

Social Capital and Development in Haiti

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**ADF-Asosye, ARD-PACTE, ASSET
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Acronyms

ADF-Asosye	America's Development Foundation – Partners (Civil Society Project)
AFD	Agence française de développement
ARD-PACTE	Associates in Rural Development – Projet d'appui aux collectivités territoriales (Local Government Support Project)
ASEC	Assemblée de section communale (communal section assembly)
ASCOPECB	Association des sociétés coopératives du Bas-Plateau Central (association of Lower Central Plateau cooperative societies)
ASSET	Agricultural Sustainable Systems and Environment Transformation (Winrock International, International Resources Group, Datex)
CAMEP	Compagnie d'aménagement et de l'eau potable (potable water management company)
CASEC	Conseil d'administration de section communale (communal section governing council)
CFPB	Contribution foncière des propriétés baties (land assessment for built properties)
DEP	Democracy Enhancement Program
EDH	Electricité d'Haiti
FENAMH	Fédération nationale des mairies d'Haiti
GRET	Groupe de recherche et d'échanges technologiques
HNP	Haitian National Police (<i>Police Nationale Haitienne</i>)
IRG	International Resources Group
NGO	non-governmental organization(s)
PADF	Pan American Development Foundation

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Interview Quotes

On elections and elected

Kounye a li chef
li pa vin nan baz la anko

Now that he's a boss
he doesn't come back to his base anymore

Pèp la di li pap vote.
Yon fwa yo fin eli,
yo pa fè anyen pou nou.

The people say they're not voting.
Once elected,
They don't do anything for us.

Lal potopwens.
Li danse ak tout sèktè.
Nou pa fin fèl konfyans.

He went to Port-au-Prince.
He dances with all sectors.
We don't have full confidence in him.

On local governance and party politics

Nou pa fè anyen
ki gen kadfigi politik
Nou pa fè politik pati politik.
Nou fè politik sosyal

We don't do anything
that resembles politics.
We don't do party politics.
We do social politics.

Moun isit
pa fin wè itilite pati politik.
Pati politik
prezan epòk elèktoral.

People here
don't really see any practical use for party politics.
Political parties
are (only) present during electoral campaigns

On leadership

Chak nèg
gen bagay lap defann.

Each guy
has something he's defending.

On urban assembly delegates

Sistèm delege vil
inoperan.
Pati ki mete yo.

The municipal assembly system
is inoperative.
The parties put them there.

Sa nou bezwen
kom pouvwa lokal,
nou pa jwenn.

What we need
as local power,
we haven't found.

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I. Introduction

This paper explores social capital in Haiti and its pertinence to current USAID Mission objectives and programs. Social capital resources are of intrinsic interest to the Democracy Enhancement Program (DEP) and its Local Government (ARD-PACTE) and Civil Society (ADF-Asosye) Projects, and to ASSET (Winrock International, IRG, Datex), focused on renewable natural resources and environmental planning. The DEP Local Government Project works with executive councils in both municipal jurisdictions (*conseil municipal*) and rural jurisdictions (CASEC, *conseil d'administration de section communale*). The Civil Society Project works with civil society organizations interested in lobbying for change, building alliances, and promoting local government accountability.

DEP and ASSET program managers seek to collaborate more closely among themselves. DEP and ASSET programs also seek to enhance their skills in working with indigenous, self-governing organizations that already exist at the grassroots level. In order to work more effectively, program managers seek a better understanding of social capital in Haiti, how it works, why it succeeds or fails, how to identify potential collaborators, and how to establish fruitful partnerships between programs and grass roots organizations.

This study is intended to promote the Mission's ability to build on local social capital in order to (a) increase success rates and long term sustainability, (b) support democratic governance, (c) reduce costs of promoting durable development, and (d) enhance the Mission's overall impact. The premise underlying this study takes sustainability as a definition of success – short term costs, long term gain. Outputs for this exercise include Mission briefings and a report that clarifies social capital issues in Haiti today. It suggests strategies and guidelines to assess local organizational partners, leverage social capital for solving problems, and generate sustainable program results.

To respond to this mandate, the three co-sponsoring projects assembled a team of consultants to review pertinent literature and carry out fieldwork in rural and urban Haiti. The team of four included an ARD political scientist familiar with social capital, public choice, and institutional analysis and design theories, and a Winrock-recruited cultural anthropologist with a background in Haitian society and culture, social capital resources, institutional development, grassroots peasant organizations, and co-management of natural resources. ADF-Asosye supplied a staff economist and trainer working with civil society organizations, and ARD-PACTE supplied an engineer with a background of experience in rural Haiti, municipal governments, and grassroots organizations.

The social capital team, together with its co-sponsors, developed a work plan focused on field interviews to clarify current social capital issues at the local level including grassroots organizations, partnerships, and community relations with local government. The team's mandate oriented field inquiry to identifying successful cases of social capital; however, upon further reflection, the team and its sponsors deemed it equally instructive to document counterproductive forms of social capital. This included ineffectual or corrupt social capital disguised in the outer trappings of participatory democracy.

Pivotal issues and questions guided field interviews: How should a development program go about identifying local partners? How do social capital resources currently address community policing or mediation of local disputes – especially in view of the virtual absence of Haitian National Police or judicial institutions in rural Haiti? How do grassroots organizations relate to fledgling local governing councils in the aftermath of centuries of military rule in rural Haiti? What types of initiatives are civil society organizations and government presently undertaking to solve local problems? How do donors relate to local organizations? Are there fundamental differences in social capital resources between rural and urban communities in Haiti?

Decisions regarding site selection for field interviews took into account program activities currently underway; however, fieldwork did not attempt a social assessment of DEP and ASSET programs. Rather, the team selected four sites to illustrate the diversity of social capital resources, to identify pertinent issues and conflicts, and to examine urban as well as rural settings (see Figure 1): Jacmel, Bas-Plateau (Mirebalais and Savanette), and Cité L'Éternel, a slum district of Port-au-Prince.

Jacmel was selected in order to explore relations between municipal and sectional (rural) governments, and problem solving around issues of tourism, education, water distribution, and rural policing. ARD, ADF, and ASSET are presently collaborating in Jacmel in keeping with Mission priorities for secondary city development.

In addition to interviews in the Jacmel mayor's office and a large urban cooperative, the team interviewed farmers and representatives of the CASEC, ASEC (assemblée de section communale), peasant organizations, rural schools, and Bassin Bleu tourism (a scenic waterfall) in communal sections of La Vanneau and La Montagne.

The second interview site was the Bas-Plateau (lower central plateau) including the town of Mirebalais, and Desvarieux – a nearby rural community (Sections Sarazin and Gascogne). Interviews concerned irrigation works, women traders and credit, dispute mediation, and peasant federations. Interview sites in the Bas-Plateau also included Savanette – a remote town near the Dominican border, and the rural communal section of La Haye (cooperative ventures, cross-border traders, burial societies, community policing). Finally, Cité l'Éternel was selected with a view to exploring dynamics of social capital in a teeming urban slum formed little more than a



Figure 1. Map of Haiti and Fieldwork Sites

decade ago on the marshes and garbage dumps of the Port-au-Prince waterfront (public-private partnership in distributing potable water, community policing, neighborhood relations with city hall, ambiguous property rights).

The present report draws on insights from recent literature on social capital, public choice, and institutional design, studies of grassroots organizations in Haiti, and findings and conclusions from field interviews in October-November 1998. There is not sufficient space here to document all social capital resources encountered in recent fieldwork (See Figure 2 for a listing of organizational forms encountered in field interviews). In the narrative body of this report, special attention is paid to the following case studies:

- burial societies in Savanette,
- community policing in La Vanneau (Jacmel), Savanette (Central Plateau) and Cité l'Éternel (Port-au-Prince),
- waters users associations in Desvarieux,
- distribution of potable water in Cité l'Éternel (Port-au-Prince)

The case studies illustrate three primary, interpretative themes of this report:

- subsidiarity (bottom-up initiatives)
- local governance
- resource mobilization

These themes will be further defined and discussed below.

Figure 2. Types of Groups Encountered In Social Capital Fieldwork

rotating labor groups (*asosye*)*
rotating credit groups (*sòl*)
religious processional societies (*bann rara*)
burial societies
potable water committees
water user associations (irrigation)
cooperative savings and loan associations (*caisses populaires*)
youth associations (*asosyasyon jèn*)
cultural clubs (theater groups)
locality-based peasant organizations (*oganizasyon peyizan*)
small groups (*gwoupman*) – men's, women's, mixed groups
small group associations (*asosyasyon gwoupman*)
regional federations of local peasant organizations
joint venture groups (stores)
agricultural labor unions (*sendika travayè*)
water distribution committees
school committee
urban pressure groups & neighborhood organizations (*oganizasyon popilè*)
community radio
communal sectional councils of rural government (CASECs)
communal sectional assemblies (ASECs)
mayoral council members and staff (*mairies*)
neighborhood delegates of city hall (*délégués de la mairie*)
parliamentarian (*député*), staff, conflict mediators

***NOTE:** Words in Haitian Créole and French are generally italicized in this report. Haitian Créole words are written in the official orthography.

II. Social Capital and Development

What is social capital?

The term is derived from the language of economics. Human endeavor depends on various types of capital resources including physical capital, human capital, and social capital. *We define social capital as institutional arrangements – sets of rules that encourage the growth of trust – crafted, used, invoked, and enforced by local groups.*¹

Robert Putnam's applied research in Italy (1993) finds that social capital flourishes where civil society organizations are plentiful and connected through networks with each other as well as with governmental units and private sector organizations (also see Bebbington and Kopp 1998, 13). Social capital groups may be either formal or non-formal, voluntary or compulsory. Groups may also associate with each other in area associations or larger federations to enhance their problem solving capacity. Effective social capital enables group members and leaders to solve problems reliably over time and to their mutual satisfaction, thus gradually creating trust among all members of the group – including leaders. The defining element is *verifiable trust* – not blind trust, but trust based on accountability and adherence to prescribed rules.

Social capital is essential to development investments in all sectors – civil society organizations, local government, economic investment, revenue generation, job creation, public services, health, education, natural resource management, governance, mediation of disputes, etc. *Social capital resources are the pivotal factor in program sustainability beyond the funding cycle of donors.* The absence of valid social capital, or the failure by program staff to engage it successfully, generates program failure.

The degree of development a community enjoys – or suffers in its absence – is deeply affected by local motivations and efforts to solve local problems. Such problems may be addressed independently at the local level – either with or without the benefit of outside assistance such as individual patrons, NGOs, donors, or government ministries. Certainly not all problems can be solved at the local level; however, all human communities mobilize local social capital resources to deal with local problems. Groups that organize successfully to meet local needs enjoy the benefits of higher standards of living. Local level needs and goals might include but are certainly not limited to the following:

¹ Definition of the term *social capital* remains a matter of on-going discussion. Our definition is not value neutral. Rather, it reflects our focus on development issues, and local institutions capable of generating trust (credibility) by solving problems and promoting sustainable improvements in people's lives.

- footpaths, roads, transport networks
- primary education
- primary health care
- potable water
- access to land, labor, and capital
- access to credit
- non-farm employment
- irrigation systems
- dispute resolution
- policing
- physical safety
- human rights protection
- rights of association
- street lighting
- disposition of sewage and waste
- soil and water conservation
- fire control
- protection of wood resources
- access to cooking fuel
- management of grazing resources
- entertainment
- religious expression
- funeral rites and burial.

Collective Action

Meeting certain local needs exceeds the capacity of any one individual or family and therefore requires *collective action*. Two kinds of collective action are relevant in order to address such local needs and services: *voluntary* and *compulsory*. Both offer legitimate means to achieve common goals. In the Haitian context, an example of *voluntary* collective action would be a *jounen kominotè* (community workday) – for which a grassroots peasant organization invites local residents to volunteer a day’s work for local road maintenance. The second type is *compulsory collective action*, i.e., *non-voluntary mobilization of local resources – taxes – to achieve a collective purpose*. An illustration of compulsory collective action is the imposition of sanctions on “free riding” members of water user associations – those refusing to contribute to the onerous task of canal maintenance.

Subsidiarity – Bottom-Up Initiatives

The concept of *subsidiarity* is the pivotal factor in using social capital resources to structure and implement development interventions. Given the paucity of government resources in Haiti, subsidiarity has great potential for creation, maintenance, and enrichment of local social capital. Definition of the concept includes three interrelated elements applicable to both government and civil society organizations, including federations of civil society organizations²:

Subsidiarity
Solving a problem at the level of the smallest or most local unit capable of handling the problem.

² Millon-Delson, 6-7. See Thomson *et al* (1997) on applying the notion of subsidiarity to Haiti’s policy of decentralization.

1. The State (or, alternately, a civil society organization) exists as a means to help society and not as an end in itself. The authority of the State (or, civil society federation) is secondary and complementary to the authority of smaller units. *Thus, the smallest unit capable of handling a problem should be responsible for doing so.*
2. If a small unit requests help in dealing with some element of the problem, it should be able to obtain *supplementary assistance* from a larger overlapping unit – up to and including the State or a non-governmental federation – *without ceding control over the problem.*
3. If a small unit creates problems for other units at the same level, then *larger overlapping units* such as local governments, state agencies, or federative levels in voluntary associations, *should have authority to intervene and restore balance – but without centralizing control of the problem.*

In Haiti, the premise of limited state authority noted above is a concept that undoubtedly lacks universal agreement. Despite rights of representation enshrined in the Constitution of 1987, the apparatus of state is widely perceived as *sui generis*. In spite of current constitutional and policy commitments to decentralization, the dominant tradition of the Haitian state is one of centralized rule from the top down. The state has a formal mandate to provide services, but its most notable feature, as a longstanding predatory state, has been patronage and the opportunity for plunder. There have been remarkable changes since the return of constitutional government in 1994, but crisis and political stalemate continue to mark Haiti's transition from military government to more democratic forms of government. Haitian citizens remain highly skeptical of the service role of the state and its overall capacity for change.

In contrast to the state, grassroots peasant organizations have a considerably broader base of experience in solving problems at local levels. Nevertheless, central committees and federations of peasant organizations are also plagued by top-down decision making.

The second and third elements of subsidiarity noted above are also controversial. Many government officials are reluctant to devolve responsibility to the smallest capable units, and unable to provide assistance locally without taking control of the situation. When there are problems, decision-makers in overlapping units tend to monopolize decisions about what is problematic and who is responsible.

Interesting experiments are presently underway in this sphere in both urban and rural Haiti. The social capital team encountered both positive and negative cases during fieldwork, including local level experiments with public-private partnerships. There are juridical constraints in this realm including legal restrictions on civil society rights of association – restrictions that limit the capacity of such organizations to exercise control over local situations. For example, without access to juridical personality, grassroots associations cannot defend their rights in court nor use banks as a tool for managing funds. This seriously impairs their capacity for effective problem solving, weakening their development potential.

Somewhat more progress has been made in devolving the political functions of government than in deconcentrating government services. On the political side, sectional governing councils (CASEC) in rural Haiti presently enjoy a high degree of local autonomy. On the service side, the government has only limited services to deconcentrate, although most public services tend to be concentrated in the capital city. *Rural areas and urban slums have more to gain, at least in the foreseeable future, from inventing local public services rather than awaiting the deconcentration of urban-based government ministries.* This argues strongly for leveraging local social capital resources and subsidiarity as a workable strategy.

Subsidiarity and Social Capital

Small-scale social units excel as a means of generating and maintaining trust among group members. This follows from the ease of monitoring compliance with the rules in small groups. Small face-to-face units also tend to promote social solidarity stemming from long-term, stable work teams and other forms of association. Small groups have proven effective in mobilizing social pressures and imposing sanctions against members inclined to shirk or “free ride.” Workable sanctions include the threat of withholding labor or cash support as a tool for discouraging opportunistic behavior. In the Haitian context, the indigenous models for workable, small-scale social units are rotating labor groups (*èskwad*) and rotating credit groups (*sòl*), generally varying in size from five to fifteen members members.

Formal and Informal Institutions

The most dynamic social capital resources in Haiti are rooted in the informal sector.³ This includes hybrid institutions that graft informal arrangements onto formal structures created by law. For example, important sectors of local government operate primarily on the basis of informal strategies such as local policing based on local aides appointed extra-legally by CASECs, or opportunistic partnerships between local water distribution committees and the public water utility. These cases illustrate the significant potential in Haiti for *applied subsidiarity* – solving problems at the local level.

<p>Formal Institutions Written rules and jurisdictions imposed by the state, legislative bodies or government bureaucrats, including laws, regulations, and legal contracts</p> <p>Informal Institutions Rules created voluntarily by individuals or groups, often unwritten understandings, and personal ties and obligations, kinship, or traditional customs and beliefs</p>

³ This discussion of formal and informal is drawn in part from Tönnies’ distinctions between “natural” and “rational” will (Tönnies 1963). Formal/informal distinctions also reflect other classic formulations such as *status* versus *contract*, or *sacred* versus *secular*. Such distinctions are useful in thinking about Haiti because this complicated society retains certain characteristics of what anthropologists identify as archaic civilization and archaic states.

The state can provide an enabling framework, but local problems cannot be solved by fiat. The working rules of daily life in Haiti derive almost entirely from the informal sector. The formal economic sector is defined by commercial banking subject to state regulations. Yet, most economic transactions in Haiti are small in scale and based on the informal system – far removed from the commercial banking sector (see Fass 1988, 292). Most forms of local social capital, such as grassroots organizations, operate informally without juridical personality. Associations lacking legal recognition, and hence lacking enforceable legal rights, are excluded from commercial banking, the formal economic sector, and the courts. Land is the lynchpin of rural economy, but 95 percent of land sales are based on informal transactions, without updated title or state registration, in a context of “legal pluralism” whereby formal and informal rules are both practiced.⁴

In the sphere of governance, creating the formal structure for Haitian democracy does not, in and of itself, ensure the practice of democracy. Democratic practice requires verifiable adherence to the rules, visible changes in behavior among citizens and power-holders, and an active civil society. The rules of *formal institutions* are frequently ignored unless there is an effective system of enforcement. Successful enforcement requires the political will and the means to enforce the rules, thereby inspiring credibility; however, this scenario is difficult if not impossible in a governmental context of weak institutions and an underlying political environment of acute polarization and distrust.

Formal rules of governance take on the character of *working rules* – rules that are actively practiced – when sanctions are imposed in response to infraction (i.e., enforcement). Due to problems of political will or the means to carry it out, effective enforcement requires citizen compliance and support, a social consensus around basic rules, and civil society pressures and partnerships. In Haiti, these factors depend on social capital resources – both public and private, and the ability to tap the informal system that governs most aspects of daily life in Haiti. Like formal institutions, *informal institutions are also defined by rules*, and only succeed to the extent they operate as working rules, including sanctions for rule violation. The rules of informal institutions may be rooted in custom and traditional ties and obligations. They may also be created voluntarily by individuals who band together to solve a common problem or to achieve greater strength and capture new opportunities.

⁴ See FAO/INARA (1997), chapter 5.4, “Le marché foncier,” and Smucker, White, and Bannister (1999) on the land tenure system.

III. Social Capital in Haiti

Individual Social Capital

The primary focus of interest in this paper is *collective* social capital pertinent for development and problem solving at the grassroots level. Nevertheless, in the Haitian cultural context, there are also *individual* forms of social capital that exert a marked influence on how things work in Haiti, including the operations of collective social capital resources. For example, both rural and urban Haitians cultivate informal networks of social capital – incurring ties and obligations, banking favors, and actively managing personal networks to protect their interests and get things done. For the vast majority of Haitians, informal stocks of social capital may well be their most important single asset and their most reliable form of social security (White and Smucker 1998).

<p>Forms of social capital individual vs collective indigenous vs induced local vs community</p>

As a rule, collective forms of social capital in Haiti are firmly rooted in local networks. People who gather together in organized groups at the local level are people who already know each other. They are not groups of strangers united by abstract commitment to a common cause. Rather, local social capital groups are characterized by overlapping networks, kinship ties, fictive kinship (godparenthood), patron-client relations (land leasing, day labor, jobs, loans, religious ties, political clientship), and other special ties and obligations – both horizontal and vertical in terms of social status. These personalized ties are invariably present in traditional, *indigenous* forms of social capital such as men’s rotating labor groups (*eskwad*), women’s rotating credit groups (*sòl*), religious processional societies (*rara*) or other religious societies whether Catholic, Protestant, or *sèvi lwa* (serving spirits).

Collective Social Capital

Collective forms of Haitian social capital may be *indigenous* (traditional cultural forms) or *induced* (promoted by animators and other outside agents of development). Certain traditional forms – but not all – have a democratic character, e.g., direct participation by all members, shared risks, shared benefits. *Induced* forms of social capital tend to have at least the outer trappings of modern organizations such as cooperatives, community councils (Duvalier era), small pre-cooperative groups (*gwoupman*), or peasant movements (*mouvman peyizan*) that generally supplanted the community council system after 1986. Modern trappings generally include a management committee composed of elected officers such as president, secretary, and treasurer.

In rural Haiti, the most effective of modern, induced groupings are in effect “hybridized” social innovations that build upon indigenous forms of social capital for a broader range of purposes – all the while utilizing traditional rules of conduct such as direct participation, equitable rotation of benefits, and small face-to-face groups. The pre-cooperative *gwoupman* movement – fostered

in Haiti by Caritas in the 1970s and early 1980s – exemplifies these features so long as it practices what it preaches and continues to meet tangible local needs of its small-group members.⁵

Recent fieldwork for this report uncovered other non-traditional applications of the traditional model. For example, one of the two water distribution committees in Cité l'Éternel rotates direct responsibility for supervising the system, including monitoring of water fountains and salaried water vendors. Within every six-month cycle, all six committee-members supervise the system for one month on a rotating basis and receive one month's salary. The committee refers to this role rotation as *sòl*, a Creole term referring to indigenous rotating credit groups, and the month's benefit as the *men* – the fund of rotating credit in a *sòl*. In effect, the committee successfully uses the *principle* of rotating credit as its organizational model, but for non-credit purposes.

Quest For Community

In the Haitian context, it is important to distinguish *local* from *community* based organizations. Rural Haitians demonstrate a strong sense of locality – local identity rooted in family land and ceremonial sites, local place names, and rival neighborhoods. Since the 1950s, a common error of community development agencies has been to assume the pre-existence of “community” in rural Haiti as a basis for organizing self-help organizations.⁶ This is an important social capital issue for outreach workers, especially if organizing locally around community (public) services. From the standpoint of development practice, it is of course highly desirable to promote a sense of shared local interests and community-mindedness. It is, however, self-defeating to impose pre-fabricated models of community, such as the New England Town Meeting or West African Village, on uniquely Haitian social realities. The challenge is for Haitians to *invent* community, or some other workable social capital unit, as a tool for solving practical problems such as potable water or other local needs.

In common practice, the word “community” has many and varied meanings including local place names, government jurisdictions (municipalities, communal sections), interest groups (professions, political affiliation), social categories (peasants, elites) or any group sense of identification. For the purposes of this study – focused on local level social capital, *we define community as people residing within a clearly defined geographic limit who share common interests, a local sense of identification, and solidarity external to the family unit.*⁷ In short, our notion of *community in the Haitian context links social relations and locality*. Development initiatives based on a strategy of *community organization* should presumably try to link social

⁵ See Smucker and Dathis (1996), Annex B, “Historical Background of Peasant organizations in Haiti,” and a revised French edition (1998) for more detail on grassroots organizations in rural Haiti.

⁶ See Honorat (1984), Smucker (1986), Dathis (1994), and Etheart (1990), among others, on community development and the politics of community in Haiti.

⁷ This definition directly reflects our concern for local-level social capital resources and development, including the promotion of local initiatives to solve local problems, e.g., potable water, roads, irrigation, mediation of conflict, community policing, investment. The literature on “community” includes classical formulations such as *gemeinschaft* and *gesellschaft* (Tönnies, Weber) and Redfield's discussion of “the little community” and the “folk-urban continuum.”

capital resources (institutions) with the specific, limited social-geographic zones within which they exist.

In Haiti inventive and highly varied forms of indigenous social capital exist; however, there are no traditional, kin-based communities, no traditions of the village patriarch. In general, the presence of a population aggregate does not translate easily into local unity of purpose nor shared interests. Each of Haiti's 565 rural jurisdictions is subdivided into scores of local neighborhoods or place names (*abitasyon* or *lokalité*) and thousands nationwide.⁸ Haitian cities, rural towns (small municipalities) and villages are also divided by custom into rival neighborhoods (*katye*) such as *anro bouk* (uptown) and *anba bouk* (downtown), or Cité l'Éternel and Cité Plus – adjoining slum districts along the Port-au-Prince waterfront.

In both rural and urban areas, residents express a clear understanding of neighborhood boundaries. In Cité l'Éternel, the team's urban study site, local committees define the boundaries of their neighborhood (*katye*) with great precision and use their boundaries as an organizational base. They use these clearly defined boundaries to protect themselves from unwanted intervention or incursions by rival organizations located outside their boundaries. Cité representatives clarified these dynamics in the way they handled group interviews with the social capital team – contacts in which a neighboring organization from across the canal (a boundary) came to a meeting, uninvited, to promote their own interests. The uninvited guests were treated with respect and given an opportunity to talk; however, they were not allowed to take control of the meeting when an argument ensued over boundary definitions of the *katye* (neighborhood), and of organizations recognized as legitimate representatives of local residents. In subsequent interviews, the “interlopers” never appeared.

Outside Jacmel, the social capital team encountered distinct clusters of local *abitasyon* and well defined differences between mountain peasants and riverside villagers of La Vanneau Section. Rural villagers across the river from Jacmel have strong links to the city. Many commute daily to the city for jobs or commerce. Some farm capital-intensive irrigated land in the river's flood plain. The dominant peasant organization in this riverside locality is closely identified with the president of the CASEC, and, notably, does not belong to the section's federation of local organizations which draws heavily from dispersed highland *abitasyon*. This situation reflects a history of local rivalries and competing economic and political interests between uplanders and lowlanders. There are also differences in political party affiliation although this was less of an issue during fieldwork due to the absence of electoral campaigns. In any case, current factions and rivalries among local organizations within the section reflect longstanding rivalries between neighborhoods and clusters of neighborhoods.

In sum, the lowest rung of *governmental jurisdictions* – the *section communale* in rural Haiti – does not define community nor is it a natural social unit for creating successful community organizations. This administrative unit, formerly called the *section rurale*, originated as a military jurisdiction and remained so up to 1994. As in other Caribbean contexts, social relations in rural Haiti are based primarily on dyadic relationships (*individual* social capital) rather than

⁸ The total number of rural jurisdictions currently reported for Haiti tends to vary between 561 and 565 *sections communales* (see Chavenet 1996 for a listing of 561 *sections*). Local neighborhoods or place names within *sections communales* in rural areas are commonly called *lokalité*, *bitasyon*, or *abitasyon* in Créole, or *katye* in urban areas.

community-wide nexuses (see Mintz and Price, 1976). The dispersed patterns of agrarian settlement in Haiti go back to the very origins of the peasantry in *mawonaj* – runaway slaves who established themselves as independent agriculturists in the remote hinterlands of the island of Saint-Domingue during the eighteenth century.

From the standpoint of prospects for *community* as defined earlier, the most cohesive units of social geography are rural *lokalité* and urban *katye*, or, the ***most local of locality definitions***. These definitions of locality are self-defined by residents; they are not jurisdictions of government. This is in keeping with the principle of subsidiarity – organizing from the bottom up. Social geography alone, however, is not a sufficient reason to organize given the general weakness of community-based institutions in Haiti.

Social Capital And Governance

Dispersed settlement of rural areas is linked to a national pattern of invidious political and social distinctions between *urban versus rural* areas.

Rural Haiti has long been a virtual colony of urban power holders. The rural majority was always excluded from the national political system. The Haitian system has always been highly centralized, predatory in character, and focused on the presidency. Trouillot (1990) described the tradition of government versus the social fabric as “state against nation.” Local levels of government were traditionally weak at departmental and municipal levels, and virtually

non-existent in rural areas except for *chefs de section* (section chiefs) under military command, and informal networks of local agents or aides (*èd marechal*) recruited by the section chiefs.

<p>Issues in Governance urban vs rural top-down vs democratic old-style vs new aspirations government versus social fabric central vs local peasant office holders local organizations and local government</p>
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In both urban and rural areas, local people are engaged in a fascinating drama: transition from authoritarian, centralized governance to a more open system in which significant power is devolved from the center to regional and local levels of government (*départements, communes, sections communales*). Old models of governance based on consolidation of personal power by a strongman, intolerance of opposition, and violence to suppress resistance, are giving way to institutional arrangements whereby power is somewhat more dispersed and conflict is tolerated to a somewhat greater extent. Case materials presented in this report illustrate these points and also highlight the incomplete nature of this transition. Progress is promising but fragmentary and fragile.

Despite recent decline in old patterns of authority, old models of authoritarian rule continue to exercise an important influence on the operations of government at all levels and on the internal governance of many civil society organizations. There is ongoing struggle between the old style and new aspirations. A new generation of leaders is faced with conflicting models for attaining and exercising leadership. This creative ferment now exerts a strong impact on the evolution of public and private social capital resources.

Formally, dramatic innovation continues since the unprecedented installation of civilian rural government in 1990 and 1995. There is still an immense gap between the formal objectives of decentralization and current practices of rural governance. Recent fieldwork verifies that the roles and mandates of local and regional governments are unclear. Municipal government has little to do with sectional government. Relations between local assemblies or ASEC (*assemblée de section communale*) and local executive councils (CASEC) vary significantly from one *section* to another. ASEC roles are ambiguous and poorly defined. Representatives of municipal government discount the legitimacy and role of ASEC and of higher order municipal assemblies indirectly elected. Nevertheless, local governing councils (CASEC) are very active, receive funding from central government, and serve as the primary form of local rural government. Local peasant organizations exert an important if varying influence on the operations of rural government. Without a doubt, local governance presently includes significant private as well as public dynamics. Civil society organizations were active at the local level in both rural and urban areas contacted during fieldwork.

Grass roots peasant organizations have been an important training ground for new leadership in local and regional government and the national parliament in the elections of 1990 and 1995. More recently, peasant organizations were the primary base of selection for leadership in communal sectional assemblies (ASEC). In some rural areas, peasant organizations have been instrumental in dispute mediation as an alternative to the poorly functioning judicial system and to repressive roles exercised by local officials.

Urban popular organizations tend to be less experienced than grass roots **peasant** organizations, and perhaps generally more closely identified with protest than local problem solving. Nevertheless, team interviews in Port-au-Prince slums find evidence of great potential for civil society initiatives in urban neighborhoods. This is illustrated by local committees organized around public-private partnerships in the distribution of potable water – an excellent example of subsidiarity. Such newly invented social capital resources are directly pertinent to Mission objectives for development of secondary cities.

The Dilemma Of Decision Making

When agents of development seek to build on local social capital, it is useful to distinguish *top-down* from *more democratic forms* of internal decision making. A particular faction or powerful personality may dominate either indigenous or induced forms of social capital. *Induced* groups commonly emulate the old community council structure of the early 1980s whereby a small group of officers tends to dominate a large, undifferentiated membership base. Powerful central committees, including those in cooperatives and peasant organizations recently encountered in Jacmel, Mirebalais, and Savanette, are well positioned to monopolize group resources and exercise inner control despite an outer shell of democratic form and formalized transparency (e.g., elected officers, committees, written records).

In contrast, *indigenous labor and credit groups may function democratically without the benefit of elections or democratic rotation of leaders*. Instead, their more traditional forms of

democracy are based on traditional forms of non-coercive leadership and carefully prescribed rules for sharing risks and benefits. These rules are discussed below as a *small group model* for organizing social capital.

Despite the documented success of traditional rotating labor and credit groups, it is important not to romanticize traditional social capital as inherently superior or naturally more democratic than modern groups. Powerful personalities may well dominate indigenous forms of social capital such as the *rara* band encountered by the team in Jacmel. In this case, a voodoo priest (*houngan*) exercises personal control over the group's resources and uses the band as a powerful marketing tool for his services as healer, magician, ritual leader, and secular entrepreneur (entertainment, dance bands, municipal subsidy). In reality, while this *rara* band has proven highly effective at mobilizing people and resources, participants do not share equally or equitably in its benefits.

Clearly, both indigenous and induced groups may have either top-down or participatory forms of decision making. In the case of the *rara* band in La Vanneau, there is no apparent social pressure to broaden the base of decision making. The broad mass of group members participates as "clients" of their *houngan*-patron – dancers and celebrants who reap ritual and social benefits. Furthermore, the leader of the *rara* band makes no claim to broader community service goals.

In contrast, a local federation of peasant organizations in the neighboring communal section of Morne-à-Brûler actively integrates *rara* bands as members, creating a hybridization of *indigenous* and *induced* organizational forms. Established under repressive military rule (1991-1994), an inter-band *rara* committee coordinates *rara* processional routes, thereby preventing potentially dangerous conflict among rival bands, and mediates disputes – avoiding any pretext for abusive intervention by outside authorities. Notably, there is some degree of overlapping membership between the *rara* bands and other groups within the federation, including rotating labor organizations and ritual musicians. In this case, a local civil society organization has linked traditional with modern forms of social capital in a creative demonstration of local governance and self-policing.⁹

Small Group Model

The strategy of subsidiarity privileges the small group as the basic building block for organizing social capital. Small rotating labor and credit groups in Haiti – generally no more than fifteen or so people and perhaps as few as five per group – provide a workable model for doing so. Traditionally, an individual leader initiates such groups by drawing upon his or her personal networks (individual social capital) to organize such a group. The traditional small group leader generally has a reputation for reliability (*moun serye*), mediation skills, and a calm temperament. Each group member contributes an equal amount of labor to a rotating labor group (*eskwad*), and the rotation of benefits assures that each member captures the group's labor power by turn. Rotating credit groups (*sòl*, also known as *sang* or *sabotay*), usually organized by women, follow

⁹ See Smucker and Dathis (1996, 59-63) for a more detailed description of the Komite Defans Enterè Peyizan Monabwile (KODEM), a peasant federation of neighboring Morne-à-Brûlé.

the same principle. Each member contributes equal shares to a credit fund, and thereby earns access to the entire fund of credit on a predictable, rotating basis.

Local Créole names for rotating labor groups vary from one region to another, and there are also local variants in rules; however, the same basic principle applies to such groups – shared costs and rotation of benefits. The *eskwad* and other similar groups should not be confused with *koumbit*, meaning work party, whereby a farmer invites others for a single work event. The *koumbit* has a reciprocal character but is not an organized group. The *koumbit* also goes by other names such as *kove*, depending on the region. In any given locality in Haiti, the character of a group cannot be assumed simply by identifying its name. The group's internal organization and activities must be further investigated.

If a member of rotating labor or credit group reneges on his or her obligations to the group (“free riding”), sanctions may be applied such as withholding group-produced benefits. The culprit thus loses the opportunity to capture needed labor or to gain access to non-usurious credit. The group also imposes sanctions for shirking – a more subtle deficiency. Here, social sanctions come into play via public commentary and embarrassment (charges of laziness or drinking to excess). Intra-group controls reflect a principle of *fiscal equity*: those who contribute effort or resources should obtain benefits in roughly the same measure.¹⁰

Rotating labor and credit groups offer a powerful secondary incentive for cooperation and member discipline: *mutual aid* in times of crisis such as sickness, death, debt, or other personal calamities. ***Rotating labor and credit groups thus also serve a social insurance function.*** Members gain short-term benefits of labor or credit, and long-term benefits of mutual aid and risk management. In the end, *the primary comparative advantage of small-scale, face-to-face groups flows from the strong incentives that both members and leaders share – to generate benefits, and ensure equitable distribution of benefits to all active group members.*¹¹

More Complex Forms Of Social Capital

The small group model is an important social capital resource. Field observations have identified numerous small groups (indigenous, induced, or hybrids of both) with a proven record of success. In addition to the small group, some local small groups (*gwoupman*) have joined together as local associations of small groups and larger area federations. It is also quite common in rural Haiti to find peasant federations and older style community organizations that do not use the small group model. For example, the Federasyon Gwoupman Lavanno (FGL) is a section-wide federation of neighborhood associations. Despite the *gwoupman* name, the FGL does not have a small-group base, but rather a neighborhood base for its member groups. Such federations tend to be dominated by a powerful central committee or an influential individual. For example, the head of the FGL has a job in the nearby urban center (Jacmel) with the public

¹⁰ *Redistributional* equity, on the other hand, takes resources from some and transfers them to others. In principle the flow runs from the rich to the poor. On the other hand, institutional mechanisms justified on the basis of redistributional equity may well end up transferring resources from the poor to the rich.

¹¹ *Equitable* in this sentence implies that rewards are apportioned in keeping with effort furnished. Less emphasis is placed on equity defined as *redistributing* wealth from richer to poorer.

works ministry, and has been able to generate some public works employment (day labor) for FGL members.

Development agents who seek to build a complex federated structure based on small local groups, or to work with any federated structure linking several neighborhoods, often encounter difficulties including a marked tendency for top-down decision-making. Explanations for these problems include the following:

- tenuous links between local members and leaders at higher levels
- unequal access to information, e.g., leaders know more than members about the funding base, expenditures, hidden agendas, private agreements, etc.
- leaders have a competitive advantage in capturing resources and using them to achieve personal rather than member goals
- leaders of federal or apex organizations control more resources: this makes it difficult or dangerous for individual members to challenge them
- as leaders rise higher up in an organization, they attain greater power to shut down member recourse in response to leader manipulation and abuse of power, e.g., economic sanctions, social pressure, political challenges, or law suits – in contrast to lower-level leaders with fewer monetary resources, contacts, or experience.

Members Versus Leaders

In local levels of government as well as non-governmental federations, it is difficult to organize accountable and responsive relationships between leaders and followers.¹² The members (or citizens) have difficulty controlling leaders (self-selected, elected, or appointed) who function as their agents to achieve member objectives. These problems emerge when small work teams are compelled to delegate authority to a higher level due perhaps to the inherent nature of the problem or to a policy decision. The larger scale of a problem often reduces member controls over leaders, as when consumer cooperatives create an apex purchasing organization to buy goods in volume and obtain favorable prices. The Haitian Constitution, for example, does not recognize local place names or neighborhoods (*abitasyon*) as political jurisdictions in rural Haiti. Therefore, residents have no choice but to elect section-wide representatives (CASEC or ASEC) in sectional jurisdictions composed of a number of scattered *abitasyon*. As an unintended consequence, this tends to dilute local-level social and political control over sectional leaders.

Problems arise because members and citizens have not mastered the institutional arrangements necessary to demand transparency, accountability, and responsiveness from their leaders, and to enforce those demands if leaders get out of hand and refuse to comply. In some cases, it may be impossible to put such mechanisms in place for reasons such as the following:

- cost in time and effort to operate the system of controls,
- lack of literacy and numeracy skills necessary to keep records, conduct audits, and deal directly with formal institutions and written documents,

¹² This is sometimes referred to a problem of “principal” (group member) versus “agent” (leader or delegate).

- Haitian peasants' limited margin of maneuver in the face of standard life risks (disease, drought, political threats, legal problems, rights restrictions), means they often cannot afford to rupture ties with a patron if obligations to the patron come into conflict with local goals of collective action,
- organizations succumb to elite control due to limitations on member recourse, and low member tolerance for risk,
- leaders shift control of member resources to themselves and grant favors to their supporters, e.g., personal loans from an organization's treasury,
- citizens accustomed to authoritarian leaders may actively support undemocratic leaders as a personal investment in individual social capital – banking favors, incurring personal ties and obligations to a future patron, seeking *gran relasyon* (important relationships).

IV. Case Studies of Local Insurance and Policing

Burial Societies of Savanette

In rural Savanette (Lahaye), the study team encountered inventive applications of subsidiarity in meeting the onerous costs of burial. Members of local funeral societies contribute fixed amounts of money to defray funeral costs upon the death of any member or a member's spouse or children. Haitian death traditions are very costly and include wakes, visitation, elaborate funerals, and continuing expenditures and ceremonials long after the dead are buried. The literature on land tenure in rural Haiti documents intimate links between death and the sale of land. Invariably, death in the family generates immediate demand for large amounts of cash. To raise funds for funerals, peasant families customarily sell animals and rent out land below market value. They may also borrow money at usurious rates of interest and incur burdens of debt that last for years.

Self-funded funeral insurance. There are informal traditions of mutual aid when there is a death in the family. These traditions are based on individual social capital; however, funeral societies in Savanette have formalized this tradition, creating self-funded funeral insurance underwritten by collective social capital. This is worthy of note due to the significant sums of money involved and the striking use of collective action to mobilize scarce financial resources. Members are small peasant farmers who are largely illiterate. This case study illustrates the potential for local social capital. It also raises serious questions about the upper limits on local groups with major financial needs, and transition from the small group model to more complex organizational levels. It demonstrates a need for practical links between local social capital and outside expertise in specialized domains such as complex organizational structure, money management, actuarial planning, and financial sustainability.

Group structure. The Gwoupman Rasambleman Mò Lahay (GRML) established itself in September 1998 as a local funeral society. Its leader took initiative to organize the group along the lines of a neighboring funeral society called the Asosyasyon Lanmò Savanèt (Savanette death association). GRML officers show written records of 169 paying members, perhaps a fourth of the families living in five neighboring *abitasyon* of La Haye section. The society is governed by an elected committee of seven (president, secretary, treasurer, delegates) including representatives from all *abitasyon* where members were recruited. Membership requires an enrollment fee of 1 *gourde* and 10 *gourdes* for a separate health insurance fund. Membership in the funeral society imposes a condition on each member – immediate payment of 25 *gourdes* following the death of any eligible member or dependent.

The field team encountered GRML members in the field on the day of the society's first death and the society's first *death tax* – thereby testing the system less than two months after the society was founded. Field interviews and records indicated that 52 of 169 members had already submitted 25-*gourde* assessments within the first five hours of a member's death, when the social capital team first encountered the group, and new contributions continued to arrive as the team stopped to interview society members and leaders. This is an impressive mobilization of

resources in peasant Haiti where cash resources are by far the scarcest of economic factors relative to land and labor.

The rules. The funeral society has clearly defined rules of eligibility for membership, benefits, enrollment fees, and death assessment. Its primary purpose is funeral insurance, but it also provides health coverage. The health coverage responds to member demand for assistance during illness as well as death. Offering health coverage may also diminish the risk of activating the more costly death fund if treatment of illness is delayed or neglected. With a health fund based on 10 *gourdes* per member, society members have access to the medical fund – a revolving loan fund – for a maximum of eight days and 250 *gourdes* per incident. It is intended to ease cash flow problems during medical emergencies. The health fund is levied in advance and managed by the treasurer. The death fund – a much larger sum – is activated solely at the moment of need. The rules impose *sanctions* on members who do not provide the funeral assessment when needed. They are dropped from membership and lose eligibility for benefits. Society rules retain the option of legal action for members who fail to pay the death tax after having received disbursements from the death fund.

Consumer credit. The society has negotiated a special arrangement to buy supplies on credit from a general store in town (Savanette). In doing so, the storeowner captures funeral-related business with diminished risk since the group underwrites funeral expenses. Members gain the opportunity to buy on credit thereby providing immediate access to supplies – primarily mourning cloth, and food and drink for the funeral wake (*vey*) and other visitation.

A viable model? The GRML has not functioned long enough to judge its success as a sustainable venture. Other funeral societies in the Savanette area have a longer life span, continue to function, and merit further investigation. It is worth noting that this organizational model of mutual aid has disseminated throughout the Savanette area without external investment or promotion – solely by virtue of its inherent appeal as a marketable idea. People have used it successfully to create new social capital and mobilize considerable economic resources at the local level. *The model builds on indigenous traditions of mutual aid, risk management, local representation, and rotation of benefits. It provides an efficient response to high local demand for scarce cash during life crisis events.*

Risks. The society's rules reflect a marked concern for managing risk, but there remains a high risk of eventual failure due to apparent imbalance between the resource base and probable demand. The number of insured (members, spouses, and children) far exceeds the number of premiums paid. Enrollment fees and the death tax are the same regardless of family size. The death fund is not collected in advance. This avoids certain problems of security and the risk of misusing or lending unoccupied funds; however, this also raises the specter that funds will be unavailable when needed – if there is excessive demand on the resource base (too many deaths, unfortunate timing of deaths).

Complexity and governance. Size and its impact on internal organization highlight the critical issue of the conflict between economies of scale and good governance. As the society grows in numbers, its members face a growing temptation to delegate all responsibility to the central committee. A larger membership base would be economically advantageous; however, unless

the society were to organize small component groups, perhaps linked to local place names, the larger membership base would tend to eliminate face-to-face contact, social pressures, and local-level decision making. The newly established society clearly lacks experience with this level of organizational complexity. These problems suggest a need for scaled division of tasks and more careful construction from the bottom up in keeping with principles of subsidiarity.

Furthermore, the society has apparently not undertaken a rigorous calculus of relationships among death rates, family size, premium minimums, and the potential scale of future demand. In effect, the GRML operates as a member-owned insurance fund without the benefit of actuarial tables and expertise. This suggests a need for the society to consult underwriting specialists – outside experts – while maintaining its independence as a local grassroots organization.

As it presently stands, the society is not well positioned to hold a large amount of money with sufficient security, accountability, and verifiable trust. The society could perhaps solve this problem by opening a bank account but there are no local banks, and public transportation out of the area operates only once per week or less. In any case, access to banks is a moot point since the society lacks the necessary legal status to open a bank account or to represent its interests in court. The absence of recourse to a court of law constrains the society's ability to impose sanctions on members who owe money.

A local organizational trend. Other social capital resources in Savanette could potentially respond to some of these problems. The team's interviews indicate that ten or more funeral societies have been organized in the *commune* within the past year or so. This suggests a dynamic trend at the grassroots level and an emerging background of experience. Growth in the number of funeral societies also suggests an inter-organizational opportunity to broaden the base for generating premiums and disbursing benefits.

In addition, the town of Savanette has a small savings-and-loan cooperative with proven ability to manage money and hold cash securely. The Sere Pou Lè Bezwen (SPLB) cooperative has two decades of experience, a membership of 700 and a capital base of 200,000 *gourdes*. Most members are peasant farmers; however, a dozen local *institutions* have also joined, including four grassroots peasant organizations, the scouts, a religious community (nuns), the Baptist Church, and five local schools. The institutional members use the cooperative for its banking services. Local government functionaries also use the cooperative to cash government checks.

Prospects for synergy. The cooperative has shown an interest in creating its own insurance program to defray funeral costs. Logically, the grassroots funeral societies and SPLB Cooperative could benefit from some form of alliance or partnership. Through such an arrangement the funeral societies could increase their viability by virtue of access to banking services, heightened security in holding funds, and new rules allowing periodic contributions to interest bearing accounts in periods between funerals. Establishing formal links among funeral societies, and between funeral societies and the cooperative, would be a logical evolution of the funeral society movement. This process would be greatly enhanced with the benefit of outside expertise in actuarial planning, and transition to more complex forms of social capital while safeguarding local control at the grassroots.

Policing and Local Governance

For the purposes of this study, we are interested in the lowest rungs of government, especially CASEC, ASEC, and their relations with citizens, grassroots organizations, and other institutions. Sectional (rural) governing councils (CASEC) are historically without precedent as a civilian level of local government. Rural areas of Haiti were under military rule from colonial times to the mid-1990s. Policing is of special interest as a form of local social capital since the Haitian National Police do not have posts in rural areas. Communal governing councils provide most local police services in rural sections of Jacmel and Savanette visited by the field team. In addition to local policing, rural governance is closely linked to the activities of grassroots peasant organizations and other local non-governmental institutions. In Cité l'Éternel, an urban slum district shows interesting parallels and some differences in policing and local governance.

CASEC networks and services. The operations of rural CASEC continue to evolve in the absence of clearly defined roles and mandates. The legislative framework is inadequate and contradictory. *Field interviews strongly indicate that leaders and citizens alike perceive lajistis (justice and law enforcement) to be the primary role of sectional governing councils.* It is also clear that CASEC operations observed in the field are deeply affected – though not entirely defined – by the old *chef de section* model.¹³ This holds true especially for the organization of local police services.

In rural areas of Jacmel and Savanette, the three members in each sectional council (CASEC) informally divide up the section into three sub-districts – each one identified with a particular council member. These sub-districts include marketplaces, footpaths, and clusters of neighboring localities. Each CASEC member further subdivides his sub-district by neighborhood and appoints unsalaried representatives known as *èd kazèk*, *delege*, or *brigad*. This system of informal networks tied to local officials closely tracks the old *chef de section* system and its local networks of *èd polis* (police aides). In many respects, this system is well adapted – so long as it responds to genuine local needs – in a social and geographic context of widely dispersed homesteads and field plots. In this sense, the system of dispersed networks fits neatly with principles of subsidiarity.

The rules. The network of *èd kazèk* provides local mediation and police services, primarily for standard sources of everyday conflict in rural Haiti, e.g., stray animals, grazing damage to field gardens, boundary violations, disputes over animal ownership, land conflicts, indebtedness, theft, marital quarrels, fighting, and public quarrels. Under the old regime, activating the rural police network required the parties in a dispute to pay the section chief or one of his aides. In most cases, there was a fairly standard fee plus additional fines based on assessment of damages. This system also lent itself to abuse, rent seeking, unwanted interference, and kickbacks to influence police judgements. The same potential is present in the current network of unsalaried *èd kazèk*; however, the team encountered striking variations in how the system operates.

¹³ In Haiti's rural districts the *section communale* formerly known as *section rurale* was governed by a section chief (*chef de section*) appointed by the Haitian army. The section chief had long been the sole representative of government in rural areas. The military and often corrupt *chef de section* system was eliminated in 1991 after the election of Aristide, reinstated by the army under military rule (1991-1994), and again abolished after the return of Aristide in 1994.

Voluntary versus compulsory resolution of disputes. In La Vanneau Section (Jacmel), the sectional council has appointed a total of 25 non-salaried, local *delege* supervised by the three elected CASEC members. Council members individualize their approaches to some extent in managing disputes. CASEC council members are called upon to mediate disputes and offer advice to resolve problems. They serve as mediators, proposing voluntary solutions to conflict, but they also impose sanctions (“compulsory” solutions) – fines and payment of damages – if disputants are unable to agree on a voluntary resolution. The disputants may appeal a CASEC’s decision by taking the problem to a higher authority in town (the HNP or the court system).

Appointing CASEC aides. The council member from La Vanneau’s more remote, mountainous sub-district supervises eight *delege*. In neighborhood meetings with the residents of each *abitasyon*, he elicits nominations and local agreement on a candidate, then appoints him as the local *delege*. In so doing, he avoids charges of favoritism or corruption, and ensures that residents share some responsibility for selecting and monitoring the *delege* in their neighborhood, and to a certain extent promotes co-policing.

Fees. The *delege* do not receive a salary; however, they receive fees for service. The CASEC makes public the standard fees for grazing violations, the cost of recovering a stray animal held by a *delege*, or the cost for *delege* site visits when there is a dispute. If disputants cannot agree on the extent of damages to a garden, the *delege* invites two or three voluntary arbiters (*abit*) to offer an independent assessment of damages (*fè konsta*). The arbiters receive no fees. They are local citizens acceptable to both parties.

In upper La Vanneau the resident council member delegates responsibility, and does not participate directly in assessing damages – unless the problem cannot be resolved at the neighborhood level. The direct services of the council member have only been required twice in the past two years for damage assessment. When problems can’t be solved by mediation or local arbiters, the dispute moves upward to the neighborhood *delege*, the elected CASEC, the *commune* (mayor’s office) or the courts and national police in Jacmel. National Police rarely come to the section, but have been called for major theft and charges of murder.

CASEC autonomy. In terms of police services, the La Vanneau governing council views its mandate as strictly local. For example, the CASEC refuses to serve arrest warrants (*mandats de comparution*) issued by the municipal judiciary (Jacmel). The La Vanneau council is willing to communicate the warrant and invite voluntary compliance, but it is not willing to use *force* to ensure compliance, such as physical restraint, arrest, or beatings. This is a distinct break with the past (*chef de section* system), and reflects the general unwillingness of this particular CASEC, according to a range of sources, to use physical force in dealings with local citizens.

The refusal to serve municipal warrants illustrates the general independence of the CASEC from municipal government. During the period of fieldwork for this study, the CASECs of Jacmel and Savanette received monthly salaries for three council members and an expense allowance directly from the central government rather than the municipal budget. The La Vanneau CASEC has had relatively little contact with the mayor’s office and was not subject to mayoral supervision. In effect, the CASECs of both Jacmel and Savanette operated with virtual autonomy

from outside supervision. After January 11, 1999, the procedure for paying CASECs changed, and the national executive began to use mayors as the intermediary for paying CASEC salaries and expense allowances. Despite this change, CASEC salaries and expense allowances were still not subject to mayoral veto or approvals, and the CASECs continued to operate with virtual autonomy.¹⁴

Job patronage in Savanette. The two vast communal sections of Savanette include an estimated 160 *localité* parcelled out to CASEC aides known here as *brigad*. As in Jacmel, the network of *brigad* was appointed by the CASEC elected in 1995. Only two of the elected CASEC members were in residence at the time of fieldwork. One reportedly lived in Port-au-Prince. A range of interviews indicted that appointment of non-salaried *brigad* in Savanette was based on outright purchase of the job. It may well be that the purchase system is technically not illegal since the position of *brigad* is neither established nor forbidden by law, but local people clearly perceive the practice as corrupt. In Savanette, once *brigad* are appointed, the CASEC notifies the local office of the Haitian National Police.

The corruption of local policing in Savanette is complicated by the unusual economic opportunity offered by Savanette's location as a border *commune*. In current practice, Savanette has an open border with Dominican Republic. Savanette is an old coffee producing area. Representatives of Dominican coffee speculators operate freely on the Haitian side of the border. Savanette reportedly exports most of its coffee surplus across the border as unregulated commerce. Growers have a strong price incentive to do so. Haitian producers and coffee sellers pay no export tax and only a small border tax on the Dominican side. Haitian speculators and exporters in Savanette have literally closed shop, including a large coffee treatment plant owned by Brandt, one of Haiti's major entrepreneurs.

Rules of corruption. The CASEC does not regulate the coffee trade; however, there is also an active cross-border trade in other commodities including stolen animals. CASEC members and aides levy a tax on animals in the form of a *laisser-passer* (pass) when animals (goats, pigs, cattle, horses) are sold in marketplaces, travel on public thoroughfares, or cross jurisdictional lines. The *laisser-passer* is issued in the form of a receipt for payment and shows proof of ownership. When *brigad* are selected by the CASEC, they receive *laisser-passer* receipt books on official letterhead issued by the tax office in Savanette.

The team's interviews suggest that the cost of a *laisser-passer* varies at the discretion of the *brigad* or council member depending on the animal and the circumstances of its travel or sale. Given the turnover of animals in rural marketplaces in the area, it is clear that the *laisser-passer* generates significant revenue for the CASEC. The CASEC network apparently retains the bulk of this revenue as personal income – a tax farming privilege – rather than disbursing it to underwrite public services.

¹⁴ According to follow-up interviews undertaken by Smucker in July 1999, the procedure for paying CASEC salaries and expense allowance changed after January 11, 1999. Due to protracted political crisis and postponement of scheduled elections, the president directly *appointed* mayoral and communal sectional councils whose elected mandates ended. Prior to January 11, regional representatives of the executive branch (*delegué* or *vice-delegué*) served as intermediaries, transmitting salary and expense funds to local CASEC. After January 11, 1999, the central government changed this procedure, transferring CASEC funds to mayors who began issuing salary and expense checks to communal sectional councils.

Limits of corruption. Despite the corrupt system, owners of livestock are generally willing to pay for a *laisser-passer* when traveling with an animal outside of their local neighborhoods. They do so to protect themselves and avoid charges of theft. This is a good example of a local tax deemed legitimate by local citizens, and supported by citizen compliance; however, there are limits. Recently, individuals and grassroots organizations publicly denounced a *brigad* in La Haye, accusing him of issuing passes for animals stolen in cross-border trade. As a result, the accused *brigad* was arrested by the HNP and lost his position as *brigad*.

Grazing disputes and tax harvest. The CASEC network enjoys another significant source of personal revenue based on fees for service – the capture of stray animals and their transport to the *commune* (mayor’s office). In contrast to the situation in La Vanneau noted earlier, Savanette appears to have a high incidence of grazing disputes treated at the municipal level rather than the local level. Unlike La Vanneau, rural policing in Savanette does not use voluntary citizen-arbiters. One farmer noted that negotiations over garden damages takes *brigad* fees into account in estimating damages. Consequently, an inability or unwillingness to handle normal disputes locally – due in part to the threat of prohibitive expense – shifts resolution upward to more distant levels of government.

The *brigad* network is highly motivated to capture animals and bring them to town in return for their fee. Once a *brigad* captures an animal, he is assured of a predictable fee for service at the *commune*, drawn from fines levied by the mayor’s office. The chain of referral for rural disputes moves from *brigad* to the CASEC for a written *procès-verbal*, then to the *commune* (mayor’s office) and sale of the animal at auction if the case remains unresolved after nine days, or to the local court if fees and damages do not exceed 500 *gourdes*. In addition to the network of rural *brigad*, municipal government also recruits its own *kaptè*, similar to *brigad*, who exercise the *brigad* role for grazing violations in and around the town.

Ancien régime re-visited. Unlike La Vanneau, the CASEC of Savanette are reportedly enthusiastic about serving arrest warrants (*mandat de comparution*) issued by the municipal court. As with the capture of animals, *brigad* derive a fee for serving the warrants, by force if necessary, including the holding of prisoners overnight in remote areas prior to bringing them to town. According to public officials in Savanette, some CASEC members in the region carry small firearms not issued to them by any formal authority.

Local policing and national police. The HNP in Savanette reports that national police are frequently called upon to accompany land surveyors to the field. Law enforcement problems reported by police include interpersonal violence, theft of animals, land disputes, and recovery of guns, including *zam kreyòl* (homemade “zip” guns). Both rural council leaders and common citizens request services from the police. According to interviews, the HNP do not charge for services – unlike the CASEC – but may request horses for travel to rural areas. In local policing the HNP and CASEC have arranged an operative division of labor. The national police are closely identified with towns and cities. In rural areas, the CASEC and their networks of *brigad* handle day-to-day disputes. National police become involved in crimes unresolved at the most local level, including the use of firearms and serious crimes such as murder or large thefts.

Decentralizing the predatory state. Overall, civilian control of rural policing in Savanette appears little different from the *chef de section* system, with the notable exception that rural authorities no longer beat people. For example, thieves are no longer beaten when taken into custody by the *brigad*. The degree of sectional independence from outside supervision marks another important difference. The CASEC operates with virtual autonomy. According to the mayor's office in Savanette, the CASECs have not met with the mayor since 1996 and refused to meet when convoked by the mayor. On the other hand, there are no mayor-versus-CASEC problems of collaboration in levying fines for grazing violations. Clearly, municipal and sectional governments both have a vested interest in this system.

To some extent, rural policing in Savanette illustrates the decentralization of corruption along with the devolution of government. Nevertheless, rural civil society has shown itself capable of rising up against the corrupt system at the local level, causing the arrest and dismissal of a *brigad*. This action exercised some control over the system and tested its limits, but did not transform it. Despite generalized skepticism, even cynicism, regarding politicians and political parties, local citizens continue to press for change. This impulse commonly takes the form of protest, targeting personalities rather than specific, practical alternatives or changes in the rules. During the team's fieldwork, citizens of Savanette protested the absence of communal government, including the literal absence of its personal embodiments, and nailed shut the doors of municipal government and the local office of the parliamentarian. All of these officials were physically absent.

Prospects for civil virtue. From the standpoint of subsidiarity, if not of civic virtue, Savanette has demonstrated immense success in decentralizing its rural police network and collecting local taxes. The system's undeniable efficiency in collecting livestock taxes suggests the enormous potential of CASECs to finance local public works *if officials allocate the funds to that end* instead of diverting them for personal profit. There is local precedent for this: despite a rural police context marked by corruption, a portion of *laisser-passer* revenue presently goes to maintain rural cemeteries and marketplaces. Before officials will systematically allocate taxes and fees for service to public ends, local governance in Savanette will have to be depersonalized and controlled by different rules. Information on revenues and disbursements will have to be publicized under meaningful rules for transparency, and a practical system of checks and balances put in place.

Watchdogs. An activist, well-defined role for ASEC and civil society would be extremely useful in this regard. In general, the current status of ASEC and other assemblies is ambiguous – scorned by municipal government in both Jacmel and Savanette. This dismissal of local assemblies as useful instruments of governance flows only in part from the disputed elections of April 1997 and political gridlock at the national level. It is also attributable to competition for scarce resources, and to the reluctance of executives to share power or to be held accountable to the legislative branch – even at the local level – in a system of checks and balances.

Municipal councils appear to have little or no contact with either sectional councils or with assembly delegates at any level. Our field interviews suggest greater immediate potential for collaboration between assemblies and the executive branch at the most local rung of government – the rural *section communale*. In Jacmel as well as Savanette, sectional council members have

been willing to meet with ASEC delegates; however, the Savanette councils are resistant to ASEC influence. The La Vanneau council is more open to dialogue, but citizens and civil society organizations clearly exercise more influence via direct ties to individual council members than through ASEC delegates. The La Vanneau council president stated that the CASEC has no funding and no annual budget, and therefore the CASEC is not subject to ASEC review. Both ASEC and CASEC clearly lack training in their respective roles. Interviews suggest that grassroots organizations do exercise influence on local government, and if better trained and organized, could press more effectively for reforms in local governance despite national political stalemate.

Local government and local schools. The CASEC in La Vanneau as well as the mayoral council in Savanette responded positively to local pressures to subsidize community schools. Both levels of government have expense allowances. These funds are disbursed as an unbudgeted petty cash fund. Groups and individuals impose tremendous pressures on these funds for personal and public needs. There is also a strong social consensus that local government should subsidize local schools. The Sectional Council of Lahaye (Savanette) is unresponsive, but the Savanette municipal council subsidizes seven widely dispersed rural schools. In Jacmel, the La Vanneau CASEC disburses funds from the council's personal expense allowance for local schooling and other activities of local civil society organizations.

Networks of urban governance. In the slum quarter of Cité l'Éternel (Port-au-Prince), neighborhood associations exert significant local influence, including local policing. Local authority in Cité l'Éternel is exercised by *delege meri* (mayoral delegates) – a network of ten local residents appointed by the mayor of Port-au-Prince. This corps of local mayoral delegates is drawn from the leadership of nine local associations operating within the well-defined borders of the district. The *delege meri* are comparable to the networks of *èd kazèk* found in rural areas – local, appointed, extra-legal, and non-salaried. Cité l'Éternel has a local office of the *delege meri* and includes local *enspèktè meri* (mayoral inspectors). In general, the *delege meri* provide local mediation and policing services. The *enspèktè meri* are assigned the additional task of carrying out and updating the property census for city hall, the *Recensement des propriétés bâties et habitées*.

Though the corps of *delege* is reportedly unsalaried, the mayor's office defrays members' expenses to some extent. Unlike CASEC aides in rural areas, the *delege meri* of Cité l'Éternel do not charge a fee for service when called upon by local residents to mediate disputes, according to field interviews. Nevertheless, the mayoral delegates derive certain benefits from their position. They occupy key positions of influence in the community as local property owners, association leaders, water committee members, managers for external NGO resources, and have special ties to the mayor's office.

Urban policing. This urban district's relationship with the national police runs parallel to that of rural sections: The HNP rarely come into this populous slum district – estimated at 45,000 people – except when called by neighborhood authorities for violent cases such as armed robbery (*zenglendo*) or murder. On a day-to-day basis, the primary task of local policing falls to the network of mayoral *delege*. As in rural areas, the most common problems of local policing have to do with wandering animals, especially pigs and goats. Cases of garden damages do not occur;

however, animals take food from cooking pots and injure or kill young children. Other common local disputes have to do with theft, debt, disposal of solid waste, and disputes between neighbors over the channeling of runoff water in this waterfront district that floods and silts in with every rain. Disputes pertaining to ownership of land and houses are generally referred to the mayor's office.

Land rights and local governance. Property rights are a fundamental concern. Property ownership in the district is ambiguous – dating back to its initial settlement on unclaimed, public land in 1984 – followed by wholesale occupation and resale by military personnel in 1986. There is some continuing antagonism between ex-military personnel and the new corps of *delege meri*. Because of its origins on public land and its political history, the district has always had a special relationship with city hall.

Despite ambiguous land tenure, real estate in Cité l'Éternel is readily bought, sold, rented, given as gifts, and inherited as private property – generally on the basis of simple receipts. Local property owners have organized themselves as a property rights defense movement – the *Solidarité des propriétaires du cité l'éternel*. Property owners are highly motivated to pay property taxes – the *Contribution foncière des propriétés bâties* (CFPB) – since receipt for payment constitutes de facto recognition of property rights by city hall. An important constraint to paying property taxes is the difficulty of securing the official identification card (ID) required when making payment. According to local residents, only two individuals in the entire Commune of Port-au-Prince are authorized to issue ID cards. Whether or not this is true, there is clearly a local perception that government bureaucrats are inaccessible. This perception helps to generate traffic in favors and the services of intermediaries to assure issuance of ID cards. It also discourages property owners from paying taxes they might otherwise contribute willingly to public coffers.

Urban localism. The trend of governance in Cité l'Éternel – an urban community little more than a decade old – emphasizes subsidiarity. Civil society organizations are intimately involved in local governance – both through selection of the local network of *delege* and through joint action for local policing, protection of property rights, and local public works including flood clean-up, water distribution, walkways, electricity, community-based schooling, and solid waste management. This teeming slum district exhibits an emergent sense of community and solidarity based on local action to solve pressing *local* problems and provide members with essential services.

The network of local *delege* represents Cité l'Éternel in city hall and serves as the mayor's local representatives. This raises the specter of conflicting loyalties and local vulnerability to external political ambitions; however, field interviews suggest that *delege* retain the local district as their primary loyalty – where they actively reside, hold property, and maintain active membership in civil society organizations. Their vested interests appear to favor local loyalty over party loyalty. It is of no little interest to note they were explicitly selected on the basis of civil society membership rather than party affiliation and cartel-based elections.

In stark contrast, party-affiliated *delege vil* (directly elected municipal assembly delegates representing town center jurisdictions) and other popularly elected representatives have been largely absent from the district since elections. According to recent interviews, the *delege vil* are generally viewed as clients of parties and political patrons rather than as agents and representatives of the local neighborhoods that elected them, and as such demonstrate much less interest than *delege meri* in addressing local concerns and solving local problems.

V. Case Studies in Local Water Management

Irrigation

Water user association. This case describes an irrigation system created, governed, and managed by local farmers. It illustrates the productive implications of slowly nurtured, long enduring social capital. The system lies along the Gascogne River near Mirebalais in the Bas-Plateau area. Local farmers created a water users association and initiated this run-of-the-river system in 1966. In 1992, the water users' association re-organized itself as a cooperative, the *Coopératif des paysans agricoles de Marcelin* (COPAM).

From its initial construction until 1996, the system drew water from the Gascogne via a *non-permanent outtake* that irrigators built with sticks, stones, and mud. During the course of a normal year, high water repeatedly destroyed the outtake. To keep their crops irrigated, farmers solved the problem by organizing frequent work parties on short notice to reconstruct the outtake. The association maintained the system by ensuring that all irrigators actively participated and covered their fair share of labor and other costs for repairs. Gascogne irrigators maintained the non-permanent outtake for three full decades *without one gourde* of outside assistance. The water users association has successfully nurtured local social capital long enough to meet the standard of *sustainability*.

When local residents, led by the father of the current president, initiated the system in 1966 they worked in small labor groups to bring some 100 hectares under irrigation. Gradually, over the intervening three decades, and always through labor-intensive means, users collectively dug new canals and expanded the system to its current size of 300 hectares.

Donor support. In 1996, the Pan-American Development Foundation (PADF) provided technical assistance and material inputs to improve the system under the JOBS program (labor intensive public works). PADF-JOBS and local irrigators significantly improved the outtake and lined about 80 meters of the main canal just below the outtake. They built eight concrete distributors to divide water flowing in the main canal into eight unlined secondary canals. PADF-JOBS covered labor costs, materials (600-700 sacks of cement, wire for 45 *gabion*/wire baskets to stabilize the outtake), and engineering expertise. Irrigators supplied necessary labor against payment. PADF-JOBS paid local irrigators who formed 11 construction teams of 20 members each, for 20 weeks' labor at 36 *gourdes*/person/day for six-day weeks.

Local people clearly appreciated the influx of cash – being paid to benefit is nice work if you can get it – but one question remains: since the irrigators stood to benefit from these physical upgrades in their system, why should they not have contributed their labor free as a match for the materials and technical expertise supplied by PADF/JOBS? Pure gifts that involve no resource mobilization by local recipients run a significant risk in weakening local responsibility for system maintenance and in robbing people of their voice in system governance.

Rules and benefits. The current system enables Gascogne farmers to double-crop 250 hectares within the perimeter and triple-crop 50 hectares. Access to irrigated land depends on land

ownership. Many who own land in the irrigated perimeter now rent out a portion of their holdings to other local farmers. Of some 400 or so farmers cultivating land within the perimeter, an estimated 30 percent own the land they farm, another 30 percent sharecrop, and 40 percent rent plots for cultivation.

The Gascogne system responds directly to a well-defined local need: it enhances agricultural productivity in a sustainable way. Farmers who run and use the system have not created an operation of immense size or complexity. Therein lies, no doubt, one key to their success. In building and operating the system, they have managed to solve a series of inter-linked technical and institutional problems without outside support. They have created rule-based incentives that encourage appropriate conduct on the part of both member-irrigators and the officers of the water users' association.

Enforcement. From the founding in 1966 through 1989, a simple water management committee controlled operations. Its most significant role has been to mobilize work parties to repair the temporary outtake each time floodwaters destroyed it. In 1989 irrigators decided to modify those arrangements by creating a system staffed by *syndics*, literally, *agents* of the members. Members conceived this system to manage water resources and mobilize money to finance other activities. The new system provides an agent to oversee irrigation operations on two or three secondary canals, and a sub-agent for each secondary canal. A sub-agent typically interacts with 50 to 80 irrigators on the canal he controls. Since water flows in relative abundance year round, any irrigator can have it on demand. This eliminates the need to rotate water among irrigators in a fixed, formal sequence.

The *syndics* and their assistants provide an invaluable service by monitoring water theft. Their reports about cheating levels provide transparency about a crucial aspect of system performance. So long as cheating remains at manageable levels, the system protects those who comply with water purchase rules. This aspect of the system plays a critical role in the integrity of system operations. Therefore, members have approved tenure rules for agents and sub-agents that keep them firmly accountable to membership. The water users elect agents and sub-agents for one-year, renewable terms on the basis of:

- moral character
- calm demeanor; and
- literacy – to keep records of water and enforcement transactions (half of the members of the cooperative are literate).

Syndics are themselves water users who do not appear to have more land than others. As locally elected agents, they are subject to effective enforcement by fellow irrigators. In the period since 1992, the user-members have replaced agents on most canals in the system due to inadequate performance.

Agents apply a system of graduated sanctions. When they catch an irrigator for a first infraction, they assess a small fine and subject the individual to public criticism. This helps maintain transparency at a high level. An individual caught in a second infraction is convoked before the COPAM council, and anyone caught for a third offense is taken before the CASEC (head of the communal section administrative council). COPAM officials also involve recidivists in

consciousness-raising meetings to promote compliance with the rules. If these measures do not produce the intended results, however, the cooperative has limited recourse: it cannot exclude water users from the system because it is technically not feasible to do so.

The *syndics* collect user fees on the following basis. Each water user pays the agent or sub-agent 25 *gourdes* in order to irrigate a 0.25 *hectare* plot. From 1989 to 1992, the agent and related sub-agent involved in the operation were authorized to split the money between them. Since 1992, they are authorized by COPAM to split 15 *gourdes* between them while collecting 10 *gourdes* for the COPAM treasury. This allows mobilization of sufficient resources to cross-finance other cooperative activities, which are slowly growing in frequency and complexity.

Labor mobilization. Irrigators maintained the system until 1996 by frequent reconstruction of the head-works whenever floodwaters destroyed them. While this is inefficient, and the PADF/JOBS construction of the head-works clearly enhances them technically, it may have unintended side effects. The PADF/JOBS contribution was the first reported source of outside aid to the cooperative. It was strongly desired and solicited by the irrigators; however, this technical innovation may inadvertently undermine the system's institutional arrangements and its ability to mobilize labor.

In effect, the construction of head-works resistant to floodwaters has altered the relation between head-enders and tail-enders in the irrigation system. Before the cement installation, head-enders were heavily *dependent* on labor inputs provided by tail-enders to ensure rapid reconstruction of the outtake destroyed repeatedly by floodwaters each rainy season. Since 1996 breakdowns are rare, so head-enders are much less dependent on tail-enders for system maintenance. This may ultimately undercut the system's ability to mobilize labor for ongoing maintenance or for expansion of the overall system. It may also undercut equitable distribution of water since head-enders enjoy privileged access to water due to proximity, but have less need of tail-end labor resources – at least for the time being. Ongoing maintenance requirements include semi-annual collective cleaning of primary and secondary canals. Irrigators maintain their own tertiary canals, where incentives appear sufficiently strong and immediate that labor mobilization poses no serious problems.

There is presently no shortage of water for the system, even for tail-enders, in contrast to smaller artisanal irrigation systems observed higher up in the watershed. This could change with significant flood damage to the outtake or with increased demand for water as the system expands over time. The present system only serves an estimated 20 percent of irrigable river-bottom land lying downstream from the outtake, so there is significant room for growth.

Transition from water user association to cooperative. Gascogne water users formed COPAM in 1992, with some 70 members. Six years later membership had increased 70 percent to about 120 members, primarily landowners. COPAM members elect seven members to the cooperative governing board (*conseil d'administration*) for three-year terms. The board provides oversight, but both the board and the broader membership evaluate and discuss COPAM rules. If they reach consensus on the desirability of change, they modify the rules by a simple majority vote of the membership. Aside from the board of directors, the pivotal standing committee is the 47-member "irrigation canal cleaning committee" composed of able-bodied male members of the

cooperative. This standing committee is the primary instrument for mobilizing labor to maintain the system.

Cooperators have started a cooperative primary school. Students now total 100; about 75 percent are children of COPAM members. COPAM leaders view the school as a service to members and a recruiting mechanism to increase cooperative membership. As the water users' association evolved into a cooperative form, it took on a broader range of functions and ambitions in addition to water management. In this regard it more closely resembles a community organization than the more focused water user group that still serves as its primary organizational base. In an effort to better protect its rights as an organization, COPAM has joined a regional union of cooperatives (ASCOPECB), and applied for formal legal recognition by the state. The process of legal recognition is slow, but the water users are far more likely to attain juridical personality if organized in the form of a cooperative than as a local farmer association.

Potable Water Systems

This section describes creation, operation, and service potential of two potable water supply systems. One is located in the hills outside the regional city of Jacmel, the other in a slum along the waterfront some 300 yards from the USAID Mission in downtown Port-au-Prince. Both provide working examples of productive social capital – sets of institutional arrangements that help generate trust. The rural system builds on an existing fund of social capital and draws on a local source of water. The urban system builds in part on social capital developed by community organizations, but far more important, *generates significant new forms of social capital and establishes a mutually productive, creative link with the public water utility.*

Potable water in rural La Montagne. This water supply system arose through a fairly standard approach to constructing a local public service facility – local labor and materials plus outside technical and material support. The Colin and Terre Rouge neighborhoods lie within the Communal Section of La Montagne, west of Jacmel in a range of high hills. Until 1988 people drew their drinking water from uncapped springs and other unreliable sources. With NGO assistance, two adjoining neighborhoods capped a spring and built a holding pond to capture spring water. Water is piped from the holding pond to seven public fountains and 13 private connections including a coffee processing plant.

Local leaders mobilized residents to provide labor for construction. The first day some 350 volunteers appeared; the second day 200 showed up. This was the kickoff phase. Thereafter, smaller groups of volunteers, numbering usually between 25 and 75 persons, carried on construction activities every Wednesday for several months until they completed construction. None of the local people received any cash payments for their labor. Residents indicated they were willing to volunteer their labor to obtain a good water supply.

Maintenance. Local leaders organized system governance. They recruited a water committee member for training in simple maintenance. The maintenance man handles small breakdowns. Those with private connections finance small repairs. The committee finances more costly repairs by taking up informal, voluntary collections of 5 gourdes per household in areas served

by public fountains. The local water committee has no bank account and no reserve funds: all costs are financed on a pay-as-you-go basis. In the fall of 1998 Hurricane Georges damaged the reservoir. The water committee organized repair operations, but would still like the assistance of an outside technician with a higher level of expertise to verify their repairs.

Opportunities. This potable water supply system could conceivably establish the institutional basis for a *local public finance system*; however, residents perceive the water system as a response to a specific problem, not a path to problem-solving in other areas. Water is not sufficiently scarce to generate regular fees. Although the system reduces health risks and saves labor, neither committee members nor users see it as a foundation for other activities. In this sense the next case is more interesting.

Potable water in an urban slum. Cité l'Éternel is a teeming slum of some 45,000 people living in a marsh at the edge of the bay. The earliest residents established themselves between 1984-1986 when army personnel took control of an unoccupied landfill in the public domain, built houses, and sold house sites. The district is no longer defined by its military origins. Current residents moved here from other parts of the city, rural areas, and widely varied regions of the country. Cité l'Éternel is presently a young, fairly heterogeneous slum district with a range of livelihoods and economic classes. It is also a well-defined urban neighborhood with clear boundaries.

In Cité l'Éternel, rival organizations in the district joined together in the mid-1990s to create an effective, locally controlled network to provide potable water to residents of the district. A French NGO, the Groupe de recherche et d'échanges technologiques (GRET) played the role of midwife in creating new social capital. This strategy appears to have potential for broader application in mobilizing locally controlled resources, especially in urban Haiti.

Donor assistance for public-private collaboration. The two most intriguing aspects of this case study are the successful efforts of slum-dwellers to (1) *use existing social capital to create new social capital* for local problem solving, and (2) *promote public-private cooperation as a workable strategy for local public services*. Yet, constraints on legal recognition of grassroots organizations are a major impediment to the full flowering of this system.

For 12 years after its initial settlement, the residents of Cité l'Éternel bought drinking water from passing truckers. The latter purchased their supplies from CAMEP, a public utility, to peddle in the slum. Local people had no effective alternative water supply, and the truckers took full advantage of the situation and charged high prices. This created strong demand within the slum for a better deal on potable water.

Negotiating an agreement. In 1995 GRET negotiated with six local organizations to arrive at a workable strategy. GRET offered to finance an alternative supply of potable water if residents could meet two conditions. First, local organizations would have to demonstrate that they were member-based organizations whose leaders represented member interests. Second, those organizations would have to collaborate in creating a reliable, locally owned water distribution system. If the community could meet those conditions, GRET would use funds from the Agence française de développement (AFD) to finance construction of water towers and public fountains

at strategic points within the community. After negotiating with CAMEP, the water utility agreed to lay lines and pipe water to these reservoirs on condition that water bills be paid promptly at the end of each month. All water supplies passing through the reservoirs and neighborhood fountains would be metered with modern equipment.

With animation support from GRET, six neighborhood organizations in Cité l'Éternel worked out arrangements among themselves and negotiated a deal with GRET. The terms of the contract called for GRET to build eight 12-cubic meter water towers and linked fountains at specified sites within the slum community. The local organizations assumed responsibility for organizing water sales, and collecting, holding, and banking the proceeds. By agreement, any surplus remaining after payment of the monthly water bill and other recurring costs would belong to the local water distribution association and could be allocated as the association saw fit.

Once the infrastructure was built, CAMEP began supplying water on a regular basis. Typically CAMEP pumps water for 12 hours of each 48-hour period. Once water flows from city mains to local reservoirs, salaried sales staff open locked taps and sell water until the supply is exhausted. Most families in Cité l'Éternel rely on this system as their primary source of household water.

Prospects for self-sustaining finances. The positive health impacts are obvious, and the financial scale of the operation is impressive, especially in local terms. The amount of surplus turns on the spread between water supply and sale costs. The two local water committees in the district purchase water from CAMEP at 5.30 *gourdes*/cubic meter which they resell to consumers at 15.3 *gourdes*/cubic meter – a gross profit of 10 *gourdes*/cubic meter. The water committee for the northern part of the community sold 20,000 *gourdes* of water in October 1998. After three years of operations they have built up a bank account totaling 125,000 *gourdes*. Water is now cheap compared to the pre-system era. The huge price reduction also creates an opportunity to set up a palatable taxation system piggy-backed onto water sales. Residents appear willing to pay slightly more for water if the excess is spent locally on activities they support such as drainage and flood control.

Institutional arrangements to sustain potable water supply. This achievement has come about through local organizations devoting appreciable effort to the design of institutional arrangements. The water committee on the north side of the district exemplifies the process. Initially three neighborhood organizations founded the committee, ultimately totaling eight committee members. Members served initially as volunteers. More recently, the committee began to pay salaries of H\$37/month to its members since committee work proved both time-consuming and essential. The committee took management responsibility for four of eight reservoirs financed by GRET in Cité l'Éternel, and developed its own constitution and bylaws (as have a total of 14 water committees supported by GRET in various parts of the capital).

In July 1997 GRET convened a workshop of representatives from all 14 water committees with the goal of drafting a standard constitution. Water committee constitutions now specify that participating neighborhood organizations elect representatives to three-year, renewable terms of office. The list of officers has been standardized. A new residence requirement stipulates that the president and treasurer must both live within the area served by the local water system.

Changing rules. GRET initially proposed that the committee set up a five-member fountain management group to supervise sales, but that arrangement proved unsatisfactory. After reflecting on the problems, representatives of the founding organizations, and three new neighborhood associations, agreed that each of the three founding organizations would control one water tower, and the three new organizations would jointly control the fourth tower. One organization appointed a permanent water seller for its tower. The other three rotate the post every three months in an effort to spread around available employment among constituents.

Each water seller is salaried and manages four water taps. Sellers vary their hours depending on client demand. Tinkering with incentive structures in search of better solutions has been a recurrent theme. Until October 1998, sellers received a flat salary of H\$60/month. In October the oversight committees decided to experiment with the flat salary system by introducing a 10 percent commission on water sales. This new incentive increased metered sales by 20 percent. These iterative adaptations continue to improve the overall quality and productivity of local systems.

Sellers lock their fountains when not in use so water theft poses no real problem. When a seller has emptied the reservoir, he or she must turn over receipts to the management group. The committee treasurer verifies receipts by calculating the volume of sales according to the metered reading, and makes a written report to the committee president. The president in turn submits the report and accounting to all other members of the water committee, ensuring a high level of transparency and reducing opportunity for embezzlement.

Banking. Banking poses a major hurdle for local water committees since they lack juridical status. This precludes them from opening a bank account in the committee's name. To circumvent this problem, at least for the time being, GRET has opened joint bank accounts with each of the 14 local water committees, and monthly payments to CAMEP are drawn from these accounts.

System maintenance. GRET had suggested that five-person fountain groups assume responsibility for cleaning the fountains. This proved untenable since it defused responsibility among five members instead of focusing it on a single individual. It also forced management committees to make extra monitoring trips to each fountain. After they recognized the drawbacks of the first system, the committees then devised an alternative one based on the seller's incentive to keep the premises clean. The eight fountains in the district are close enough to each other that consumers have a choice and are not compelled to purchase water from a filthy fountain. Field inspection of all eight fountains revealed the premises to be clean at the time of fieldwork for this report.

Silting and settling of the heavy water towers in this marshy zone pose serious problems. To counter this problem, the water committee has already spent H\$8,500 to reinforce one tower and is prepared to spend additional funds to protect their infrastructure.

Until recently, the water committees posted monthly accounts at conspicuous points in the neighborhood. Declining public security has led them to abandon this transparency mechanism, which is unfortunate since it lent credibility to committee operations. Armed robbers have struck

several stores in the community and ambushed an official transporting receipts to the GRET office for deposit at the bank.

A final example demonstrates the quality of governance in these local organizations. Committee members organized a public hearing when they found that one of the founding members was accused of inappropriate conduct unrelated to water committee work. Members of the founding local organizations believed this inappropriate behavior would reflect badly on the water committee, so they organized the hearing. After public debate, they voted publicly to remove the accused from the water committee. This public proceeding enhanced the committee's credibility, and members of the founding organizations had the opportunity to participate in a critical decision.

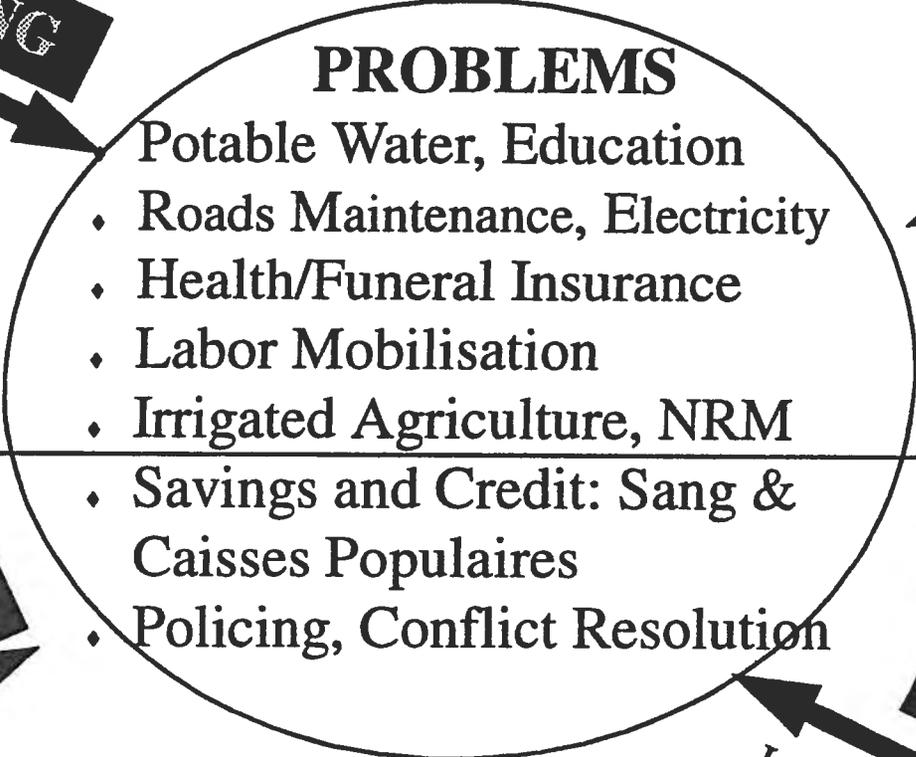
BUILDING SOCIAL CAPITAL

DONOR FINANCING

R4, Burn Rates
Donor Efficiency Versus
Local Durability

GOVERNANCE

Private/Public
Formal/Non-Formal



PROBLEMS

- Potable Water, Education
- Roads Maintenance, Electricity
- Health/Funeral Insurance
- Labor Mobilisation
- Irrigated Agriculture, NRM
- Savings and Credit: Sang & Caisses Populaires
- Policing, Conflict Resolution

SUBSIDIARITY

SUBSIDIARITY

SOCIAL CAPITAL

Collective Action
Voluntary/Compulsory

LOCAL FINANCING

Internal Resource Mobilization
Groups / Individuals: Sustainability

VI. Findings and Conclusions

This section summarizes findings about social capital in Haiti, the role of social capital in development, ways donors can build on social capital to ensure sustainability, and several pitfalls that agents of external assistance should keep in mind in order to strengthen social capital rather than undermining or destroying it.

Build on social capital to ensure sustainability. *The defining element of valid social capital is credible trust* – a product of the accountability of leaders to members, members to members, and adherence to prescribed rules. Building on social capital resources is essential for sustainable development. Well-targeted, front-end investment in social capital reduces long-term costs. *The challenge is to design institutional arrangements – rules and the incentives they create – that work because they encourage people to behave in ways that create credible trust.* There is no single formula for success: one size does not fit all. Rather, organizational forms must be tailored to context and to specific needs. In the Haitian social and cultural context, social capital resources include both traditional and modern groups, and a pluralism of approaches.

Use localism as an organizing principle. When organizing social capital resources along geographic lines, *the most cohesive unit of social geography in Haiti is the neighborhood* – the rural *lokalite* and the urban *katye*, or, the most local of locality definitions. These residential units tend to have well defined boundaries. They rarely if ever coincide with official jurisdictions.

At the local level, Haitians attribute great importance to locality representation in government including local policing, CASEC, and mayoral councils. For ordinary citizens, locality representation is generally far more important than party affiliation.

Electoral rules presently favor cartels and party affiliation over individual candidates and independent candidacies. These rules are sharply at odds with citizen aspirations for *local*, representative government because they place a premium on behavior that ignores local concerns, and generates distrust between citizen voters and elected leaders and politicians. Under these rules, citizens experience great difficulty holding leaders and politicians accountable. As a corollary, people are quick to criticize non-resident politicians – particularly salaried officeholders who move away or lose touch with their base after election to public office. Locality representation is also a crucial issue for grassroots member associations and strongly influences the selection of leaders.

Organize around tangible, limited objectives. Given the general weakness of community-based institutions in Haiti, social geography alone is not a sufficient basis for local organization. It is essential to organize around *concrete problems and basic needs*. Building on basic needs creates a *natural constituency of shared interest*. This helps marginalize divisive political loyalties. Identifying or creating informal *special purpose groups* to organize and manage services at the most local level possible offers an effective social capital strategy, e.g., for labor, credit, potable water supply, irrigation systems, electricity generation and distribution, flood

control, primary schools, rural health centers, etc. *Organizing around specific, shared interest is a proven strategy for generating effective social capital.*

Providing *mutual aid* (insurance) is a powerful secondary function of many groups in Haiti. Groups commonly organize social insurance schemes in response to sickness, death, political threat, or other personal crisis. In many cases, furnishing *mutual aid* – a key element of both individual and collective social capital – may be the primary though not the apparent function of most small groups in Haiti. The promise of mutual aid also generates positive incentives for member compliance with other group rules. The social insurance that small groups generate helps explain their success as groups. In other words, insurance benefits distributed in case of sickness, death, political threat or other personal crisis go to specific individuals. They take the form of private goods *that can be withheld*, rather than public goods that are freely available to all. Those who want this non-formal but effective insurance coverage thus have a strong incentive to behave properly and to meet their obligations to the group. The structure of rules creates positive incentives for people to behave in reliable, predictable ways. When people honor their mutual commitments, it generates trust...social capital. *Organizing around concrete issues – plus mutual aid – are fundamental building blocks for sustainable social capital.*

Build on the smallest, capable unit (subsidiarity). As an organizing principle, use *scaled division of tasks* as needed to solve the problem – but always *build up from the bottom*. This requires workable systems of accountability at multiple levels as an organization manages more money and resources. These systems must be based on rules clearly understood by both group members and leaders. Accountability becomes more complicated as organizations become more complex, broader in scope, geographically dispersed, or more focused on long range planning.

Build on the small group model: In the local Haitian context, *small-scale, face-to-face groups have a proven record of success as building blocks for social capital*. Traditional rotating labor and credit groups provide a workable model. Such groups ensure accountability through traditional leadership, selective membership, common goals, shared risk, equitable benefits, face-to-face social pressure, and the threat of loss of benefits if members do not comply with the rules. The primary comparative advantage of such groups is that *both members and leaders share strong incentives to ensure equitable distribution of benefits*.

The dilemma of complex organizations. The Achilles heel of Haitian social capital is the trend for rapid growth of larger scale, multi-leveled associations with a pronounced division of labor. Growing size and its potentially negative impact on internal organization are critical issues. There may be good reasons to federate; however, these reasons must be balanced against the inevitable costs. Large organizations run significant risks because they tend to delegate responsibility up to a powerful central committee. Problems that commonly result include top-down decision-making, decline in accountability, and vulnerability to external domination by political parties or politicians. All three *destroy* social capital because they create rules that tempt leaders to avoid commitments to one another or their constituents.

Civil society training sessions and round-table discussions should openly address these problems. Organizations should evaluate their rules and internal structure from the perspective of subsidiarity, scaled division of tasks, and building up from below. For example, it may be

advantageous for large organization or federations to have small groups as their membership base rather than individual members. The outer limits of decision-making, and public rules of accountability, should be carefully defined and limited for each organizational level.

Self-financing versus grantsmanship. *A key indicator of group success is the ability to mobilize local resources such as construction materials, land, labor, and capital.* In recent years, growing numbers of grassroots organizations in Haiti have attained great skill in mobilizing *external* funds – often to the detriment of their ability to mobilize their own internal resources. For a variety of reasons, donors have channeled large amounts of capital into rural areas since the mid-1990s. This has served useful purposes, but it has inadvertently undermined local social capital. *Special investment funds have tended to reward grantsmanship rather than self-financing, local risk-taking, and local sustainability.*

In contrast to their own internal resources, groups do not treat donor funds as seriously. Groups do not generally apply the same standards of accountability for donor funds as they do for their own funds. The membership base also tends to be less aware of donor funds than member generated funds. The flow of donor funds tends to create a privileged class of intermediaries, who specialize in capturing money from sources external to the community or neighborhood. Not infrequently entrepreneurship drives the emergence of new “grassroots” associations, which may be facades to camouflage entrepreneurial efforts to gain control over *other people's money.*

Most financing agencies, including NGOs, multilateral development banks, and bilateral assistance agencies, are designed and organized to move *other people's money.* Whether moving others' money advances sustainable development remains an empirical question: when a program does not support sustainability, it is crucial to make changes in program goals or strategy. *In a social capital perspective, the process is as important as the stated objective.*

There is a legitimate, even desperate need for donor investment at the local level in both rural and urban sectors; however, sustainability is highly unlikely if local people do not simultaneously invest a significant share of their own resources – especially financial or labor resources. A good rule of thumb here holds that locals should provide over 50 percent of the cost of the activity. *Local willingness to invest is the consummate litmus test and harbinger of success.* It is a leading indicator of positive social capital. This argues strongly for local control of the capital base – and for local participation in bearing the burden of investment risk.

If people have a significant share of their own resources at risk in a development activity, they are generally more willing to assert their concerns about the conduct of the enterprise, and to actively participate in the activity and demand accountability from leaders. This translates to continuous oversight of leader behavior, and grassroots pressure to advance member interests. On the other hand, if leaders are able to generate most of the group's resources by capturing others peoples' money, members are in a much weaker position to criticize the use of funds: *they did not produce the external funds, their money or labor inputs are not at risk.* In such circumstances, beneficiaries are reduced to the role of beggars and have as much voice as beggars in judging the conduct of leaders who produce the money. Entrepreneurial autonomy of leaders is the kiss of death for social capital.

- *In general, donors should apply principles of subsidiarity in donor financing – funding the direct users and risk-takers at the most local level possible.*
- *The criteria for donor funding should actively promote the participation of all members rather than just the leaders of local organizations.*
- *The beneficiary group should have majority interest – perhaps a 55/45 percent split between local funds and donor funds.*
- *Capital for lasting economic impact should have priority over broad distribution of funds for short-term benefits.*
- *Donor funding should support economic investments of local-level base groups within larger federations or associations, rather than the independent interests of central committees.*
- *Donors should negotiate directly with the bona fide representatives of peasant organizations rather than external animators, tutors, and intermediaries.*

These recommendations require an up-front investment in time and effort in order to place donor funds wisely, in ways that support sustainability and foster social capital. *Donor agency staff have no incentive to promote social capital if “moving the money” – or attaining results regardless of process – are the driving forces in designing and evaluating programs.* This issue poses a challenge to finance agencies and banks as well as donors.

The assertion that a development program “spends too much to move to little,” when viewed from this perspective, may indicate that development agencies are subject to time pressures incompatible with sustainability. Agencies may also be dominated by political or policy orientations at odds with a strategy of building carefully, by slow degrees, on existing social capital. The common assumption that spending on a pilot activity is justified only if it drives down the cost of moving subsequent funds is subject to the same critique. Most development objectives require much longer time frames than standard funding practices allow – if they are to be sustainable

Link local knowledge directly with external expertise. People at the grassroots level possess the kind of time and place-specific knowledge essential for local problem solving; however, like wealthier citizens, they may also need specialized technical expertise to work out sustainable solutions to local problems. To respond to these needs, donors and technical assistance programs should promote the use of contractual arrangements between grassroots partners and outside expertise, enabling beneficiaries to contract directly for services such as engineering, rural extension operations, and insurance planning. Such services should be negotiated, time-limited, based on specific objectives and outputs, and contracted by the direct beneficiaries and risk-takers at the most local level possible. Beneficiaries should have the authority to verify delivery of such services and to refuse to pay for work they consider inadequate.

Banking. Immense, targeted pressures bear on any individual who holds funds in any local organization in Haiti. The bulk of this pressure stems from the demand for personal loans in a social context of extreme poverty and a local credit environment where the going rate for “normal” (usurious) loans is 20 percent or more per month. *In general, money management, especially holding temporarily unused funds, causes the most conflict in local groups.*

Secondly, holding money also poses security problems. For example, armed robbers stole funds from a cooperative in La Vanneau and from the water distribution committee in Cité l'Éternel. Security also poses a growing constraint on the free flow of information, thereby undercutting rules of accountability. For instance, after an armed holdup, water committees of Cité l'Éternel ceased to post public accounting of receipts and expenditures.

Thirdly, most local organizations simply cannot gain access to commercial banking services. For a variety of reasons – illiteracy, social status, the poor distribution network for commercial banks, legal constraints – most grassroots organizations groups are excluded from the formal economic sector. ***The primary legal impediment preventing local groups from direct access to banking services, as autonomous organizations, is the onerous procedure that Haitian legislation prescribes for attaining juridical personality.***

In trying to cope with security problems caused by their inability to achieve juridical status as an organization, local groups may open bank accounts in the names of individuals rather than as a group. Their accounts might bear the president's name, or the names of two or three officers as a joint account, or perhaps the name of a businessman (coffee exporter) operating in the formal sector, or local priest, local authority, or an NGO. The fact that groups without legal status exploit special relationships for *indirect* access to the formal sector indicates just how *pressing* they find the banking problem since this strategy is rife with risk. To attain this "security," such groups sacrifice direct control of their funds, which are then vulnerable to misuse or paternalistic allocation.

Currently many savings-and-loan cooperatives provide banking services to local institutions. Cooperatives in many areas of Haiti play a remarkable role as the bank of common people and local groups. This is a valid solution to banking problems but it does not solve the problem of physical security for funds. Furthermore, cooperatives – especially well run cooperatives – do not exist everywhere in Haiti. Also, for groups lacking legal status, membership in cooperatives does not solve the problem of lack of recourse in a court of law.

To address the security problem, many groups simply avoid holding funds. They collect money only at the moment needed for a concrete purpose and immediate expenditure. This is a culturally appropriate solution, and it has the added advantage of transparency. Yet, this solution carries the considerable risk that people will not have funds to contribute when needed. Furthermore, this approach prevents long-term planning and foregoes the advantages of more gradual accumulation over time.

In view of these problems, *donors should seek to strengthen the growing network of savings and loan cooperatives.* Such an initiative should take into account the unique role of Haitian cooperatives as a people's bank or civil society bank for the informal sector. Donors should explore the applicability of pertinent institutions in other countries such as the Grameen Bank, or perhaps a private "central bank" to serve as co-guarantor – including co-financing – for legitimate cooperatives that serve as bankers to the poor and to local associations devoid of legal franchise. This endeavor should include exploration of partnerships with Haitian commercial banks, and other alternatives for making reasonable forms of credit available to grassroots investors and organizations.

Identifying potential partners. Development initiatives to invest in local social capital must accurately identify and then build on valid local networks. In order to do so, outreach workers and community activists should carry out a rapid census of local grassroots organizations and traditional groups in areas where they seek to work. This need not be a time-consuming task if they use rapid assessment methodologies. While donors and development agents often avoid this effort – especially elicitation of information about indigenous groups (labor, credit, religious), the investment more than pays off in terms of improved, sustainable results. For donors and programs interested in social capital, this process is comparable in importance to doing market research in the private sector before creating a business plan. It is essential to understand the social layout of the land – a process akin to mapping the physical layout of the area.

The categories of information gathered should be tailored to needs and objectives of the activity in question. These might include, but would certainly not be limited to, the following:

- types of groups
- how and where they operate
- criteria for group membership
- rules and procedures for selection of leaders
- rules of decision-making
- procedures for mobilizing and disbursing funds
- arrangements for accountability and transparency
- social analysis of leaders, including locality of origin and their leadership roles in other organizations or sectors
- specific localities represented in the membership base, and how they are represented (locality of both officers and members)
- internal factions or rival leaders within the organization
- local competition for members among rival organizations
- special organizational or leader relationships with external federations, religious leaders, elected officials, political parties, or state bureaucrats.

The types of groups examined should include but not be limited to:

- small rotating labor and credit groups
- festive labor societies
- religious and devotional groups
- secret societies
- cooperatives and pre-cooperatives
- community organizations
- rights advocacy committees
- scouts and other youth groups or cultural clubs
- investment groups
- school committees
- professional or trade associations (e.g., animators, coffee buyers, laborers, property owners)
- water user associations or water distribution committees.

Assessing social capital resources. Identifying local groups is a fairly straightforward process in Haiti since this is almost entirely “public” information; however, it is relatively more difficult, but certainly not impossible, to elicit information about indigenous groups. It is also easier to identify the outward or apparent existence of a group than to assess its inner qualities as a legitimate form of local social capital. *Good management of resources, especially money, is undoubtedly the single most important “rapid” indicator of the quality of social capital.* Key questions in assessing social capital include the following:

- Who are the decision makers?
- How are leaders selected?
- How do they exercise leadership – roles, limits, mandates?
- What roles do *members* exercise?
- How are monetary resources mobilized?
- Who holds, collects, and disperses money?
- Who audits the organization’s account?
- How and what types of financial information are made available to members?
- Who mediates conflict and how?
- What kinds of sanctions are available to enforce rules of the organization?
- Who benefits from collective resources?
- Who are the stakeholders in a social capital resource or infrastructure (e.g., land, school, fund, water system, tourism site)?
- Who actually owns the resource or infrastructure?
- Who makes decisions regarding the resource?
- As an indicator of sustainability, to what degree does the organization rely on its own resources? For example, do outside sources of assistance, especially monetary assistance, dominate the funding of any given activity or investment?

For a variety of reasons, including the political dynamics of donor-beneficiary relationships, *local organizations are not always what they seem to be; outward forms mask inner substance.* Therefore, it is essential to seek information from a range of sources, and to compare the information provided by group leaders with information provided by others, including group members. In short, it is very useful to adapt an ethnographic approach to eliciting information, i.e., seeking to understand both the rhetoric of group action and the behavioral reality of how the group functions in everyday practice.

Forms of social capital vary according to specific needs and the local context. Certain traditional forms of Haitian social capital have a proven record of success. In successful social capital groups, these characteristics are lived out in practice – going well beyond empty forms – and constitute a Haitian definition of transparency and organizational success:

- small, self-selected, face-to-face groups, five to fifteen or so members per group
- joint decision making or consent
- direct participation of all members
- rights of reciprocity within the group
- concrete activities

- shared risk and equal distribution of risk
- direct financial investment of all members as stakeholders
- tangible benefits
- equitable distribution of benefits, often by rotation of access to benefits
- open access to information, especially group finances.

Political gap – local opportunity. Despite important changes in the political system, a pronounced gap continues to separate the citizenry from the system. This gap has grown precipitously since the disputed elections of April 1997 and the national political stalemate. At local levels in both rural and urban Haiti, there is a widespread perception of government abdication and absentee politicians, especially at the level of municipalities and above, and a pronounced divergence of interest between political parties and ordinary citizens. People commonly state that Port-au-Prince-based political parties dominate the electoral system, including urban and departmental assemblies, and this process undercuts the principle of local representation.

The most creative efforts in governance are presently underway at the most local levels of government. These efforts continue despite national political stalemate. *Checks and balances have a visible impact when officials – both elected and appointed – reside in their district, hold local property or a local base of livelihood, and maintain active membership in local civil society organizations.* In such cases, local vested interests as well as pressures on elected officials seem to favor *local* loyalty over party loyalty. *At local levels, membership in grassroots organizations far outweighs membership in political parties as a political base, both as a breeding ground for candidates for public office and as an ongoing constituency.*

Rural governing councils (CASEC) operate with virtual autonomy, independent of outside supervision. This raises serious questions of oversight; however, this situation, at least theoretically, has considerable potential to generate local revenues for local public services. For example, local rural governments have amply demonstrated their capacity to collect taxes – especially taxes that citizens willingly support such as the *laisser-passer* on livestock taken to market, or the costs of local policing. Not surprisingly, given the overall context of governance in Haiti, local government has demonstrated greater ability to collect taxes than to spend them in an equitable way.

On the urban side, Cité l'Éternel has demonstrated great success in inducing citizen compliance to pay fees for water from a public utility. This stands in stark contrast to the normal difficulty confronted by public utilities in collecting user fees. This success is based on a narrowly targeted, public-private partnership. The experience of Cité l'Éternel suggests a realistic potential to increase user fees for other public utilities such as electricity. It also suggests that the local system for organizing water distribution, with the addition of a small local surcharge on the water fee, locally approved, could potentially generate additional revenues for other local public services, such as flood control or waste management.

The risk of corruption and mismanagement is a serious limiting factor in generating local taxes for local public services. Public-private partnerships are an essential part of the solution. A well-defined role for assemblies, especially ASEC, also offers great potential as a citizen

watchdog, but this potential remains unfulfilled up to now. The greatest opportunity for government-assembly collaboration still exists in rural areas where party politics tend to be less intrusive, and peasant organizations serve as a recruitment base for ASEC delegates. Both ASEC and CASEC lack training, but ASEC roles especially lack definition and require special training initiatives.

Public-private targets of opportunity: It is very clear that grassroots organizations exercise an important though highly variable influence on local government. There is every reason to believe that *effective local governance requires private partnerships with public office, and the active involvement of civil society organizations.*

For example, the central government provides a small CASEC expense allowance in Haiti's 565 communal sections; however, it does not provide a budget for rural public services. Grassroots peasant organizations have long organized certain types of public services such as schools. Some CASEC officers channel funds to peasant organizations, especially for local schools. In this case, the CASEC doesn't create or operate the community school, but it subsidizes costs. There is considerable pressure on CASEC expense allowances for other activities initiated by local civil society organizations. This small allowance is an unbudgeted, discretionary fund controlled by the CASEC. There is clear evidence that CASEC officers with personal ties to local civil society, and subject to local pressures by grassroots organizations and local assemblies, can and will disburse these funds for local public services rather than personal use.

In some rural areas, peasant organizations are instrumental in promoting mediation as a first recourse in resolving disputes, and some CASECs invite voluntary, citizen-arbiters to assist in mediation. This is another example of targeted, public-private partnership using informal local arrangements. Local mediation complements the poorly functioning, overloaded judicial system, and provides a practical alternative to repressive roles exercised by local officials seeking fees through "tax farming."

The targeted public-private partnership for water distribution, noted earlier, is an excellent example of subsidiarity. Local mayoral delegates, the most local of urban government representatives, participate on water distribution committees whose members are drawn primarily from grassroots organizations. The water committees have a very specific mandate, and have pinpointed a specific incentive for a state organization – the public utility CAMEP – to respond to requests for service, i.e., timely payment of user fees. This system suggests new opportunities to build up from below – a kind of local federalism whereby each of eight fountains could eventually serve as the basis for a local precinct organization capable of providing other local public services. The water distribution committees also offer special opportunities for targeted donor assistance, including financial assistance and needed technical expertise.

One mechanism for limited partnerships might include service contracts linking specific local communities with expertise or other resources available from state ministries and parastatals, e.g., water, electricity, public telephones, agriculture, education, environment, and public works. Limited partnerships based on negotiation then transform adversarial relations of citizen-versus-state into mutually productive relationships, where paying customers order and promptly pay for

metered water from CAMEP, and, with profits on the operation, fund a new electric transformer and obtain access to EDH engineers.

This can be done through *targeted collaboration* and local partnerships between sectors – public/private, formal/informal, and modern/traditional. The trick is to *organize first around local vested interests – preferably a basic need or common denominator with a broad local constituency*, such as a strongly desired public service that cuts across political divisions, and then to identify carefully targeted resources of the state. The goal in this case is to leverage non-repressive and limited partnerships by negotiation.

Enabling role of the state. The state apparatus is largely an empty shell. It has a limited supply of financial and human resources. It is not feasible to deconcentrate what doesn't exist. Therefore, the system must allow for invention. In general, this argues for an overall strategy based on **the enabling role rather than the direct service role of the state, and obtaining from the state only those elements available from no other source**, e.g., recognition of legal status as citizen or organization.

Donors should give a very high priority to efforts to construct an enabling environment for effective governance in the Haitian context – linking localism and macro-level policy. This requires continued reform of the legislative framework to protect the rights of individual citizens and their rights of association. *The fundamental goal should be to create an enabling framework for effective citizenship and effective organizations.* This endeavor has its political pitfalls in a political system whose traditions are deeply marked by efforts to control citizens and associations rather than to enable or empower them.

- *First, citizens must have ready access to formal proof of identity as citizens.* This is presently a serious problem in Haiti. The transaction costs for identification (ID) cards are unduly high – virtually excluding whole sectors of the population from their rights as citizens and from formal transactions (property, banking, judiciary). The issuing of verifiable ID cards should be deconcentrated and made broadly accessible to citizens.
- *Secondly, civil society associations must be able to establish themselves with juridical identity*, facilitating group access to the formal sector, including the judiciary, defensible ownership of land and other property, and access to deposit accounts, loans and other banking services.
- *Thirdly, formal rights of citizenship and of association have limited value in the absence of practical recourse to a court of law.* This requires a functioning and deconcentrated system for the administration of justice.

- *Fourthly, it is highly recommended to expand support for non-formal alternatives to the judiciary, e.g., training and local outreach to support grassroots networks for voluntary mediation and resolution of disputes. **In contrast to the national system, local governance and civil society have enormous potential as a training ground for consensus and mediation as alternatives to entrenched patterns of confrontation and polarization.***

VII. Summary of Recommendations

- 1. Build on local social capital to ensure sustainability:**
 - support rules and incentives that generate credible trust
 - build on traditional as well as modern organizational forms
 - use pluralism of approaches rather than a prescribed formula
 - tailor strategy to the local context
- 2. Use localism as a fundamental organizing principle:**

build on the most local, feasible definition of locality
- 3. Organize around tangible, limited objectives, concrete problems, and basic needs:**
 - organize *special purpose groups* linked by specific, shared interests
 - incorporate mutual aid as a function of groups organized for other purposes
- 4. Build on the smallest, capable unit:**
 - build up from the bottom
 - use rules that are clearly understood by group members as well as leaders
- 5. Build on the Haitian small group model:**
 - traditional rotating labor and credit groups as reference point
 - small-scale, face-to-face groups, 5 to 15 members
 - members and leaders share risks
 - members and leaders share incentives for equitable distribution of benefits
- 6. Confront common problems of complex organizations:**
 - powerful central committee
 - poor member participation
 - poor accountability for funds
 - vulnerability to external domination
- 7. Carefully evaluate rules and internal structure of complex organizations:**
 - conduct training and evaluation sessions
 - confront top-down decision making and lack of transparency
 - promote small groups as membership base for more complex organizations
 - use scaled division of tasks, building up from below
 - define rules of accountability for each organizational level
- 8. Invest in sustainable strategies rather than grantsmanship:**
 - promote local self-financing and risk-taking
 - value the process on a par with the objective
 - use local willingness to invest as litmus test for external financing

9. Apply principles of subsidiarity in donor financing:

- fund direct users and risk-takers at the most local level possible.
- promote the participation of all members rather than just the leaders
- longer term economic impact should have priority over short-term benefits
- negotiate directly with peasant organizations rather than external intermediaries.

10. Link local knowledge and external expertise:

promote direct contractual arrangements between grassroots partners and outside expertise

11. Promote access of grassroots organizations to banking services:

- strengthen the network of savings and loan cooperatives
- promote partnerships with Haitian commercial banks

12. identify organizational partners in development:

- build on valid local networks in areas of development intervention
- seek information on local grassroots organizations and traditional groups, especially,
 - rules for handling funds, selecting leaders, making decisions
 - degree of financial self-sufficiency
 - distribution of financial risk and group benefits
 - concrete activities
 - conflict management
 - group structure, member participation, member access to information
 - social analysis of leaders
 - locality representation of membership base and leaders

13. Promote *enabling role* rather than *direct service role* of the state:

- identify public-private targets of opportunity
- private partnerships with public services
- non-repressive and limited partnerships by negotiation.
- legal reforms that protect human rights and rights of association
 - facilitating citizen access to proof of identity
 - facilitating access of civil society organizations to juridical personality, property rights, banking services, and recourse in a court of law

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