Haiti is a resilient society whose rural communities in particular have developed coping mechanisms in response to a long history of underdevelopment and poor governance. Like other fragile states, however, Haiti is beset by widespread poverty and inequality, economic decline and unemployment, institutional weakness and corruption, violence, lawlessness, and recurrent conflict. Nonetheless, while violent conflicts are concentrated in poor countries, poverty alone does not cause conflict. In most cases, violent conflict is a symptom of multifaceted development and governance malfunctions, and the conflict reinforces these malfunctions.

Haiti’s conflict-poverty trap can be analyzed from the perspective of a triangle of factors which constitute the main components of such traps (see Figure 1), including (a) demographic and socioeconomic factors at the individual and household levels; (b) the capacity of the state to provide public goods, including security and the rule of law; and (c) the agendas and strategies of political actors in facing these challenges. The figure below presents a simplified illustration of interactions in the triangle of interdependent risk factors that perpetuate the conflict-poverty cycle in Haiti.

Haiti’s poverty-conflict trap is fuelled by demographic and socioeconomic outcomes of widespread poverty and inequality, rapid urbanization, and high youth unemployment, which result in high social risks and demands on weak state institutions for basic services. Poor governance and the state’s inability to provide public goods such as security, infrastructure, and basic services in turn undermine development and poverty reduction, thus exacerbating negative demographic and socioeconomic outcomes. Weakened by corruption and political interference, the police and judiciary are unable to manage the negative social outcomes of crime and violence, particularly in urban areas. As a result, there is a steady stream of grievances and disaffected youth who can be recruited by “entrepreneurs of violence” for criminal activities and political mobilization. Competition for control of lucrative transshipment

Figure 1: Components of the Conflict-Poverty Trap

- Demographic and socio-economic outcomes and risks
- Institutional capacity to provide basic public goods
- High social risks
- High demand for services
- Supply of grievances and recruits
- Political mobilization
- Slows Development Opportunities for crime and violence
- Political interference and corruption
- weak accountability, checks and balances
- Political actors and strategies
routes for the illegal drugs trade further compounds these problems. Institutions cannot provide the checks and balances necessary for the peaceful resolution of conflicting interests, and instead some political actors resort to illegal and violent methods. The weakness of accountability mechanisms within state institutions creates opportunities for political interference and corruption, further weakening those institutions and thereby perpetuating the conflict-poverty cycle.

**Demographic and Socioeconomic Outcomes and Risks**

*Haiti is affected by high rates inequality and extensive poverty, although non-income poverty has declined in recent years.* Haiti’s income distribution is among the world’s most inequitable with a Gini coefficient of 0.66. Nearly half of Haiti’s households are trapped in absolute poverty and live on less than a dollar a day. Social indicators such as literacy, life expectancy, infant mortality, and child malnutrition show that poverty is extensive. About 40 percent of people cannot read and write; some 20 percent of children suffer from malnutrition; nearly half the population has no access to healthcare; and more than four-fifths have no clean drinking water. However, indicators suggest that non-income poverty has declined in recent years. Access to assets such as education, infrastructure, and basic services is highly unequal and strongly associated with poverty.

*Especially rural areas have been long neglected in terms of the provision of basic public goods, which in turn fuels migration.* Haiti’s enormous social and economic inequalities reflect a history of development neglect of secondary cities and rural areas since independence. The result is a significantly underdeveloped and impoverished rural sector where basic public goods—notably physical infrastructure, law enforcement, judicial institutions, basic services, environmental protection, and regulatory frameworks—are almost entirely absent. The smallholding peasant economy is economically and technologically stagnant and environmentally unsustainable. In response, people are increasingly moving to the cities.

*The combination of high youth unemployment, rapid urbanization and economic stagnation creates an explosive social situation in the metropolitan area.* Unemployment and underemployment are pervasive among the young. Remittances from relatives living abroad allow a large group of people to avoid taking the lowest paid work in trade or other sectors, or to become self-employed, but instead to remain idle and near the poverty line. This pool of unemployed and disaffected youth totals several hundred thousands in the capital alone, while some 75,000 new migrants continue to enter the metropolitan area every year. Data show that metropolitan residents, although they have higher material living conditions than those in rural areas, live in fear of crime and violence. In conjunction with state fragility and political tensions, these circumstances create an explosive social situation unmitigated by the institutions responsible for providing security and rule of law.

*Education is key to reducing poverty and inequality, but access and quality remain poor.* Educational attainment in Haiti has increased over the last century, more so in urban than rural areas, but the quality of education remains alarmingly low. There are substantial differences in school attendance across regions, such that children and youths in the poorest regions fall behind their peers in richer areas. Moreover, the children of poor households have less education than children from nonpoor households. For most Haitians, education is the key strategy for alleviating poverty; it is also associated with the reduction of inequalities. Improvements in educational achievement indirectly mitigate the risks of crime and conflict by enhancing opportunities. Increasing investments in education will be crucial to reducing poverty and inequality, as well as mitigating crime and conflict over the longer term.

*The non-state sector provides many basic services and development efforts should focus on improving, coordinating and regulating these public-private partnerships.* State provision of infrastructure and basic services is limited outside Port-au-Prince and other urban centers. In response, private providers have made the difference between no education and some kind of schooling for large parts of the population. The same is true of health and other services. In rural areas especially, the non-state sector has provided a crucial safety net by offering access to services to a population mostly unserved by the state. The cost of these essential services still restricts access by substantial numbers of the poor. Given the state’s limited resources and capacity
to provide services directly, development efforts should focus on improving the policy guidelines, coordination mechanisms, and regulatory frameworks for public-private partnerships.

**Economic growth alone is unlikely to alleviate poverty or mitigate conflict in the short-term, therefore targeted interventions are necessary.** Over the medium to long term, broad-based growth is needed to alleviate the high levels of poverty in Haiti. Economic growth is also crucial to reducing the unemployment that contributes to crime and violence in urban areas. Simulations of uniform growth in all sectors, however, reveal that the immediate impact of modest and even strong annual growth rates on poverty reduction will be relatively small due to the high rates of inequality. Hence growth alone will not alleviate poverty or mitigate conflict, particularly in the short run. Targeted interventions are thus needed to reduce poverty, attenuate violence and protect vulnerable groups. Strategic interventions to reduce poverty should aim to strengthen key assets of the poor and should set regional priorities in Haiti by taking account of geographic variations in poverty.

**Institutional Capacity to Provide Basic Public Goods**

**Core state institutions struggle to provide basic conditions for security and development, in part due to financial constraints and volatile aid flows.** The Haitian state continues to struggle to provide its citizens with minimum public goods. With only a limited capacity to establish security, provide basic infrastructure, and supply services, the state has failed to create enabling conditions for economic growth and poverty reduction, or to prevent growing social tensions from challenging stability. Significant financial constraints limit the state’s capacity to be a driver of development and to respond to social risks. In 2005, central government revenues were only 9 percent of GDP. The public sector has been further weakened by the volatility of aid flows—a result of political crises, corruption, and insecurity—and the channeling of assistance through the private sector and NGOs.

**The state’s territorial reach and local-level participation in policy-making are very limited.** Especially in rural areas, a large part of the population has practically no access to public services. Constitutional provisions for political-administrative decentralization have not been implemented. As a result there is limited local participation in policy-making and deficient communication between the local and central levels for development planning. This explains the reliance on private and civil society service “providers”.

**The police and the judiciary remain plagued by weaknesses which must be addressed to create an environment conducive to development.** Efforts to establish Haiti’s first civilian police force in the context of peace-building in the 1990s were initially deemed largely successful. However, increased politicization and the weakness of accountability mechanisms within the Haitian National Police created a climate in which corruption and police links to criminal networks and drug trafficking could be exploited in later years. The judiciary is similarly weakened by corruption and political interference, circumstances that have undermined its independence. Strengthening the police and judiciary are not only crucial to ensuring security and justice; they are also necessary for the creation of an enabling environment for investment, economic growth, and development. Before embarking on large-scale institutional capacity building programs, the government and donors should establish mechanisms to prevent the recurrence of practices that have undermined previous reform efforts.

**Unconsolidated democratic institutions and “entrepreneurs of violence” have undermined political leadership.** Fourteen years of democratic transition in Haiti have not led to stable governance. Within a year of the 1990 elections, democracy was brutally repressed by the army and its supporters, using armed paramilitary groups that have been a feature of Haitian politics since Duvalier’s macoutes. From President Aristide’s return in 1994, democratic consolidation was undermined by deep conflicts among former democratic allies. The result was a political stalemate that lasted until his departure in 2004 and that undermined economic growth and state building. Moreover, the stalemate transformed important parts of the democratic movement — elements within the urban popular organizations — into violent government enforcers and criminal gangs that struggled for control of territory and state favors. Their area of operation and influence is in the urban slums and “popular areas”, which provide an abundant pool of potential recruits.
Rural Haiti has remained relatively peaceful and socially cohesive. The ability of communities and households to work and live together by establishing bonds of mutual trust, as well as to penalize wrongdoing, are essential to maintaining people’s livelihoods, security, and welfare, especially in fragile states. Social capital indicators suggest that robust cohesion at the community level has been crucial in preventing Haiti’s institutional-political crisis from deteriorating into widespread social collapse or civil war. But there are wide urban-rural differences, and people in rural areas feel much safer in their daily lives than city dwellers. As the population shifts from rural to urban areas, the robust social cohesion that has characterized rural areas becomes less effective in mitigating social dislocation.

Restoring state capacities and reducing urban violence are crucial to breaking Haiti’s conflict-poverty trap. Development, poverty reduction and conflict prevention will not be possible unless attention is paid to strengthening the state’s capacity to provide basic public goods, including security and the rule of law. This is especially crucial in view of Haiti’s very limited central government revenue base, which gives the state little leeway even in comparison to the average among low-income countries. Its financial and managerial resources must be used with an exceptionally strong sense of priorities. Violence and insecurity in the Port-au-Prince slums in particular has undermined the political process, fuelled conflict, and negatively affected development and reconstruction efforts. Joint multisectoral interventions in key urban areas that combine security and poverty reduction objectives will be essential for creating the conditions necessary for broad-based national development strategies.

Political Actors and Strategies

Good leadership is central to breaking the conflict-poverty trap and donors should reward good governance. The most important component to achieve a turnaround in Haiti is one that cannot be provided by donors but only by Haitians themselves: good leadership. Donors can support good leadership supporting the ‘demand’ for good governance and by establishing incentives that reward good governance and penalize the opposite. Because of the centrality of corruption in undermining good leadership, transparency in public finances should be a foundation for the Bank and other donors’ assistance to the newly elected Haitian government.

Conclusion: Breaking the Conflict-Poverty Trap

Haiti’s social resilience and social capital, its vibrant cultural life and improvements in social indicators are keystones to draw upon in breaking the conflict-poverty trap. Haiti’s deep and widespread poverty results from a long history of failure to establish even basic enabling conditions for broad-based social and economic development. The state has struggled to provide basic services to the population and has been dominated by a small elite that has made limited investments in infrastructure and basic services.

Among the triangle of risk factors in the poverty-conflict trap, institutional capacity-building is a key entry point for breaking the cycle; improving demographic and socioeconomic outcomes and supporting political dialogue remain longer-term objectives. Institutional reform itself, however, requires a long-term engagement. Development, poverty reduction and conflict prevention will not be possible without a focus on:

- Strengthening the state’s capacity to provide basic public goods, including security and the rule of law, while using its financial and managerial resources with an exceptionally strong sense of priority;
- Reducing violence and improving security conditions through multisectoral interventions in key urban areas (including Cité Soleil) that addresses both security and poverty reduction objectives;
- Good leadership in Haiti, and donor support of good leadership by establishing incentives that reward good governance and ensure transparency in public finances; and
- Restoring core state functions – the provision of public goods of security and rule of law, infrastructure and basic services – while building on the existing International Cooperation Framework and prioritizing resources and monitoring progress, so that both donors and the government can be held accountable for results.

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