they were based on two very different economic systems and had significant cultural disparities. Dominicans as well as Haitians did not support his agrarian policies or his land policy. In addition, Boyer and his regime were intolerant of political dissension within their own ranks and therefore alienated and/or expelled many former government officials. The widespread disapproval of Boyer peaked in early 1843 and he was forced to resign in March, 1843 (Moya Pons 1998, p. 133-141). The overthrow of Boyer is known today as the Revolution of 1843 (Haggerty 1989).

The overthrow of Boyer gave the Dominicans a window of opportunity to gain independence from Haitian rule. During this politically uncertain period, Dominican rebel forces rallied to increase their size in order to gain independence. Finally, on February 27, 1844, the Dominican forces led by Juan Pablo Duarte drove out the Haitians from Santo Domingo and declared the independence of the Dominican Republic (“Dominican Republic”, U.S. Department of State 2010). This first independence of the Dominican

Republic came about much later than a large number of Caribbean nations (Haggerty 1989).

The first twenty years of Dominican independence were marked by the self-serving dominance of two alternating dictators: Báez and Santana. These two authoritarian leaders also signify the beginning of the toxic caudillo leadership tradition of the Dominican Republic. “Caudillo” is the Spanish term used for political-military leaders at the head of an authoritarian power (“Caudillo”. Encyclopedia Britannica 2010).

At first, many urged Juan Pablo Duarte to assume control of the new nation but Duarte, in turn, encouraged an electoral process to determine who would be the first leader of the Dominican Republic. Santana, a prominent military leader, would not agree to an electoral process following independence and instead, his forces took over the city of Santo Domingo on July 12, 1844, allowing Santana to assume leadership of the Dominican Republic. Santana was the ruler of the fledgling state until his resignation in February 1848. Santana’s war minister, Jiménez, took over power but only lasted in the position until May 1849. Although he called for an election soon after regaining control, Santana felt compelled to return to power when the Haitians attempted to invade the Dominican Republic, a threat Jiménez was not prepared to handle. In these August 1849 elections requested by Santana, Báez was victorious. In his first term, Báez advocated for the Dominican Republic to become a protectorate of a more powerful nation, such as the United States but was unsuccessful in this endeavor. He was successful, however, in signing a commercial and maritime treaty with Britain in 1850. Power shifted back to Santana when he was elected to succeed Báez in the 1853 election. Soon after returning to power, Santana had Báez expelled from the Dominican Republic on charges that he

collaborated with the Haitians during the Haitian occupation. After signing an unpopular commercial treaty with the United States, the pressure built to such an extent that Santana resigned again in May 1856. Santana's vice president, Regla Mota, took over but soon stepped down from the post in favor of Báez, who immediately had Santana expelled from the country upon resuming power. Not surprisingly, Báez's rule did not last long. In an effort to boost the ailing economy, Báez injected paper money into the economy, causing the currency to become nearly worthless and ultimately creating an even greater level of unrest amongst Dominicans. This widespread unrest manifested itself in what became the Revolution of 1857, led by Santana, in which he gained power of the Dominican Republic yet again (Haggerty 1989).

Spanish Annexation

This twenty-year period of political back-and-forth had left the Dominican Republic in a state of utter despair. Economic conditions were unbearable and not surprisingly, Dominicans had become "distrustful of their own ability to maintain an orderly government" (Chapman 1927, p. 85). This insecurity had long led Dominicans to desire a powerful nation on which they could depend for security. Therefore, in his final stint in power, Santana voluntarily returned the Dominican Republic to the Spanish empire, allowing Spain to annex the young and struggling nation. Unfortunately, protection under the Spanish empire did little to resolve the Dominican Republic's numerous problems (Haggerty 1989).

Second Independence and Political Turmoil

To some extent, the Dominicans had hoped for the quick resolution of many of their economic and political woes by reuniting with the Spanish empire but that they did not find. This unmet expectation, along with the rebellions, racial tensions, excessive taxation and restriction of trade led to the creation of the Act of Independence and the start of the War of Restoration (Haggerty 1989). On March 3, 1865, the Queen of Spain signed a decree that annulled the annexation of the Dominican Republic, as the Spanish leadership had determined that there was little reason to engage in a war over a colony that they did not particularly want (Moya Pons 1998, p. 217-218).

A national convention of Dominican leaders met on February 27, 1865 to enact a new constitution and elect a new leader. Chamorro was elected to the presidency but as had happened previously in the Dominican Republic, the war had left the nation completely devastated and in a state of political chaos. Báez managed to gain power via force on December 8, 1865 but would never be able to exercise the same type of influence over the whole nation as he and Santana had done in the past because the government structure had changed (Haggerty 1989). Between the years of 1865 and 1882, the Dominican Republic continued to be in a constant state of political chaos, changing caudillos on a frequent basis (Moya Pons 1998, p. 219-243).

Ulises Heureaux was elected to the presidency and took office on September 1, 1882 (Moya Pons 1998, p. 250). He was a war minister under a previous president and as president of the Dominican Republic, he ruled in a mock constitutional fashion. He maintained power through institutionalized fraud until his assassination in 1899. During Heureaux's lengthy dictatorship, he greatly increased external debt, claiming to need the

money for infrastructure improvements but most of the money was used for his own personal gain. One important by-product of the Heureaux era was the 1891 reciprocity treaty between the United States and the Dominican Republic, that gave 26 U.S. products free entry into the Dominican markets in exchange for similar access to U.S. markets for Dominican products (Haggerty 1989). This was one of the first trade agreements that the Dominican Republic negotiated on its own behalf.

By 1899, European creditors began calling in loans that were taken out under Heureaux's presidency. This caused a bit of a shock to the Dominican. During this same time period, the United States began to take a particularly strong interest in the economic and political stability of Caribbean nations, especially the Dominican Republic (Haggerty 1989). Thus, in April of 1905, the General Customs Receivership was established. Under the auspices of aiding the Dominican Republic with their financial woes, the United States created this office through which the U.S. government would administer the Dominican finances. Under the agreement, the U.S. government assumed all responsibility for the Dominican Republic's external debt. In addition, the United States would collect all customs payments in the Dominican Republic and would distribute the funds to the Dominican government as well as to other nations as repayment of Dominican debt (Martinez 1999, p. 69).

In December of 1905, Cáceres assumed the presidency. His presidency is somewhat notable in that he was able to focus on rebuilding the nation now that the Dominican financial troubles were, to some extent, being handled by the United States. During his presidency, Cáceres nationalized public utilities, established a bureau of public works, and worked towards greater centralization of government. His actions were not entirely

popular; nationalists who resented the Dominican Republic's loss of financial sovereignty assassinated him in 1911 (Haggerty 1989).

U.S. Occupation of the Dominican Republic

As previously stated, the United States became increasingly interested in the economic and political stability of Caribbean nations at the beginning of the twentieth century. It was clear by the politically-motivated killings and the constant changes of power that the Dominican Republic was far from a state of political stability. In September 1912, President Taft sent envoys to the Dominican Republic to mediate between warring political factions. The presence of approximately 750 U.S. Marines made it clear to the Dominicans that the United States would follow through on the threat to intervene if they did not resolve their leadership issues. President Taft's action resulted in the selection of a neutral figure for president. Archbishop Nouel took over the presidency in November 1912 (Haggerty 1989).

The archbishop proved to be inadequate for the job of president of such a troubled nation. Bordas and then Jiménez succeeded Archbishop Nouel in the presidency but ultimately, the Dominican Republic failed to install a lasting president for the next four years (Haggerty 1989).

The United States began an eight-year occupation of the Dominican Republic in May 1916. This occupation was only one of more than thirty military interventions in Latin America between 1898 and 1934 (Smith 1996, p. 52). The reasons given by the United States government for intervention included economic difficulties, the threat of European intervention (the desire to uphold the Monroe Doctrine), and ongoing internal disorder

("Dominican Republic", U.S. Department of State 2010). The United States imposed a form of military rule under which most Dominican laws and institutions remained intact. Following World War II, public sentiment in the United States turned against Caribbean occupations, putting pressure on U.S. leadership to withdrawal from the Dominican Republic (Haggerty 1989). The United States government had never identified any clear objectives or goals for the occupation of the Dominican Republic, so they were left with little choice but to craft a plan for withdrawal (Calder 1984, p. 23). In March of 1924, a formal election was held in which General Vazquez was victorious and inaugurated on July 12, 1924 (Chapman 1927, p. 87). Despite eight years of American intervention, Vazquez's presidency was marred with corruption. Within the first few months of his presidency, Vazquez replaced approximately eighty percent of government employees with partisans and followers (Chapman 1927, p. 88).

The Trujillo Regime

By 1930, the political situation was back to status quo with caudillo rule. Rafael Trujillo, the commander of the National Army, had established absolute political control. His dictatorship lasted for 31 years and finally came to an end when he was assassinated in May 1961 ("Dominican Republic", U.S. Department of State 2010). Trujillo ruled in a similar manner to that of feudal lords and also had secret police informers to suppress all opposition. Nepotism, mismanagement and widespread corruption led to economic troubles, despite Trujillo's policies to promote economic development (Haggerty 1989). Throughout his reign, Trujillo also staged a takeover of the sugar industry (Martinez 1999, p. 72). In this takeover of one of the Dominican Republic's most important industries,

Trujillo nationalized twelve of sixteen sugar plantations for his own benefit (Schrank 2005, p. 46).

Trujillo also greatly violated cultural values and human rights, with policies included the promotion of “Hispanicism” in order to erase the memory of African heritage and the installation of the fear of the “Haitian menace” (Martinez 1999, p. 71). One particularly chilling example of Trujillo’s repression of human rights is the mass murder of about 25,000 Haitians near the Haitian border by the Trujillo regime (Martinez 1999, p. 70). In 1960, the OAS initiated diplomatic and economic sanctions against the Dominican Republic because Trujillo was implicated in an assassination attempt of the Venezuelan president. Trujillo himself was assassinated on May 30, 1961.

Towards Democracy and Economic Development

Following Trujillo’s assassination in 1961, a series of Trujillo supporters had control of the Dominican Republic until elections were held in December 1962. Juan Bosch won the elections and was inaugurated in February 1963. Bosch, who had spent the majority of his adult life in exile in Costa Rica and Cuba, was a member of the Partido Revolucionario Dominicano, a liberal party founded in Cuba in 1939 (Moya Pons 1998, p. 383). The newly elected president had liberal and democratic policies that demonstrated concern for the welfare of Dominicans, especially those of modest means. He advocated for civil and individual rights, civilian control of the military, and separation of church and state (Haggerty 1989). However, businessmen and other educated professionals felt threatened by Bosch’s plans for the economy. This segment of the population, along with former

Trujillo supporters, caused anti-Bosch sentiment to grow soon after Bosch took office (Moya Pons 1998, p. 385).

On September 25, 1963, a coup d'état forced Bosch out of the presidency and a civilian junta made up of corporate executives and lawyers took control of the government. Cabral, who became the head of the junta, immediately abolished the constitution that was created under Bosch (Moya Pons 1998, p. 385). However, Cabral was unable to convince the majority of the Dominican population of his legitimacy, as Bosch had won over sixty percent of the electorate in the December 1962 elections (Moya Pons 1998, p. 386).

After almost two years of political unrest, civil war broke out in the Dominican Republic between the pro-Bosch "Constitutionalists" and the pro-junta "Loyalists" on April 25, 1965 (Haggerty 1989). President Johnson sent U.S. forces to the Dominican Republic on April 28, 1965, arguing that he had to protect and evacuate American citizens (Moya Pons 1998, p. 388). Johnson's decision to send troops to intervene in the civil war was, in actuality, fulfilling his policy towards Latin America. Policy had significantly changed in 1959 when Fidel Castro's communist regime took over in Cuba (Lowenthal 1991, p. 192). Accordingly, Johnson's Latin American policy was driven by his desire to avoid a "second Cuba"; that is, he would do whatever was necessary to avoid the spread of communism in the region (Smith 1996, p. 156).

Johnson's decision to intervene in the 1965 Dominican civil war was based on the belief that communists dominated the Constitutionalists. After the U.S. intervened in April 1965, American government officials sought assistance from other OAS member states to legitimize the intervention, as the U.S. action was in violation of both the OAS and UN charters (Moya Pons 1998, p. 389). The OAS facilitated about four months of intense

negotiation between the Constitutionals and the Loyalists that ultimately resulted in the creation of a provisional government charged with holding free elections in June 1966 (Moya Pons 1998, p. 389).

During this period, the U.S. commitment to the promotion of democracy became second to its desire to prevent a second Cuba, as illustrated by the lack of U.S. support for Bosch, a democratic leader (Lowenthal 1991, p. 197). Despite this somewhat conflicting policy, it can be argued that the 1965 U.S. intervention in the Dominican civil war had some positive outcomes. Most notably, the country became a political democracy in the years following the U.S. intervention. This democratic evolution is thought to be the result of high levels of U.S. economic assistance to the Dominican Republic in the years following the intervention that would not be possible absent of intervention (Lowenthal 1991, p. 200). In addition, U.S. intervention forced the OAS to become involved in the conflict, which helped to speed up the negotiating process. Had the Dominican Republic been left to its own devices, it is possible that political stability would not have been achieved.

The provisional government established during the OAS negotiations successfully carried out free elections in June 1966, when Joaquin Balaguer was elected president. Balaguer's election in 1966 and subsequent terms in office represent a shift in Dominican politics. Balaguer, who was reelected in May 1970 and May 1974, was a successful president overall, given the state of affairs when he assumed office ("Dominican Republic", U.S. Department of State 2010). The "Dominican Miracle" began during Balaguer's administration in which the Dominican Republic experienced economic expansion at record rates. Foreign investment, foreign borrowing, and foreign aid from the United

States and some European nations all increased and a significant amount of funds were invested in public works programs.

One lasting development of Balaguer's presidency was the passage of the Tourism Incentive Law in 1971 by the Dominican government. This law gave investors in tourism a ten-year tax break and an exemption from tariffs on imported items that were not locally available (Haggerty 1989). Infrastructure improvements that began following the U.S. intervention in the Dominican civil war in 1965 were another critical factor for the tourism industry to take off (Moya Pons 1998, p. 400). Led by tourism, the services sector accounted for 54.1 percent of real GDP for the Dominican Republic in 2009 ("Dominican Republic". U.S. Department of State 2010).

Another of the lasting impacts of Balaguer's presidency was the creation of "industrial free zones" into which intermediate goods could be imported duty-free to produce goods to fuel the export economy. While these zones ultimately did help the Dominican economy grow, they were not created with the best interests of the Dominican people in mind. Transnational corporations, who are responsible for the creation of these zones, sought to take advantage of cheaper production costs in the Caribbean nations and therefore pushed for the creation of areas to which they could export raw materials. These raw materials would be turned into goods that would be sent back to the United States, and sold for a considerable profit. Given that 87 of the top 100 transnational corporations in the world are based in the United States, the U.S. certainly played a pivotal role in the creation of the industrial free zones in the Dominican Republic (Pantojas-Garcia 2001, p. 59-61).

On the other hand, to the dismay of many powerful and developed nations, Balaguer refused to open the Dominican Republic's borders to free trade because the government was dependent on tariff revenue for approximately fifty percent of its income. Another unfortunate element of Balaguer's presidency was his administration's failure to provide adequate healthcare and educational systems (Schrank 2003, p. 423-435).

Antonio Guzman defeated President Balaguer in the 1978 elections. Guzman's inauguration on May 16, 1978 was the first successful transfer of power through free elections ("Dominican Republic". U.S. Department of State 2010). During Guzman's term in office, he depoliticized the military and increased the minimum wage, among other things but was accused of not doing enough to boost the slowed economy. He committed suicide in July 1982 for unknown reasons (Haggerty 1989).

Salvador Jorge Blanco succeeded Guzman in the Dominican presidency, taking office in 1982. He enacted economic adjustment programs and recovery policies in addition to agreeing to an austerity program in cooperation with the IMF to remedy the Dominican Republic's slumping economy. Balaguer returned to office in the 1986 elections and was again reelected in the 1990 elections. This time around, Balaguer utilized similar methods to those of Blanco to address the economic depression. Public works programs were created to reactivate the economy and economic reforms including balancing the budget and IMF agreements were used to help curtail inflation ("Dominican Republic", U.S. Department of State 2010). In the late 1980s, the export manufacturing sector in the Dominican Republic grew significantly in size and scope (Schrank 2005, p. 47).

THE CLINTON ADMINISTRATION IN HAITI (1993-2001)

Between the fall of the Duvalier regime in February of 1986 and the first democratic elections in Haiti in 1990, four separate governments marked by strict military rule dominated Haitian politics. This transitional period from thirty years of dictatorship to democratic elections was largely a period of political crisis in which tensions between those favoring democracy and those favoring government consolidation of power were at an all-time high (Dupuy 2007, p. 57-58). Finally on December 16, 1990, Haiti held what is widely considered its first democratic elections and for a brief period of time following the elections, the citizens of this downtrodden nation had hope for the future of Haiti. Jean-Bertrand Aristide won the election in a landslide victory, capturing approximately sixty-seven percent of the popular vote (Dupuy 2007, p. 94). At the time of his election, Aristide was a young “radical liberation theologian priest” who was “the champion of the impoverished majority” (Dupuy 2007, p. 1). Sworn into the presidency on February 7, 1991, Aristide’s commitment to transforming Haiti from the old regime to a just and democratic nation was cut short by a coup d’état on September 29, 1991, less than eight months after he became president. The Haitian military overthrew and exiled Aristide, whose life was saved only by the intervention of U.S., French and Venezuelan diplomats.

Initially, the United States condemned the coup and vowed to restore Aristide back to power in Haiti, as it was an integral part of President Bush’s foreign policy for the United States to “encourage a growing community of democracies anchoring international peace and stability” (“Clinton’s Foreign Policy 2000, p. 18). The American leadership asserted that if Aristide was a democratically elected president, then the United States should

support his return to the presidency. However this policy quickly shifted and became predicated on Aristide's willingness to accept U.S. demands, including to "empower the poor through changes in the economy, the regime, and the state" (Morley and McGillion 1997, p. 365).

By the time President Clinton took office in January of 1993, Haiti had fallen back into a state of utter political crisis. General Raoul Cédras, one of the military leaders responsible for the coup, had gained control of the country and had instituted a policy of terror to suppress his opposition: those who supported Aristide (Constable 1992, p. 179). Initially, the United States half-heartedly participated in an embargo initiated by the Organization of American States to force political change but in February 1992, the Bush Administration lifted the embargo restrictions that affected American-owned assembly plants in Haiti (Morley and McGillion 1997, p. 366). While the embargo squeezed the majority of impoverished Haitians, the elites of the upper class were merely inconvenienced and some even benefitted from the resultant contraband trade, deeming the embargo wholly ineffective in forcing political change (Constable 1992, p. 183). Further evidence of the ineffectiveness of the embargo can be found in the trade statistics from 1992; the U.S. exported over \$209 million in goods to Haiti throughout 1992 while imports from Haiti amounted to \$107 million ("Trade in Goods with Haiti" 2010).

Clinton's Doctrine of "Enlargement"

As the first post-Cold War president, Clinton needed to redefine the foreign policy of the United States. The Cold War doctrine of containment was no longer appropriate for defining how the U.S. would interact with the world, as the era of globalization had begun.

Clinton first unveiled his foreign policy agenda of “democratic enlargement in a speech to the United Nations General Assembly on September 27, 1993 (Brinkley 1997, p. 111). In this speech, he defined what he believed to be the top three foreign policy priorities for the United States: “updating and restructuring American military and security capabilities, elevating the role of economics in international affairs, and promoting democracy abroad” (Brinkley 1997, p. 112-113). Clinton advocated the spread of democracy and open markets and believed that domestic economic interests should play an important role in U.S. foreign policy.

Clinton’s doctrine of enlargement focused on using the global economy as a means to promote international stability in addition to increasing U.S. prosperity (“Clinton’s Foreign Policy” 2000, p. 20). In accordance with this policy, Clinton was certain that if emerging democracies “developed consumer-oriented middle classes with the desired appetites for American products,” peace and prosperity would ensue (Brinkley 1997, p. 117). This self-interested perspective of economic development fostered economic relationships with countries with bright futures such as Mexico and South Korea while ignoring the need for economic development in downtrodden nations such as Haiti. Clinton’s trade-focused foreign policy objectives left Haiti at the periphery of U.S. foreign policy because Haiti was generally regarded as being incapable of developing a consumer-oriented middle class in the near future. Since Haiti lacked a class of consumers who would continually buy products from America, the policy of enlargement ultimately had little impact on the economy of Haiti, as the first-term Clinton Administration only involved itself with Haiti when the political climate or humanitarian need became so great that it could no longer be ignored (Brinkley 1997, p. 119).

The trade policy with the greatest impact on Haiti during Clinton's first term was the embargo. The initial embargo enacted by the OAS immediately following the coup was relatively insignificant. On the other hand, an embargo initiated by the United Nations and enacted in May 1994 as a culmination of various international sanctions was extremely debilitating to the Haitian economy. The embargo blocked all goods except humanitarian supplies such as food and medicine. Particularly affected was the assembly sector, which employed about 100,000 in the mid-1980s but fell below 17,000 following the 1994 embargo. Since then, the assembly sector has slowly recovered to approximately 28,000 ("Haiti" U.S. Department of State 2010).

U.S. Troops in Haiti

Following almost two years of military rule in Haiti, the United States and the United Nations were able to pressure Aristide and Cédras into signing the Governor's Island Agreement on July 3, 1993. This agreement outlined the steps for the democratization of Haiti, including the nomination of a new prime minister, the suspension of economic sanctions, the provision of aid money to reform the bureaucracy and armed forces, and the reinstatement of Aristide to the presidency on October 3, 1993 (Morley and McGillion 1997, p. 368-369). It soon became apparent that the agreement was unraveling, as Cédras made it clear that he and his military forces would not allow for the return of Aristide as specified in the agreement. After eight more months in which the United States attempted to apply pressure and seek compromises from both Cédras and Aristide, the United States requested support from the United Nations Security Council to impose a global trade embargo on Haiti in early May 1994 (Morley and McGillion 1997, p. 374).

When the embargo failed, the United States sent 20,000 troops to Haiti in September 1994 to put down Cédra's military regime in order to return Jean-Bertrand Aristide to the presidency. Just four days before U.S. troops arrived in Haiti, President Clinton addressed the nation, detailing the reasons for launching "Operation Restore Democracy" in Haiti, including to reinstall the democratically elected Aristide, to end oppressive rule that was causing Haitians to flee to the United States, and to restore democracy as democratic nations are more reliable economic and political partners (Girard 2004, p. 29). On September 19, 1994, U.S. troops arrived in Haiti and U.S. Commander Shelton began talks with Cédra to negotiate his departure from office. Less than one month later on October 10, 1994, Cédra delivered his resignation speech and was exiled to Panama, where the U.S. paid for his living expenses for one year as part of the negotiations brokered by Shelton (Girard 2004, p. 119). Five days later on October 15, 1994, Aristide was reinstated as president of Haiti (Girard 2004, p. 121).

The United States turned over the responsibility of the mission to the United Nations on March 31, 1995, having declared that a "secure and stable environment had been established" (Taft-Morales and Ribando 2007, p. 4). However, U.S. troops did not begin to withdraw until January 1996, nine months after the mission was turned over to the United Nations (Rotberg 1996, p. 135). Despite the fact that the United States had started a "withdrawal" from Haiti, all funding, training, and development of the Haitian National Police was provided by the United States between the years of 1994 and 1999 as the result of a five year contract signed by the United States and Haiti (Hallward 2007, p. 63-64). In addition, the Clinton Administration provided financial aid for the Haitian economy over years following the 1994 invasion, believing that security was not limited to

maintaining the public order but also included economic stability (Sweeney 1996, p. 148).

Clinton's Second Term

Clinton won the 1996 elections and began his second term on January 20, 1997. In his first term, President Clinton was primarily concerned with domestic issues. His interests in the Caribbean were limited to negotiating the North American Free Trade Agreement (NAFTA) and managing the violent political transition in Haiti (1997, p. 102-103). Like most United States presidents and other world leaders, Clinton was concerned with the United States' economic growth and addressed this issue by negotiating free trade agreements, regardless of the potentially detrimental results of these agreements on developing nations.

Following the invasion of Haiti in 1994, trade policy towards Haiti remained the same until Clinton left office in January 2001. Moreover, the United States did not enact any embargoes against Haiti during Clinton's second term. The free trade agreements that had been brokered during Clinton's first term increased the amount of hemispheric trade but did little to decrease the trade deficit in Haiti. This high trade deficit can be attributed to the fact that small, underdeveloped countries with undiversified economies cannot compete with world powers such as the United States. Haiti, a nation that relies on the manufacturing of clothing and the assembly sector to drive its small export economy, was easily overwhelmed by the influx of goods to the market as a result of the free trade agreements of the Clinton Administration (Bryan 1997, p. 104). Furthermore, Haiti was further handicapped by competition for international trade and foreign investment from other Caribbean nations with more liberalized economies, such as Jamaica and

Trinidad/Tobago (Bryan 1997, p. 112).

For the year of 1993, Clinton's first year in office, the U.S. exported \$228.6 million in goods to Haiti and imported \$154.1 million in goods from Haiti, a trade deficit of \$74.5 million. By the time Clinton left office in January 2001, the trade statistics had greatly increased. For the year 2000, exports to Haiti amounted to \$576.7 million and imports from Haiti amounted to \$296.9 million, a trade deficit of \$279.8 million ("Trade in Goods with Haiti" 2010). While these statistics certainly illustrate that the Haitian economy grew during Clinton's presidency, it also shows that the trade deficit remained high despite economic growth. In promoting his foreign policy objectives, Clinton touted his enlargement doctrine as an engine of economic growth for developing nations but an examination of his policy in action does not reveal this same type of altruism. Therefore, it is not unreasonable to conclude that Clinton's policy of enlargement through trade was carried out to serve the interests of the United States.

THE CLINTON ADMINISTRATION IN THE DOMINICAN REPUBLIC (1993-2001)

Unlike Haiti, the Dominican Republic had achieved a relatively stable democracy by the early 1990s when President Clinton took office. Clinton's foreign policy was centered on the principle of "democratic enlargement" and his rhetoric made clear his belief that U.S. foreign policy should support the U.S. economy (Broad and Cavanagh 1996, p. 19). As such, the Dominican Republic was not a primary focus of the United States during Clinton's presidency (Brinkley 1997, p. 111).

At the Summit of the Americas in Miami in December 1994, President Clinton outlined his four policy objectives for Latin America. His first goal was to deepen democratic practices throughout Latin America. Second, he sought to achieve economic growth and to improve income redistribution within market economies. Third, he wanted to work towards eliminating poverty and discrimination. President Clinton's fourth and final policy objective for Latin America was to secure environmentally sustainable development (Palmer 2006, p. 2-3). Also during the Summit of the Americas in 1994, Clinton and other leaders agree to move towards a "Free Trade Area of the Americas" (FTAA) by 2005 in order to achieve economic integration in the western hemisphere (Bryan 1997, p. 102).

Clinton's most significant contribution to Latin American relations was to obtain congressional ratification of the North American Free Trade Agreement (NAFTA), which went into effect on January 1, 1994. NAFTA provided for the immediate elimination of tariffs on many goods that were traded between the United States, Canada, and Mexico. Under NAFTA, all U.S.-Mexico tariffs would be eliminated over a ten-year period. In

addition, NAFTA worked to remove non-tariff barriers to trade between the three member nations ("North American Free Trade Agreement" 2010).

NAFTA severely crippled many Caribbean economies, including the Dominican economy due to preferential treatment of Mexican goods. The export apparel industry, important to the Dominican economy, was hit particularly hard by NAFTA, and as a result, between 1994 and 1996 textile exports from the Dominican Republic contracted. While Mexican textile exports to the U.S. grew by 123 percent over this two-year period, the combined textile exports of the Dominican Republic, Jamaica, St. Lucia, and Haiti grew by only fourteen percent over the same period (Pantojas-Garcia 2001, p. 62). Furthermore, export-processing zones (free trade zones) within Caribbean nations were forced to compete more fiercely for U.S. investment because of the competitive advantage Mexico gained due to NAFTA. Bidding wars ensued that included tax incentives for U.S. businesses, resulting in approximately forty percent of Caribbean apparel exports to the United States providing virtually no income to the host governments (Heron 2002, p. 758). Likewise, approximately 123,000 jobs in the Caribbean apparel industry were lost in the 1995-1996 period following the enactment of NAFTA (Heron 2002, p. 759).

In general, trade liberalization in the western hemisphere throughout the 1990s ruined the competitiveness of Caribbean economies as export manufacturers. This period also marked a shift from export-oriented manufacturing industries to knowledge-intensive service industries, a change that hurt many Caribbean nations, including the Dominican Republic (Pantojas-Garcia 2001, p. 57). In addition, Caribbean nations could maintain a competitive advantage only if they were able to keep production costs low, resulting in low

wages and substandard working conditions in Caribbean nations to cut costs (Pantojas-Garcia 2001, p. 62).

Several reasons can be cited for Clinton's failure to achieve his policy goals for Latin America, as stated at the Summit of the Americas in 1994. First, Clinton chose to focus on domestic issues, as they were the focus of his campaign and therefore, he largely ignored Latin America except when major instability, such as the political turmoil in Haiti, warranted action by the United States. Second, flare-ups that required U.S. attention were common in the former Soviet Union during his presidency, as the U.S.S.R. fell only a few years before Clinton took office. For this reason, Clinton's focus was often elsewhere. A third and final reason for Clinton's inattention to Latin America was the fact that neither Clinton nor any of his leading officials had interests in these nations and therefore, the Clinton Administration showed little commitment to the region throughout the 1990s (Palmer 2006, p. 3).

When Clinton took over the presidency in 1993, exports from the Dominican Republic to the United States totaled \$2,671.7 million while imports to the Dominican Republic from the United States were \$2,349.8 million with a trade surplus for the Dominican Republic of \$321.9 million for the year 1993. By the end of Clinton's presidency, exports from the Dominican Republic to the United States were \$4,383.3 million while imports to the Dominican Republic from the United States totaled \$4,472.8 million, resulting in a trade deficit of \$89.5 million for the Dominican Republic during the year 2000 ("Trade in Goods with Dominican Republic 2010). While these statistics show that the Dominican economy grew during Clinton's presidency, the fact that the Dominican Republic went from have a trade surplus in 1993 to a trade deficit in 2000 demonstrate

that U.S. trade policies towards the Dominican Republic during the Clinton Administration served the interest of U.S. business.

THE HAITIAN HEMISPHERIC OPPORTUNITY THROUGH PARTNERSHIP ENCOURAGEMENT ACT (2006 – 2010)

Following the negotiation of the Dominican Republic – Central America Free Trade Agreement in 2004, the Bush Administration looked towards Haiti to continue its Latin American policy of “freedom and free markets”. Noting that economic stability in Haiti was in the best interest of the United States, President Bush identified the Haitian apparel industry as a catalyst for economic development in this struggling island nation. The apparel industry is the second largest source of employment in Haiti, second to only agriculture (Feeney, Salinger, and O’Dell 2009, p. 36). At its peak in the early 1980s, the Haitian apparel industry employed over 100,000 workers. In 2009, the apparel industry consisted of 23 manufacturers who employed approximately 25,000 workers in total (Feeney, Salinger, and O’Dell 2009, p. xiii–xiv). Because of the previous success of this industry, the United States government views it as an opportunity for economic growth in Haiti.

Further development of the Haitian apparel industry has the potential to create additional benefits beyond economic development. Today, sixty-eight percent of apparel industry workers are women and according to some, the apparel industry is particularly important for providing economic empowerment to the women of Haiti (Feeney, Salinger, and O’Dell 2009, p. 33). However, low wages coupled with the high costs associated with working outside the home, such as transportation and food, makes women’s work in the apparel industry marginally profitable. Thus, it is difficult to view the apparel industry as a vehicle for the empowerment of women. In addition, most apparel manufacturing factories are located in Haiti’s capital, Port-au-Prince, where overpopulation has only exacerbated

the unemployment problem (Hornbeck 2010, p. 13). Increased apparel production for export could create jobs for some of Port-au-Prince's unemployed.

Although much stands to be gained from growing Haiti's export apparel industry, the industry currently faces much competition. Unlike other developing nations where the apparel industry includes the fabrication of textiles, cutting, assembling, finishing and packaging apparel products, the Haitian apparel industry is centered around the cutting, assembling, and finishing of apparel (Feeney, Salinger, and O'Dell 2009, p. 5). Haiti's lack of capacity to perform all steps of apparel manufacturing has proven to be a disadvantage in the apparel market, but unfortunately Haiti lacks the capital and skilled workforce necessary to compete in all areas of apparel production.

Designed to promote the development of the Haitian garment industry, the Haitian Hemispheric Opportunity through Partnership Encouragement Act (HOPE Act) was signed into law on December 20, 2006 and went into effect on March 20, 2007. The act was later amended in 2008 and modified again in 2010 following a major earthquake in Haiti. While the Haitian economy has shown some signs of success due to the Act, it must be noted that the United States also greatly benefits from cheap apparel and shorter transport times. Furthermore, as is the case with most developing nations, few records are kept in Haiti with regard to the effects of the HOPE Act. As a result, the available statistics were produced by the United States government so one must analyze the effects of the HOPE Act with a critical eye.

The Act

The Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2006 (HOPE I) includes a set of trade preference intended to develop the apparel industry in Haiti. The Act builds on the precedent of trade preferences set forth by the Caribbean Basin Economic Recovery Act of 1983 and the Caribbean Basin Trade Partnership Act of 2000 (Hornbeck 2010, p. 15). HOPE I granted Haitian apparel products duty-free access to the United States' market, provided that the Haitian apparel industry meets a specific set of criteria. The 2006 version of the Act extended the trade preferences for a period of three years.

In order to be eligible for the trade benefits, Haiti must “have established or is making progress towards”: a market based economy that protects intellectual property, rule of law and political pluralism, elimination of barriers to U.S. trade and investment, economic policies to reduce poverty, a system to combat corruption and bribery, and protection of worker rights. In addition, Haiti must not undermine U.S. national security and foreign policy, nor commit any violations of human rights, nor support international terrorism. Once Haiti is certified to receive the trade preferences, the apparel products themselves must satisfy a set of technical conditions. Products must have been wholly assembled or knit to shape in Haiti and a rule of fifty percent value-added at minimum also applies. Fabric sourced from a third country is allowed, but subject to an annual cap (Government Accountability Office 2007, p. 13). Additional rules concerning the types of apparel and transportation of products were also included in the Act.

Early data from the HOPE I program showed that the specifications of the Act needed to be modified. In 2007, only three percent of U.S. apparel imports from Haiti had

entered duty-free under the HOPE Act (Hornbeck 2010, p. 17). The most significant criticisms of the program were that the fifty percent value-added requirement was too high and that the requirement that apparel products were shipped directly from Haiti was difficult to satisfy given that many products were finished and packaged in the Dominican Republic. Many industry officials also believed that the three-year program was too short to attract new investment in the region.

Based on the shortcomings of HOPE I, Congress revised the Act and President Bush signed the Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2008 (HOPE II) into law on May 14, 2008, which would go into effect on September 20, 2008. HOPE II included amended eligibility requirements by adding two additional qualifications. First, it required the creation of an independent Labor Ombudsman's Office and second, it required the establishment of the Technical Assistance Improvement and Compliance Needs Assessment and Remediation Program (TAICNAR). The TAICNAR Program was charged with inspection and monitoring for compliance with labor laws and the United Nations International Labor Organization would assist the Haitian government in this endeavor (Hornbeck 2010, p. i). These new requirements were not intended to be punitive; rather they were created to assist apparel firms in remediating problems (Hornbeck 2010, p. 19). Additionally, as amended HOPE II allowed for more flexible sourcing of materials as well as extended the tariff preferences from a three-year period to a ten-year period, now ending on September 30, 2018 (Hornbeck 2010, p. 15-17).

The 2008 amendments to the HOPE Act began to show signs of success soon after its enactment. A World Bank study completed late in 2009 predicted that the Haitian apparel industry could perhaps double in the coming two years (Feeney, Salinger, and O'Dell 2009,

p. xvi). Disastrously, an earthquake rocked Haiti's capital on January 12, 2010 causing widespread destruction and prompting additional amendments to the HOPE legislation.

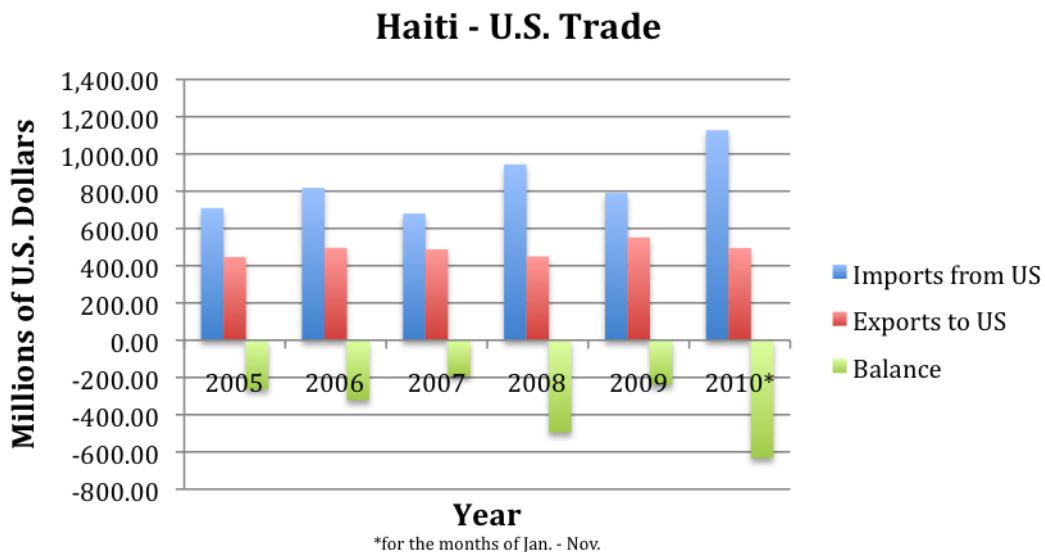
As part of the post-earthquake recovery plan, Congress passed the Haiti Economic Lift Program Act of 2010 (HELP), which became law on May 24, 2010 ("Haiti Economic Lift Program Act of 2010"). The HELP Act again modified the HOPE legislation, targeting trade preferences that had best promoted Haitian apparel exports to the United States. The Act extended the HOPE Act through September 30, 2020 and allowed for apparel inputs to be sourced from anywhere in the world (Hornbeck 2010, p. 21). In addition, HELP appropriated \$100,000 immediately to improve customs infrastructure and \$750,000 for 2011 through 2020 to support customs improvements (Hornbeck 2010, p. 23). Overall, government officials hope that the apparel industry will be the foundation for the recovery of Haiti's export industry (Margesson and Taft-Morales 2010, p. 29).

Effects on Trade

Before the earthquake in early 2010, Haiti's apparel manufacturers seemed to be responding to HOPE II trade opportunities and the relative share of apparel products shipped under HOPE had increased significantly in 2009 (Feeney, Salinger, and O'Dell 2009, p. xvi). From 2007 to 2009, apparel entering the United States under HOPE increased from 3.3 percent to 26.9 percent of total apparel entering under all other duty free preference programs (Hornbeck 2010, p. 20). Despite the economic downturn, 2009 Haitian apparel exports to the U.S. were up twenty-two percent from 2008 values. Of the top 25 countries that export apparel to the United States, only three experienced an increase between 2008 and 2009 (Feeney, Salinger, and O'Dell 2009, p. 7).

Few statistics are available to evaluate the effects of the post-earthquake HELP Act. According to the Senate Committee on Foreign Relations, “Monthly apparel sector exports, which the recently passed HELP Act seek to strengthen because of the sector’s importance to the country’s economy, declined forty-three percent from \$58.2 million in February 2009 to \$33.1 million in February 2010” (U.S. Senate Committee on Foreign Relations 2010). It remains to be seen whether or not the Haiti apparel industry can recover from such a devastating earthquake.

The graph below shows the balance of trade between Haiti and the United States. Haitian exports decreased between 2007 and 2008, during the first year of the enactment of the HOPE Act. Although one can see an increase in Haitian exports between 2008 and 2009, it is clear that Haiti still faces a significant trade deficit. As apparel accounts for over ninety percent of Haitian exports, one would expect marked increases in Haitian exports if the HOPE Act was indeed successful (Feeney, Salinger, and O’Dell 2009, p. 19).



American Investment

One of the main goals of the HOPE legislation was to attract direct investment from the United States to revamp the Haitian apparel industry (Hornbeck 2010, p. 10). This is an area of the HOPE Act that has been almost entirely unsuccessful. Thirteen of 23 apparel manufacturing firms in Haiti are Haitian-owned and only three of the firms are American owned, although it is unclear whether or not any of the American-owned firms were opened after the enactment of the HOPE Act (Feeney, Salinger, and O'Dell 2009, p. 28).

There are many reasons why American investors are hesitant to open apparel factories in Haiti. First, bank financing is extremely difficult to acquire for projects in Haiti, due to political instability. Second, the apparel industry has evolved and no longer favors Haitian production. Before textile quotas were lifted in 2005 under GATT, apparel retailers sought to diversify the locations of manufacturers and suppliers in order to get around trade quotas. Today, the goal of most retailers is to consolidate their business and to take advantage of technology, minimize risks, and maintain the social responsibility of respecting workers' rights. In addition, U.S. apparel retailers have come to expect full packaging (Feeney, Salinger, and O'Dell 2009, p. 4-7). At this point, the Haitian apparel industry is incapable of meeting the evolving demands of apparel retailers. Lastly, running a business in Haiti is quite challenging. The *Doing Business Report 2010* ranked Haiti 150 out of 183 countries overall. For the "starting a new business" category, the report ranked Haiti 180 out of 183 (Feeney, Salinger, and O'Dell 2009, p. 23). Based on these rankings, it is not surprising that U.S. investors are less than enthusiastic about opening apparel factories in Haiti.

Barriers to Economic Success

Overall, Haiti's political, economic and social instability creates many problems in the production and transportation of goods, which ultimately keeps investors away (Hornbeck 2010, p. 4, 11). For one, construction costs in Haiti are extremely high because building materials must be imported from other countries. In addition, exorbitant energy costs and an unreliable electricity supply make it difficult for production to continue as scheduled once apparel factories are open (Feeney, Salinger, and O'Dell 2009, p. xv). Similarly, apparel factories in Haiti experience low productivity levels in comparison to other apparel producing nations. In well-run Haitian apparel factories, productivity fluctuates between sixty and seventy-five percent of the standard productivity of factories in other countries (Feeney, Salinger, and O'Dell 2009, p. xv). Such low productivity can be attributed to a lack on investment in human capital in Haiti, including education, healthcare and other infrastructure. Foreign companies are hesitant to invest in Haiti as a result of all of these challenges.

The earthquake of January 2010 has created significant problems that could take years, if not decades to overcome. Apparel manufacturers in Haiti suffered varying degrees of loss. In terms of employment, the number of workers employed in the apparel industry following the earthquake dropped from approximately 26,000 to 23,300 (Hornbeck 2010, p. 15). Information about whether or not this drop in employment was the result of deaths is not available. Furthermore, rebuilding costs for damaged are factories have been estimated to be around \$38 million (Hornbeck 2010, p. i).

Conclusions

Overall, the HOPE Act and its subsequent amendments is not necessarily good for Haiti in the long run, despite some signs of success in its first few years of enactment. At present, the Haitian apparel industry gains competitive advantage via low wages and trade preferences under the HOPE Act. The trade preferences will eventually expire and Haiti some of the competitive advantage in the apparel industry will be lost. Additionally, low wages for apparel workers only contribute to Haiti's persistent poverty problem and will continue to depress the quality of life of Haitians. Moreover, the minimum wage in Haiti before 2009 was 70 Haitian gourdes per day but the Haitian government passed a law in 2009 that would increase the minimum wage over the next three years, reaching 200 Haitian gourdes per day by 2012 (Feeney, Salinger, and O'Dell 2009, p. xiv). If Haiti maintains enough political stability to enact this increase in the minimum wage, Haitian apparel manufacturers could be faced with higher operating costs and lose some of their competitive advantage.

In terms of employment and output, agriculture, and not apparel manufacturing, is the most important sector of the Haitian economy (Hornbeck 2010, p. 9). In fact, manufacturing of any sort only accounts for 7.6 percent of Haiti's GDP. Apparel assembly accounts for 21.1 percent of the manufacturing industry, and therefore, it is clear that the apparel industry's role in the Haitian economy overall might be a bit overstated by the U.S. government (Hornbeck 2010, p. 8-10). Likewise, a lack of diversification of Haiti's export sector is risky because it makes the export sector extremely vulnerable to economic downturn. Lastly, foreign investment might be necessary to boost the Haitian apparel industry but history has shown that in Haiti, foreign control has not been conducive to

Haitians taking charge of the future of their economy. Gains from the HOPE Act for the Haitian economy are currently marginal and in the future, the Act could prove to be a policy failure, as this piece of legislation ignores the fundamental barriers to development in Haiti.

THE DOMINICAN REPUBLIC – CENTRAL AMERICA FREE TRADE AGREEMENT (2002 – 2010)

The Dominican Republic – Central America Free Trade Agreement (DR-CAFTA), signed into U.S. law in 2005, allows for eighty percent of U.S. consumer and industrial products to have duty-free access to the markets of the Dominican Republic and five Central American countries (Storrs 2005, p. 10). This multilateral reciprocal trade agreement has impacted the economies of the seven signatory countries. However, in evaluating the effects of this free trade agreement, it is important to note that most of the available data is published by various offices of the United States government. Given the source of the information, one must assume that to some extent, the data is presented in a manner that portrays U.S. actions and decision in a positive light. Information published by other DR-CAFTA signatory countries is difficult to find as the institutional structures that are charged with record keeping in the United States do not exist or are not as well developed in the Central American nations and in the Dominican Republic. In fact, this lack of governmental transparency was one of the concerns of the regional opposition in ratifying the DR-CAFTA.

The Agreement

On October 1, 2002, the Bush Administration notified Congress of its intention to negotiate a free trade agreement with five Central American countries, including Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua. Negotiations began in early January 2003 and were completed by mid-December 2003. Costa Rica withdrew from this first round of negotiations at the last minute. Negotiations between the United States and

Costa Rica resumed in January 2004 and were completed by the end of the month.

President Bush signed the Central America Free Trade Agreement (CAFTA) into law on May 24, 2004 (Storrs 2005, p. 1).

During the CAFTA negotiations in August 2003, President Bush notified Congress of his intention to negotiate a similar free trade agreement with the Dominican Republic. President Bush expected that the free trade agreement with the Dominican Republic would be incorporated into the Central America agreement, as combining the agreements would allow for the provisions to also be applicable between the Central American countries and the Dominican Republic. Negotiations between the United States and the Dominican Republic began in January 2004 and the agreement was finalized on March 15, 2004 (Storrs 2005, p. 1). The Dominican Republic – Central America Free Trade Agreement (DR-CAFTA), a multilateral trade agreement, was signed by all seven participating nations on August 4, 2004 (Ribando 2005, p. 1). The agreement went into effect in the Dominican Republic on March 1, 2007 (U.S. Office of the Trade Representative 2007).

When President Bush took office in 2001, he was faced with improving U.S. policy towards Latin America. The policy towards this region of the world during the Clinton Administration was that of “trade, not aid.” Unfortunately, President Bush was preoccupied in other regions of the world and therefore, his Latin American policy was neglected. He touted a policy eerily similar to Clinton’s; a policy of “freedom and free markets” (Leogrande 2007, p. 355-358).

As of 2005, the gross national product (GDP) of the five signatory Central American countries (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua) and the Dominican Republic combined is less than one percent of United States GDP (Ribando 2005, p. 1). At

the time of agreement negotiations, the United States was the largest and most important trading partner for all six signatory countries in addition to being the largest source of foreign direct investment in the six countries (Ribando 2005, p. 2). In 2005, approximately seventy-nine percent of Dominican exports went to the United States (Storrs 2005, p. 8). As these nations continued to develop, demand for consumer goods also increased and the United States stood to gain from unrestricted access for American products in the Central American and Dominican markets. In addition to economic gains, the United States also had significant interests in this region due to security interests. The proximity of this region to the United States meant that security issues within that region were a threat to the United States. Poverty, human rights issues, income inequality, crime, corruption and institutional weakness plagued Central American nations as well as the Dominican Republic, despite the DR-CAFTA countries' commitments to the promotion of democracy since the early 1990s. U.S. government officials believed that supporting the fragile democracies by ratifying the DR-CAFTA would help to mitigate many of the security issues (Ribando 2005, p. 2).

Supporters of the agreement in Central America and in the Dominican Republic believed that the reciprocal trade preference arrangement would spur economic growth in their developing nations. In addition, they argued that the creation of institutional structures would strengthen the rule of law and decrease opportunities of corruption and ultimately, the DR-CAFTA would help to consolidate the democratic process. Furthermore, advocates of the agreement contended that the increased competition from foreign firms as well as the international scrutiny would provide additional incentives for economic and political reform (Ribando 2005, p. 4). Specifically in the Dominican Republic, support for

DR-CAFTA from the business community was widespread but their support was contingent on the development of compensation mechanisms to compensate sugar producers and other sectors that would be negatively affected by some of the provisions of the agreement (Ribando 2005, p. 3).

Opposition to DR-CAFTA in the region came mostly from labor unions, environmentalists, indigenous and peasant groups, public sector workers and the Catholic Church. According to these groups, the negotiated agreement lacked adequate labor and environmental provisions. Another criticism of the agreement was that it limited access to generic drugs used to fight HIV/AIDS. Subsistence farmers believed that DR-CAFTA unfairly pitted their products against heavily subsidized U.S. agricultural products and would ultimately result in loss of livelihood. Lastly, state workers opposed the agreement because they believed it would lead to the hasty privatization of state-run programs (Ribando 2005, p. 4).

Effects on Trade

As of 2009, the Dominican Republic was the 28th largest importer of U.S. goods and the 41st largest exporter of goods to the United States (Hornbeck 2009, p. 13). Although no country specific estimates have been made, it is expected that when the DR-CAFTA agreement is fully implemented, U.S. exports to DR-CAFTA countries will increase by fifteen percent while U.S. imports from DR-CAFTA countries will only increase by twelve percent (Hornbeck 2009, p. 15).

The graph below shows the balance of trade between the United States in the Dominican Republic between the years of 2003 and 2010. Before 2005, the Dominican

Republic was exporting more goods to the United States than they were importing from the United States. Exports to the United States began to decrease in 2005 and this trend continued following the implementation of DR-CAFTA in 2007. Because the Dominican Republic experienced a negative balance of trade before 2007, this decreasing trend cannot be directly attributed to the provisions of DR-CAFTA (“Trade in Goods with the Dominican Republic” 2010).



While exports are necessary to pay for imports and to avoid a trade deficit, imports are often undervalued in analyzing a nation’s balance of trade. Increased imports can mean that the quality of life in the nation is improving because citizens have the means to purchase more consumer goods. In addition, imports often include technological products, which can contribute to more sophisticated production in the near future of a developing nation (Hornbeck 2009, p. 4).

In terms of the agricultural sector, DR-CAFTA was seen as a “catalyst for growing exports for U.S. agriculture” (U.S. Foreign Agriculture Service 2010, p. 1). Under the

agreement, trade liberalization of agricultural products was achieved via provisions for tariff reductions and the removal of quotas. Today in 2010, three years after the agreement was implemented in the Dominican Republic, the DR-CAFTA nations are the seventh largest export market for U.S. agricultural products when taken as a single market (U.S. Foreign Agriculture Service 2010, p. 1). Furthermore, as of 2009, the United States was the single largest importer of Dominican agricultural products (U.S. Foreign Agriculture Service 2009, p. 1). In 2008, U.S. agricultural imports to the Dominican Republic totaled \$1 billion and U.S. agricultural imports from the Dominican Republic reached \$302 million. Of the agricultural products imported into the United States from the Dominican Republic, sugar products account for the largest percentage of imports (U.S. Foreign Agriculture Service 2009, p. 1-2). While these statistics suggest that DR-CAFTA had a positive effect on agricultural trade between the U.S. and the Dominican Republic, many subsistence farmers in the Dominican Republic have lost their livelihood because they are unable to compete with the heavily-subsidized U.S. agricultural products.

In terms of regional trade, DR-CAFTA has allowed for the growth of trade between the Dominican Republic and the Central American signatory nations. The treaty was applied multilaterally rather than bilaterally, resulting in increased free trade between DR-CAFTA countries, not just increased trade between the United States and each country individually (Jaramillo and Lederman 2005, p. 52). Trade between DR-CAFTA nations has been so successful as a result of the free trade agreement that intra-regional trade has grown to the extent that it is one of the biggest competitors of the United States in this region (U.S. Foreign Agriculture Service 2010, p. 4).

Foreign Direct Investment

The DR-CAFTA is the first U.S trade agreement in which the United States has committed funding for technical assistance and training to improve trade capacity in the signatory nations. Such technical assistance and training is specifically aimed at improving customs procedures, protecting intellectual property rights, and standardizing sanitary requirements for food products (U.S. Foreign Agriculture Service 2009, p. 3). In addition, the modernization of regulations has made investors more confident in the region and therefore has increased investment and trade in the DR-CAFTA nations (Jaramillo and Lederman 2005, p. 53). Most notably, between 2005 and 2008, foreign direct investment in the Dominican Republic by the United States increased by 157 percent. Unfortunately in 2009, foreign direct investment in the Dominican Republic fell slightly, probably a result of the global economic recession (Seelke 2010, p. 12).

Welfare of Dominican Citizens

Although it is impossible to determine how much of the improvement was a result of the newly-implemented free trade agreement, between 2005 and 2009, the percentage of the population in the DR-CAFTA region that is considered “middle class” grew by forty-five percent (U.S. Foreign Agriculture Service 2010, p. 2). Overall, most households have benefitted from the lower prices of consumer goods that have resulted from trade liberalization. Nonetheless, there are segments of the population, such as small farmers, who have lost their livelihood due to cheaper imported products (Ribando 2005, p. 5).

The table below shows the values of key development indicators in the Dominican Republic in 2004 and 2008. While four years is not enough time for significant change to

occur, increases in all five categories suggest that the welfare of Dominican citizens has been improving (“Dominican Republic” United Nation Development Program 2010).

Key Development Indicators for the Dominican Republic

	2004	2008
Life Expectancy at Birth (years)	72	73
Infant Mortality Rate (per 1,000 live births)	29	27
Child Malnourishment (% of children under age 5)	5%	3%
Illiteracy (% of population over age 15)	12%	11%
UN Human Development Index	0.638	0.656

Other Effects of the Agreement

As predicted by many who opposed the agreement, Dominican apparel companies are forced to compete with less expensive textile goods that are exported by China and Central American countries under DR-CAFTA. As a result, Dominican apparel companies have faced many difficulties over the past three years (Seelke 2010, p. 13). Between January and July 2005, eighteen textile plants in four DR-CAFTA countries were closed, which resulted in approximately 10,000 lost jobs in the textile industry due to the removal of textile quotas (Ribando 2005, p. 5). While no textile plants were closed in the Dominican Republic during this time period because the agreement had not yet been implemented, this could have served as a cautionary tale for the Dominican Republic’s textile sector.

Environmental concerns have also come to light with the implementation of DR-CAFTA. Because tourism is a key source of revenue for all of the DR-CAFTA countries, signatory countries rely on their beautiful natural surroundings. Laws that are aimed at

protecting the environment exist in all countries, but overall the enforcement of the laws is lacking due to weak institutional structures. DR-CAFTA includes the Environmental Cooperation Agreement (ECA), which commits the signatory nations to higher environmental standards. It was agreed upon that U.S. funding would be used for technical assistance to enforce the environmental standards required by the ECA in the DR-CAFTA countries (Ribando 2005, p. 6).

Conclusions

While initial indicators show that the DR-CAFTA has had an overall positive effect on signatory countries, the long-term economic effects remain to be seen. Some of the trends of weaker growth rates in different sectors of the economy could be a result of the global recession that hit soon after the Dominican Republic implemented DR-CAFTA. As the global economy begins to lift itself out of the recession, trade in the DR-CAFTA region will need to be monitored to further evaluate the agreement's successes and failures.

It is clear that U.S. interests are the first priority in negotiating free trade agreements. Because the U.S. is one of the most powerful nations in the world and therefore has more bargaining power, free trade agreements are not always optimal for the other signatory nations. To make free trade agreements more desirable to developing nations, the United States refers to the provisions of these agreements as "preferential access." This term entices other countries to participate in reciprocal free trade agreements that in actuality vary in how much they end up helping their economies. Free trade agreements negotiated by the United States always increase U.S. exports but do not necessarily increase the exports of the other parties to the agreement.

Regardless of the United States' intentions in negotiating free trade agreements, the Dominican Republic is better equipped to adjust to different economic policies than other less developed or less politically stable countries. Today, the Dominican Republic has a diversified economy and a stable government, allowing the nation to take advantage of trade agreements with other nations. By moving away from protectionist economic policies, the Dominican Republic is working towards sustainable economic development.

THE OBAMA ADMINISTRATION POLICIES

Having campaigned on issues such as healthcare reform and ending the war in Iraq, President Barack Obama was not primarily concerned with the Caribbean area upon taking office on January 20, 2009. Specifically, the Dominican Republic has been a low priority in terms of American foreign policy. His sights turned towards the Caribbean only after an earthquake hit Haiti on January 12, 2010. Because there have been no new policies toward the Dominican Republic, this section will focus on the Obama Administration's policies and initiatives in Haiti, particularly in response to the 2010 earthquake.

Soon after taking office, Secretary of State Hillary Clinton identified Haiti as a policy priority in February 2009. According to the U.S. Department of State, "Political insecurity and the failure of Haiti's government to invest in developing the country's natural and human resources has contributed significantly to the country's current state of underdevelopment" ("Haiti". U.S. Department of State 2010). Despite the Obama Administration's stated concerns, no action was taken to address these issues beyond routine budget allocations until an earthquake destroyed the country the following year. Prior to the earthquake, President Obama's budget request for Haiti for the fiscal year 2011 was \$359 million, and he planned to allocate the funds to improve governance and security, support economic growth, and address critical human needs. Following the earthquake in early 2010, President Obama made a supplemental budget request of \$2.8 billion ("Haiti". U.S. Department of State 2010).

Moreover, since the earthquake, the United States has become actively involved in the reconstruction of the nation. For instance, the U.S. government has sponsored cash-for-

work programs, creating Haitian jobs to clean up rubble. On September 27, 2010, Secretary Clinton appointed Thomas C. Adams as Haiti Special Coordinator, whose role will be to “oversee U.S. government engagement with Haiti, including diplomatic relations and the implementation of a reconstruction strategy in partnership with the government of Haiti” (“Office of the Haiti Special Coordinator.” U.S. Department of State 2011). Nearly one year after the quake, the Obama Administration released the report “Post Earthquake United States Government Haiti Strategy: Toward Renewal and Economic Opportunity”, which outlined two main policy objectives in Haiti. The first objective is “to catalyze economic growth through investments in agriculture, energy, and infrastructure” and the second is “to ensure long-term stability through investments in public institutions” (Office of the Haiti Special Coordinator 2011). It remains to be seen whether or not these objectives will effectively be carried out.

One year later, post-earthquake Haiti continues to face significant challenges. In terms of government, as much as thirty percent of Haiti’s civil service perished in the quake. The National Palace, the Parliament, many courts, 28 of 29 government buildings and the headquarters of the National Police crumbled and Haiti is currently holding much-delayed elections. With regard to the welfare of Haitian citizens, reliable post-quake statistics are not available but it can be assumed that the statistics shown below have only gotten worse following the January 2010 earthquake. According to existing data, over eighty percent of the population lives below of the poverty line and twenty-five percent of children are malnourished. Approximately forty percent of the population has no access to basic health services. Additionally, despite the fact that over sixty percent of Haitians work in agriculture, more than fifty percent of the food consumed in Haiti is imported. Most

recently, a cholera outbreak was confirmed in Haiti and experts predict that cholera will remain present in Haiti for the next several years ("Office of the Haiti Special Coordinator." U.S. Department of State 2011). It is undeniable that for Haiti, the road to recovery will be long and treacherous.

Policy Recommendations

The traditional political science approach to political development argues that based on the British experience, economic development is the underlying force that drives social change, which ultimately can lead to political stability. In England, the Industrial Revolution allowed for the development of a sizable middle class. This middle class, empowered by their economic success, demanded and was subsequently granted political rights. As a result of this process, the voting population expanded, democratic institutions such as political parties were created and eventually democracy was achieved in England.

The United States' approach to improving the situation in Haiti should adhere more closely to this long-established political science approach to political development. While some U.S. policies have been aimed at developing the Haitian economy in hopes of stabilizing the country's politics, the lack of success of the economic policies has impinged on political development and as a result there has been neither economic growth nor political evolution.

Why have the economic policies failed? From my standpoint, the policies have failed because Haiti does not have a physical infrastructure that would allow the absorption of new policies or ideas. In other words, building the infrastructure required to support the growth of the Haitian economy has largely been ignored.

The United States' policies towards Haiti should seek to encourage the development of a solid national physical infrastructure before policies aimed at specific industries can be implemented. The construction of roads, airports, trains, and seaports in addition to schools, hospitals, and efficient customs houses would create jobs today as well as jobs for many years to come. If Haiti had a solid infrastructure on which manufacturers could rely for their products to be processed and transported, it is likely that more foreign investment in the Haitian economy would follow, allowing for continued economic growth in Haiti. In the future, continued economic growth could empower Haitians to push for social change and might finally lead to a more politically stable Haiti. Moreover, infrastructure construction would provide jobs and an income to Haiti's poor and unskilled labor force (Fay and Morrison 2005).

Indeed, this is a long-term process but as previous and current U.S. policies have proven to be wholly ineffective, it is time for the United States to change its approach in crafting policy towards Haiti. Jeffrey Sachs, a noted economist who studies poverty alleviation and economic development, stated, "When the preconditions of basic infrastructure (roads, power, ports) and human capital (health and education) are in place, markets are powerful engines of development. Without those preconditions, markets can cruelly bypass large parts of the world, leaving them impoverished and suffering without respite" (Sachs 2005, p. 3). Currently, markets are bypassing Haiti due to its lack of basic infrastructure, so building infrastructure in Haiti could prove to be a catalyst for economic growth and political stability in this downtrodden nation.

In brief, I suggest that the US government uses its resources to build infrastructure in order to generate jobs today and a sustainable development process in the future.

CONCLUSIONS

The aim of this thesis was to contrast the different developmental outcomes that one sees in Haiti and the Dominican Republic and to offer an explanation for such disparity despite the similar histories of the two nations. Overall, I conclude that political stability in Haiti must be achieved before U.S. economic policies towards Haiti will be effective in encouraging economic development. However, political stability requires a degree of economic development, which I suggest can be achieved by focusing first on the development of the country's poor physical infrastructure.

By using the Dominican Republic as an example of relatively successful economic development, one of my goals was to show that once the country achieved a moderate level of political and social stability, it was able to begin taking advantage of U.S. economic policies, which in turn accelerated its economic growth. On the other hand, my goal in the discussion of Haiti was to illustrate that U.S. economic policies in Haiti have failed in one of two ways: either economic development funds have ended up in the hands of corrupt politicians and proposed plans never came to fruition, or, trade policies intended to help grow Haiti's economy have done nothing for the impoverished nation while yielding limited gains for the United States. Although both countries have been the targets of U.S. trade policies, the two nations' capacities to take advantage of the policies has been very different due to varying levels of political stability.

Throughout this paper, I have highlighted how the United States has been involved in shaping the situation in Haiti and the Dominican Republic today. The first two chapters of this thesis provided brief summaries outlining the history of each nation from

colonialism up until the early 1990s. The next two chapters discussed the Clinton Administration's role in both the Dominican Republic and Haiti, setting the stage for the current policies implemented by the Bush and Obama Administrations. The thesis then shifted to a critical evaluation of two Bush Administration policies that are still in effect today. In that section, I discussed the impracticalities of the Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2006 (HOPE Act) and I explained the successes and weaknesses of the Dominican Republic – Central America Free Trade Agreement of 2002 (DR – CAFTA). Lastly, I summed up the Obama Administration's lack of attention to the region until an earthquake rocked Haiti in early 2010, which forced the United States to increase its involvement for the reconstruction Haiti.

This paper has made several important observations that support my conclusion that United States economic policy towards Haiti will remain wholly ineffective until political and social stability is attained. First, the similar historical context of both countries provided a basis for making a comparison between the relative success of U.S. economic policies in the case of the Dominican Republic and utter failure in the case of Haiti. Following a comparison of the histories of the two nations, the paper then moved on to discuss more recent U.S. policies in Haiti, making it apparent that foreign policy objectives in Haiti, economic or otherwise, have had little positive effect in Haiti due to constant political and social turmoil. On the contrary, this thesis also showed how U.S. economic policies towards the Dominican Republic began to be mutually beneficial once the Dominican Republic broke out of the cycle of oppressive dictatorships and corruption.

The research that I have completed makes a strong case for three main conclusions. First, political instability, and subsequently social instability, has greatly hindered

economic development in Haiti throughout the history of the nation. Second, the United States has, on many occasions, created conflicting domestic and foreign policies. When a situation arises in which U.S. policies are contradictory, the policy that most benefits the United States always takes precedence. While the U.S. government has a responsibility to American citizens to act in the best interests of the nation, it is disingenuous to claim that economic programs are designed to encourage growth in the struggling nation of Haiti when in reality the programs only benefit the United States. Third and finally, the analysis done in this thesis supports the notion that the United States needs to rethink its approach in crafting foreign policy towards Haiti.

Although United States policy towards the Dominican Republic certainly has its flaws, U.S. policy towards Haiti has been only feeble at best. Reflecting specifically on policies aimed at sparking growth in the Haitian economy, it seems that these policies were created to give the impression that the United States was “doing something” to improve the desperate situation in Haiti, as to appease concerned Americans. Even a cursory glance at these economic policies provides enough information to understand that these laws have no chance of stimulating economic growth in Haiti. For example, the provisions of the Caribbean Basin Initiative in the 1980s only allocated less than three percent of the total funds to Haiti, even though the need for assistance in Haiti was probably greater than in any other Caribbean nation. Additionally, the use of sugar quotas to protect American sugar producers eliminated sugar export as a potentially successful industry under the Caribbean Basin Initiative.

More recently, the Haitian Opportunity through Partnership Encouragement Act of 2006 (HOPE Act) is fundamentally inadequate in that it is based on using the garment

industry as a driver of economic development. Many experts have pointed out that the Haitian garment assembly industry cannot compete in the global market without the U.S. assistance provided under the framework of the HOPE Act. Unless the United States plans to continue this program indefinitely (the program currently expires in 2020), the garment industry will not be able to compete with world prices. Even with the current American assistance and preferences under HOPE, the Haitian garment industry does not provide the finishing and packaging processes offered by manufacturers in other countries such as the Dominican Republic. With complex rules of origin and tariffs, garment importers are looking to have all phases of garment production completed in one country and as a result, Haiti is an unattractive location for garment sourcing. Furthermore, American assistance to promote the growth of the garment industry in Haiti does little to help Haitian citizens. Garment workers in Haiti receive low wages and once the added expenses of working outside the home, such as transportation and meals, are subtracted from a garment worker's wages, the worker barely earns an income at all. Lastly, foreign private investment in the garment industry will remain weak due to the lack of infrastructure and political stability. This legislation clearly has many barriers to success in Haiti.

More generally, the U.S. policy of continuing to provide millions of dollars in monetary assistance each year to Haiti will never result in lasting change in the nation. While this money is probably necessary for the provision of food and basic health services to the destitute citizens of Haiti, the funds do nothing to empower citizens to promote political, social, and economic development in their country. In terms of policy towards Haiti overall, we have continued to implement the same types of programs year after year and foolishly expect a different result. Quite frankly, we are not making any significant

improvements in the lives of Haitians and by continuing to carry out ineffective policies, we are wasting millions of American taxpayer dollars each year. I conclude by providing a policy recommendation that focuses on the use of U.S. dollars to build first the physical infrastructure of the country, as recommended by the World Bank and economists such as Jeffrey Sachs. Infrastructure construction is seen as a tool capable of generating both short-term employment gains and the foundations for an economic development process, which in turn will allow for the evolution toward a more stable and participatory political system.

APPENDICES

Appendix 1: Map of Haiti



Source: CIA World Factbook,
<https://www.cia.gov/library/publications/the-world-factbook/geos/ha.html>

Appendix 2: Map of the Dominican Republic



Source: CIA World Factbook,
<https://www.cia.gov/library/publications/the-world-factbook/geos/dr.html>

Appendix 3: Key Indicators for Haiti and the Dominican Republic

	Haiti	Dominican Republic
Population	9.72 million	9.96 million
Health		
Infant Mortality Rate	54.02 deaths per 1,000 live births	22.22 deaths per 1,000 live births
Life Expectancy	62.17 years	77.31 years
Adult AIDS/HIV Prevalence	1.9%	0.9%
Education		
Literacy Rate*	52.9%	87%
Education Expenditure	1.4% of GDP	2.2% of GDP
Economy		
GDP (purchasing power parity)	\$11.53 billion	\$84.94 billion
% of Population Below Poverty Line	80%	42.2%
External Debt	\$350 million	\$13.09 billion

*defined as the percentage of the population over age 15 that can read and write

Source: CIA World Factbook,
<https://www.cia.gov/library/publications/the-world-factbook/index.html>

Appendix 4: U.S. Trade Statistics with Haiti and the Dominican Republic

U.S. Trade with Haiti (in millions of U.S. dollars)			
Year	Exports to Haiti	Imports from Haiti	Balance
1985	395.9	389.6	6.3
1986	387.3	375.3	12
1987	458.9	394.7	64.2
1988	475	382.5	92.5
1989	471.5	374.3	97.2
1990	476.5	343	133.5
1991	395.2	284.2	111
1992	209.3	107	102.3
1993	228.6	154.1	74.5
1994	204.4	58.7	145.7
1995	550.1	129.9	420.2
1996	474.8	143.4	331.4
1997	499.1	188.3	310.8
1998	548.6	271.7	276.9
1999	613.9	301	312.9
2000	576.7	296.9	279.8
2001	550.4	263.2	287.2
2002	573.2	255.2	318
2003	639.4	332.3	307.1
2004	673	370.7	302.3
2005	709.6	447.2	262.4
2006	817.4	496.1	321.3
2007	680.2	487.8	192.4
2008	944	450.1	493.9
2009	790.4	552.1	238.3
2010*	1127.3	494.9	632.5

*2010 data does not include the month of December

Source: Created using data from the U.S. Census Bureau Foreign Trade Statistics, <http://www.census.gov/foreign-trade/balance/c2450.html#1992>

U.S. Trade with the Dominican Republic (in millions of U.S. dollars)			
Year	Exports to the Dominican Republic	Imports from the Dominican Republic	Balance
1985	742	982.3	-240.3
1986	920.7	1085.2	-164.5
1987	1142.3	1162.8	-20.5
1988	1359.1	1409.7	-50.6
1989	1645.2	1645.7	-0.5
1990	1655.9	1751.8	-95.9
1991	1742.6	2007.5	-264.9
1992	2099.8	2372.5	-272.7
1993	2349.8	2671.7	-321.9
1994	2798.8	3090.5	-291.7
1995	3014.9	2298.9	-384
1996	3190.5	3575	-384.5
1997	3923.9	4326.8	-402.9
1998	3943.9	4441.1	-497.2
1999	4100.5	4286.6	-186.1
2000	4472.8	4383.3	89.5
2001	4397.4	4183.4	214
2002	4250.1	4168.8	81.3
2003	4205.4	4455.2	-249.8
2004	4358.3	4527.1	-168.8
2005	4718.7	4603.7	115
2006	5350.5	4352.4	818.2
2007	6084.1	4215.6	1868.4
2008	6594.4	3977.8	2616.5
2009	5268.8	3329.5	1939.4
2010*	5953.5	3387.1	2566.3

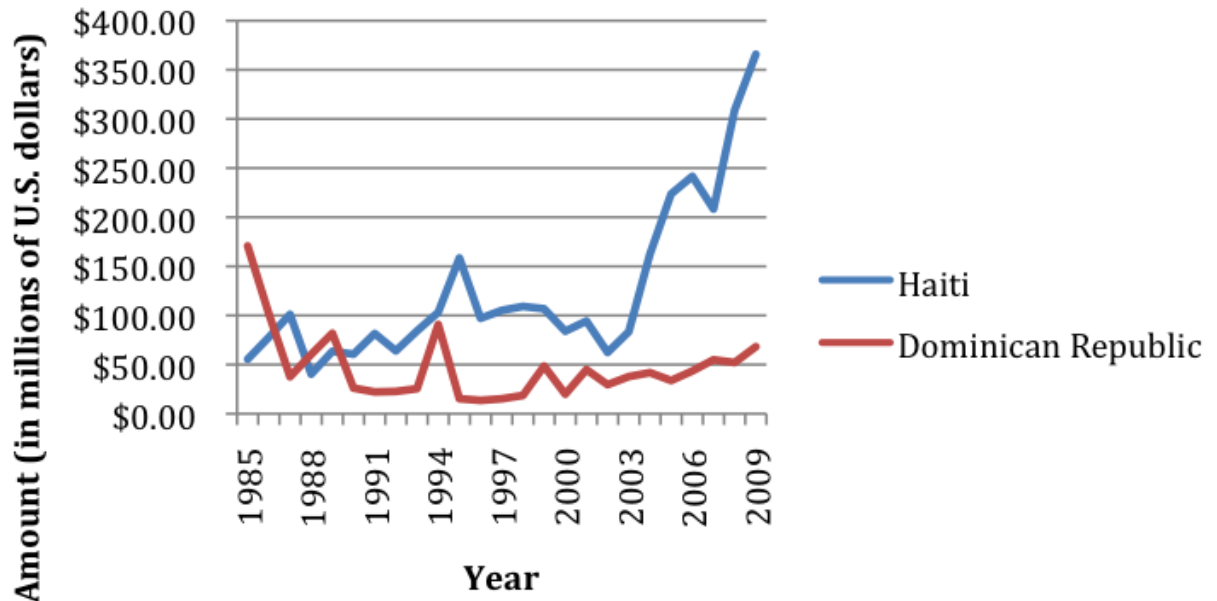
*2010 data does not include the month of December

Source: Created using data from the U.S. Census Bureau Foreign Trade Statistics,
<http://www.census.gov/foreign-trade/balance/c2470.html#1993>

Appendix 5: U.S. Economic Assistance Funds for Haiti and the Dominican Republic

Total U.S. Economic Assistance (in millions of U.S. dollars)		
	Haiti	Dominican Republic
1985	\$55.5	\$170.7
1986	\$77.8	\$101.8
1987	\$101.1	\$37.6
1988	\$40.3	\$60.4
1989	\$63.5	\$81.9
1990	\$60.6	\$26.1
1991	\$81.6	\$22.2
1992	\$64.0	\$22.7
1993	\$84.3	\$25.5
1994	\$103.2	\$90.8
1995	\$158.5	\$15.3
1996	\$97.1	\$13.6
1997	\$105.2	\$15.2
1998	\$109.2	\$18.6
1999	\$106.8	\$48.5
2000	\$84.0	\$19.9
2001	\$94.3	\$44.9
2002	\$62.4	\$29.6
2003	\$83.5	\$37.8
2004	\$162.5	\$41.8
2005	\$223.7	\$33.8
2006	\$241.6	\$43.5
2007	\$208.3	\$54.9
2008	\$309.0	\$52.1
2009	\$365.8	\$68.2

Total U.S Economic Assistance



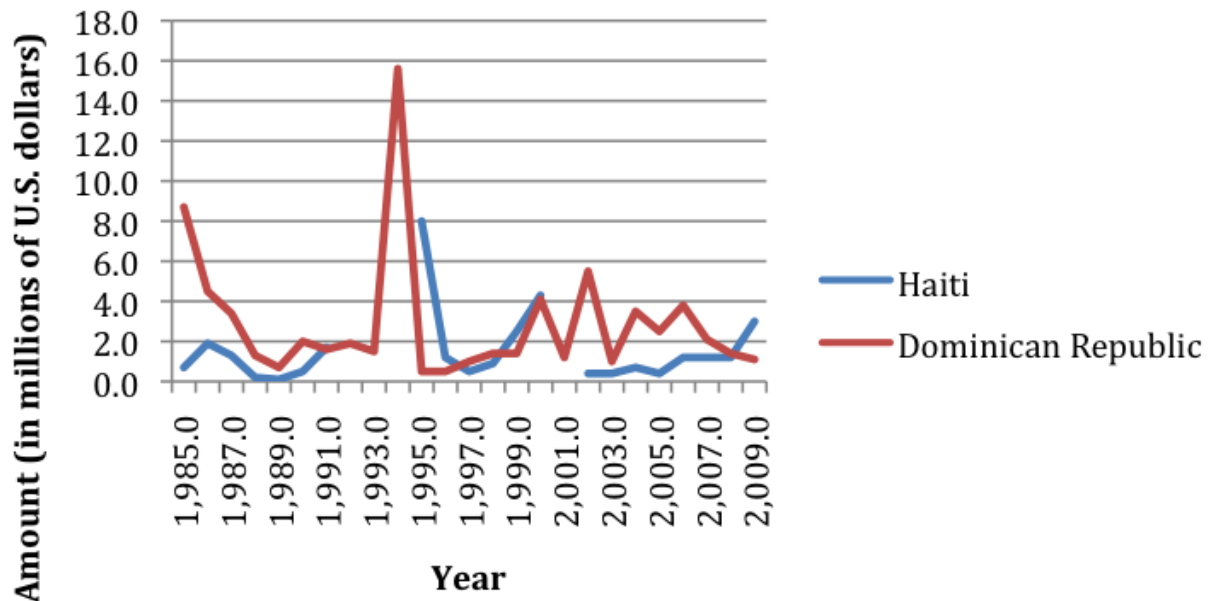
Source: Created using data from USAID's Development Statistics for Latin America and the Caribbean, <http://lac.eads.usaidallnet.gov/>

Appendix 6: U.S. Military Assistance Funds for Haiti and the Dominican Republic

Total U.S. Military Assistance (in millions of U.S. dollars)		
	Haiti	Dominican Republic
1985	\$0.7	\$8.7
1986	\$1.9	\$4.5
1987	\$1.3	\$3.4
1988	\$0.2	\$1.3
1989	\$0.1	\$0.7
1990	\$0.5	\$2.0
1991	\$1.7	\$1.6
1992	*	\$1.9
1993	*	\$1.5
1994	*	\$15.6
1995	\$8.0	\$0.5
1996	\$1.2	\$0.5
1997	\$0.5	\$1.0
1998	\$0.9	\$1.4
1999	\$2.5	\$1.4
2000	\$4.3	\$4.1
2001	*	\$1.2
2002	\$0.4	\$5.5
2003	\$0.4	\$1.0
2004	\$0.7	\$3.5
2005	\$0.4	\$2.5
2006	\$1.2	\$3.8
2007	\$1.2	\$2.1
2008	\$1.2	\$1.4
2009	\$3.0	\$1.1

* data unavailable

Total U.S. Military Assistance



Source: Created using data from USAID's Development Statistics for Latin America and the Caribbean, <http://lac.eads.usaidallnet.gov/>

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