

SOME REFLEXIONS ON THE COOPERATIVE MOVEMENT IN HAITI

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Modern cooperative ideas were introduced in Haiti already before the turn of the century, by the historian Jean-Baptiste Dorsainvil who suggested that savings cooperatives could be organized to spare the Haitian peasants exploitation by usurious middlemen and moneylenders.¹ Dorsainvil's thoughts were not translated into practical action at the time. The idea of cooperative credit unions, however, had a strong influence on the writings of Camille Lamothe who is the individual who has done most to spread cooperative ideology in Haiti.

Lamothe's most important publication on cooperatives, which was mainly an overview of the cooperative doctrine and an account of some foreign experiences, appeared in 1958.² At this time, however, cooperative practice had managed to run ahead of theory in Haiti. Cooperatives were already established by the late 1930s and early 1940s. The first venture was launched at Port-à-Piment du Nord, near Gonaïves, in 1937, as a result of a drought in the area.³ The example of this cooperative led to the creation of an *Union des Sociétés Coopératives* that had 22 affiliated cooperatives and 3,000 members in 1940. These efforts were backed by the *Service National de la Production Agricole et de l'Enseignement Rural*. Ironically, however, what one drought had started, another drought, from

1941 to 1943, ended. Many member cooperatives dropped out, and the *Service*, for lack of funds, had to withdraw its support.⁴

In 1946, the first cooperative credit union was established by the *Pères Oblats* in Jacmel, to be followed three years later by other *caisses populaires*, in the Camp-Perrin district in southern Haiti.⁵ By 1950, there were five such unions in Haiti.⁶ Here as well, the government soon moved in to guide and control the movement. In 1951, the *Service Coopératif Inter-Américain de Production Agricole* (SCIPA), sponsored bilaterally by the United States and Haiti, began an organizational drive which increased the number of *caisses* to 47 in 1952 and 60 in 1956.⁷ In 1953, a law was passed which regulated the activities of cooperative societies⁸ and the *Conseil National de la Coopération* (CNC), the government institution in charge of the cooperative movement, was created.

When these credit unions were formed, it was hoped that at a later stage, they could be turned into fully-fledged producer cooperatives. However, this did not prove to be possible. In order to expand, funds in excess of what the members themselves could provide from their own savings would have been required. At the same time, externally generated funds that could be channeled through the *caisses* were just not forthcoming. By 1956, only one of these credit unions had managed to make the transformation to a more ambitious organization.⁹ Lacking outside support, the *caisses populaires* movement entered a period of decline. By 1962, 41 unions had already been dissolved so that only 28 remained.¹⁰ In 1969, their number had increased somewhat, to 36.¹¹

Producer cooperatives proved to be much more difficult to organize than *caisses populaires*. In 1952, Charles John Erasmus reported that the attempts to organize the Haitian peasants into farming cooperatives that had been undertaken by extension agents had rarely produced results that lasted beyond the first year of operation.¹²

In 1962, the total number of officially recognized agricultural cooperatives was as low as 19, and these were mainly marketing cooperatives, although a substantial number of non-recognized units were known to exist, bringing the total to 178.¹³ It would appear that the situation did not change very much during the next one and a half decades.¹⁴ In 1969, it was reported that the *Conseil National de la Coopération* had only 25 actually functioning units registered (excepting *caisses populaires*).¹⁵ In 1974, the figure was even lower: 24. Even though that year altogether some 280 agricultural cooperatives were identified, few except those registered with the CNC were in operation, mainly in coffee marketing.¹⁶ In 1977, 40 cooperatives were recognized by the CNC, the majority (21) be-

ing marketing cooperatives, 12 of which marketed coffee. The second most important category (8) consisted of *caisses populaires*. Only 4 producer cooperatives had been recognized.¹⁷ In 1978, hardly a dozen societies were thought to be at work. The Ministry of Agriculture maintained that approximately 500 cooperatives existed throughout the country, even though no trace had been found of these societies during the course of inspection trips.¹⁸ Of the cooperatives in operation, not a single one was a producer cooperative.¹⁹

The number of coffee marketing cooperatives had declined. Marie-Thérèse Vallès reports that in 1962 there were 8 cooperatives that owned a coffee washing plant and 23 more that prepared *café pilé*²⁰ and cocoa.²¹ In 1978, only 11 were left and "the existence of certain of these [was] so precarious that one does not know whether to include them..."²² Only ten new coffee cooperatives were registered between 1959 and 1978.²³ On the whole, very few peasants were touched by these efforts. Christian Girault estimates that around this time, there was a maximum of one thousand cooperative coffee producers in the country.²⁴

In 1978, however, the US/AID began a small farmer coffee marketing project which contributed to the strengthening of the cooperative movement in Haiti. From 1978 to 1982, the number of coffee marketing cooperatives and pre-cooperatives thus doubled and total membership tripled. The latter year, close to 13,000 farmers were members of registered coffee marketing cooperatives while 3,345 operated via the pre-cooperatives.²⁵ The coffee cooperatives clearly dominated the scene during the first half of the 1980s.²⁶ At the same time, there were an estimated 60 *caisses populaires* in Haiti.²⁷ Many of these served as recipients of supervised credit. Indeed it seems that in many instances, their emergence was due precisely to the existence of foreign finance programs.²⁸

For 1987, what appear to be even higher figures are reported. Some 218 cooperatives and pre-cooperatives were at work, 60 of which were credit unions. Total membership was believed to range around 68,000, with 34,000 in "agriculture" (presumably marketing), 30,000 in credit unions and 4,000 participating in consumer cooperatives. Two national organizations — the *Association des Caisses Populaires d'Haiti* (ASP) and the *Association des Coopératives Caféières d'Haiti* (ACPH) — provided assistance to those cooperatives in their respective domains that were registered with the CNC. The total turnover of the cooperative sector lay around US \$ 6 million, with 3,9 million being generated from agricultural activities.²⁹

From the above, it is quite clear that the modern cooperative movement has not had much success in Haiti. On the contrary, time and again, the movement has run into a number of problems. In the present article, we will illustrate this by means of three examples: *caisses populaires*, consumer cooperatives and coffee marketing cooperatives. We will also discuss two comparatively speaking successful cooperatives in search of the factors underlying their success.

CAISSES POPULAIRES: FAILURE AND SUCCESS

Our first example deals with the situation of the *Union des Caisses Populaires de l'Oest* (UCPO) at the beginning of the 1960s.³⁰ This federation was created in 1960 and in 1961 it consisted of 19 member *caisses*. The creation was an act of more or less pure improvisation and the federation had no explicit goal. During the course of the Vallès investigation of Haitian cooperatives, the person responsible for checking the UCPO reported the following:

For more than a year the monthly or extraordinary meetings have had the character of the seances of a fashionable club: puns, wits, literary chat... etc., that is all that is done there. Its constitution is vague. It does not make any distinction between the delegates of the member caisses and the administrators. During the course of a meeting where the question of the status of the delegates was raised, the Vice President retorted, not without a certain violence that only the administrators of the UCPO are delegates.³¹

The roles of these administrators were not clearly defined. Their attitude was haughty and it would appear that the delegates were treated according to their economic and social standing. The liberty given to most of them during the sessions was purely nominal. The proceedings were distinguished by a distinct lack of any egalitarian spirit. In short, the federation was not a democratic organization.

Things did not work better at the local *caisse* level. There had been an all too hasty and uncritical "fabrication" of *caisses populaires* where insufficient care had been taken to ensure that minimum requirements of intellectual preparation and honesty were met. The leading functionaries in the UCPO *caisses* were often found to exercise an "administrative dictatorship," insisting on all kinds of special favors, paying no attention to the egalitarian principles of cooperative work. *Caisse* funds were kept at

home in disregard of the official requirement that two-fifths should be deposited in a bank. The bonus was not distributed according to the statutes of the *caisses*.³²

In other instances, however, *caisses populaires* have worked better.³³ An example is furnished by the oldest credit union in Haiti: the *Caisse Populaire La Petite Epargne de la Vallée de Jacmel*.³⁴ This *caisse* was established in 1946 with the purpose of having members save cash securely and providing access to credit on terms that were more favorable than those prevailing in the informal credit markets.

When François Duvalier came to power, the *caisse* quickly ran into political problems:

Certain local functionaries, as well as their patrons among the authorities of the city of Jacmel, opposed the credit union because they had not founded it or because they considered it an organization that could thwart the advancement of the State's effort to launch rural community organizations which would unequivocally support the new regime's doctrines. Yet, despite the fact that these officials sought "every possible means to harass the credit union...", it persevered.³⁵

The activities of La Petite Epargne also suffered from two hurricanes, in 1963 and 1966, which sharply increased the demand for funds — to be used for rebuilding houses, replanting gardens and replacing livestock — to about two or three times the savings balances held by members. This also reduced the ability of *caisse* members to save and pay membership dues. Simultaneously, younger people in the community were leaving the area for economic or political reasons at a time when the cost of living was rising. As a result of all these difficulties, the activities of La Petite Epargne had virtually ceased by the end of the 1960s.

The *caisse* remained dormant until 1977, when a recruitment drive was begun, and little by little, activities were resumed. In 1985–86, La Petite Epargne had 1,603 members, almost double as many as two years before while savings and loan volumes had tripled over the same period.

The *caisse* employed three criteria in its screening of loan applicants: the borrower's moral character (i.e. his personal reputation), his credit history at the *caisse* and the economic viability of the proposed project, in that order of importance. The majority of the loans (70 percent) were for productive purposes (40 percent school expenditure, 30 percent agriculture).³⁶

The repayment record was amazingly good. Around 80 percent of what was lent was generally repaid within the stipulated period and a further 15

percent came in within one year after the deadline had passed. Repayment was flexible and could always be renegotiated should some unexpected economic adversity hit the borrower.

The strength of La Petite Epargne lay on the one hand in the fact that the *caisse* had to undergo a long period of difficult circumstances, that had undoubtedly given rise to certain learning effects. On the other hand, great care had been taken to educate the members in democratic and cooperative principles. A strong *esprit coopératif* was present and this together with the detailed local knowledge had established "a foundation that permits a local organization to identify local problems and take steps to solve them."³⁷ The *caisse* had also benefited considerably from a UNDP/ILO technician who worked intensively with the *caisse* officials in such matters as screening of loan applicants. Thus, La Petite Epargne managed to yield a substantial contribution towards the establishment of regular savings habits and capital accumulation in the area, reaching 16 percent of the total population of the *commune*,³⁸ which should have a considerable demonstration effect.

CONSUMER COOPERATIVES

To illustrate some of the problems facing the introduction of consumer cooperatives in Haiti we will give an account of the St-Gérard cooperative, on the outskirts of Port-au-Prince, in the 1960s.³⁹ This cooperative consisted then of a *caisse populaire* and of a store (consumer cooperative). The St-Gérard unit, which had been founded in 1953 (the *caisse*) and extended in 1957, was having visible difficulties to stay in business (the store) in the early 1960s.

The cooperative lacked funds and had been close to bankruptcy. The social capital was not paid in its entirety by the members. There was also the problem that the members seldom used the services of the store. Few new people joined the cooperative over the years while some left. Thus, it was obvious that St-Gérard was far from being a success. Those in charge of the daily operations in 1962 were convinced that closing the store would soon be inevitable.

Three factors appear to have contributed to the problems of the St-Gérard cooperative. In the first place, the control of the activities was not firm enough. The members took little part in the management of the

cooperative. Its control and decision-making organ, the general assembly, had seldom been convoked. The responsibility had been more or less completely delegated to the person handling the day-to-day management of the store. In this way, the members lacked the knowledge necessary for decision making. Nor were the store accounts kept in an orderly fashion. Vallès was unable to find any time series data and the interpretation of the available figures was difficult. Thus, both the interest in (on the part of the members) and the factual basis of the control of operations were lacking.

Secondly, the members felt apathetic about the opportunities for the store. They had not seen its prosperity grow over the years and they had not received any bonus. In this situation, many members not only responded by not buying from the store but also withdrew their shares from the social capital. Some two-thirds of the members had not joined the cooperative because they shared the cooperative philosophy but in order to get a loan from the *caisse* or in the hope of financial returns from the store:

The Haitian cooperator... counts more on the enterprise itself to improve his lot than on his own efforts and his intelligence to build with other members of the cooperative a solid organization capable of responding to his hope: the well-being of the group.⁴⁰

The cooperative ran into difficulties already in the short run and did consequently not fit member preferences which were heavily in favor of increased incomes in the present. For the same reason, there was a strong tendency among members not to care about continuity once their immediate needs had been met. In the long run this would naturally jeopardize the survival of any cooperative. Increased education about cooperative goals might possibly have remedied this to some extent. When the members of the St-Gérard cooperative were asked why they had decided to join, a majority answered with statements like: "I am a cooperator because it is a good thing."⁴¹ They had no ideas as to what the "good thing" consisted of. Nevertheless, the matter was not a purely educational one. The short-run preferences of most members were well founded in economic realities. People with low incomes, *ceteris paribus*, tend to prefer additions to present rather than to future incomes.⁴²

Finally, the members of the St-Gérard cooperative were of somewhat too unequal standing socially. Members were recruited both from the working classes and from the lower middle class, and even though none of the members were in a good financial position, they were still too unequal for the cooperative to function smoothly:

We are actually dealing with a heterogeneous society, where from the point of view of social contact, the question of ostentation is involved: the "prestige" of speaking French and of speaking it well, the way of dressing. The differences in social status have a negative influence on the behavior of the individuals and constitute the most pertinent reason for numerous absences from meetings. They also limit, in a certain sense, the number of members whose social status is higher than that of the founders of the cooperative. The former prefer to find themselves in the company of people who have the same standard of living and thereby feel at ease in the fight to be carried on together for the defense of common interest.⁴³

This factor together with the discrepancy between member goals and expectations on the one hand and the more long-run outlook of the cooperative with its emphasis on the collective rather than on the individuals on the other, constitute the fundamental difference between this type of cooperative and the traditional type, represented e.g. by the *coumbite* or the *lakou*.⁴⁴ In the traditional structure, there is no discrepancy between the goals of the members and those of the collective entity and (excepting categories like *gros nèg*)⁴⁵ basically everybody is of the same social standing or at least belongs to the same society where communication is not inhibited by such factors as the unwillingness, due to a perceived need to "show off" one's social standing, of speaking Creole, the language understood and talked by everyone in Haiti.

COFFEE COOPERATIVES

The reason that is usually given for starting a coffee marketing cooperative is that a need exists to avoid dealing with the traditional intermediaries: the *spéculateurs* who buy directly from the peasants, and the exporters. Purchases and exports that take place within a cooperative network, according to this theory, should provide the producers with higher incomes. On the other hand, it hardly appears as if coffee marketing is so imperfectly competitive as to call for a cooperative solution to raise producer prices.⁴⁶ Thus, other factors may have been as important:

In reality, it appears that one of the main reasons why there have been so many coffee cooperatives is simply that, as in so many other instances in Haiti, foreign funds were available for the purpose.⁴⁷

The result, in terms of exports, has not been overwhelming. Before the beginning of the US/AID Small Farmer Coffee Marketing Project in 1978, a

mere four cooperatives managed to export and the volumes involved constituted only 0.1 percent of total exports.⁴⁸ By the mid-1980s (between 1984-85 and 1986-87), a higher share had been achieved, on average some 3-4 percent.⁴⁹

Exporting coffee is not a simple operation for the cooperatives. In the first place, the beans have to be sufficiently well prepared to meet the quality standards required for exports. This entails mainly washing, which is normally not done by the peasants. In addition, an export license must be obtained, an overseas market must be found and the entire operation must be financed. None of this is very simple and it has repeatedly been pointed out that the cooperatives can hardly manage on their own:

...given the overall constraints under which cooperatives are likely to operate, it is uncertain whether the movement can indeed function at all without continuous and sustained external assistance.⁵⁰

It is also doubtful whether coffee producers have actually got a better deal when selling through cooperatives than when selling via the traditional middlemen. The team that evaluated the US/AID Small Farmer Coffee Marketing Project in 1984 reported that farmers selling via the cooperatives received between 8 and 26 percent more for their products than those who sold to the *spéculateurs*⁵¹ and producers in areas where cooperatives were operating received, in 1985-86, 4 percent higher prices than producers in other areas.⁵² However, these price differences to a large extent appear to have been due to subsidization of the cooperatives by CEPEC (*Centre Pilote d'Exportation du Café des Coopératives*), the cooperative export organization, which in its turn was suffering losses that were only incompletely covered by subsidies from the US/AID and the Haitian government.⁵³ Thus, the prices received by the cooperatives may have been too high to be sustainable in the long run.

Profitability has varied considerably between units. The evaluation team visited nine cooperatives which were all financially sound and this appeared to be the case with most older cooperatives in general while younger ones and most pre-cooperatives had problems.⁵⁴ The team identified some factors that were thought to be crucial for success: the (actual or perceived) benefits for the members, the decentralized system of operation, the local nature of the ventures (with members living at most ten kilometers from the cooperative headquarters), the attractive world market prices that prevailed during the period when most of the cooperatives were formed and, finally, the outside (foreign or Haitian) assistance in such key matters as marketing and accounting.⁵⁵

The coffee marketing cooperatives have had to face the resistance of the traditional marketing system for coffee. *Spéculateurs* are known to have been able to infiltrate some cooperatives. In other instances they have managed to prevent producers from joining. Joëlle Jean-Julien gives an example from the Pilate area:

It is very difficult for the peasants to break out of the vicious circle in which the financial power of the speculators keeps them. It is felt that the people living nearest to the town are more influenced by the speculators and more easily coopted. Stories were told of cases where people refused help from the Haitian Fathers [advising the cooperative] because of possible retaliation from the speculator with whom they dealt. In certain cases, the cooperative paid off people's debts to speculators in order to get them to join.⁵⁶

Private exporters have also been reported to "play games" with certain cooperatives, "giving them wrong information about market conditions."⁵⁷ In other instances, political influence has been employed to dampen the level of activities of the cooperatives.⁵⁸

Finally, it should be pointed out that the coffee marketing cooperatives have had to contend with substantial tension and conflicts on different levels: between different units, between members of the same cooperative as well as between the cooperatives and the sponsoring organizations. The degree of member participation has varied widely between units, partly due to the extent of social stratification in the cooperative. Those that have had a high degree of stratification appear to have worked less well. The communication between leaders and members tends to be one-sided and the interests of the leaders, who as a rule have come from the higher socioeconomic strata, have generally prevailed over the interests of poorer peasants.⁵⁹ Christian Girault, who undertook a major study of the coffee sector at the end of the 1970s, concludes that the coffee marketing cooperatives around that time were hardly to be considered as democratic organizations, since they mainly operated to the benefit of large and middle-sized growers.⁶⁰

TWO SUCCESSFUL COOPERATIVES — FERMATHE AND BAS BOËN

The coffee example indicates that cooperatives are not generally successful without heavy financial and institutional support. This point is borne

out even better by the experience of Fermathe and Bas Boën: the two best-known cooperatives in Haiti. It is difficult to make modern cooperatives stand on their own unless very special circumstances are present.

The Fermathe cooperative, near Port-au-Prince, as reported by Christopher Clague at the beginning of the 1970s, apparently derived much of its comparative success from factors that are not easy to find elsewhere:

The proximity to Port-au-Prince conferred two important advantages not available in more distant regions: low-cost access to a large market and the possibility of frequent and regular visits by agronomists. Fermathe is also situated high in the hills, where fruits and vegetables which are much in demand in the capital can be grown fairly efficiently. Finally, Fermathe seems to have benefited from a fortunate combination of sensitive agronomists, good advice, and peasants receptive to change.⁶¹

In this way, the members of the Fermathe cooperative after only a couple of years were all using selected seeds, new tools, insecticides and natural fertilizers. Cisterns for collection of rainwater were constructed as were dry walls and terraces to prevent erosion. The incomes of the peasants who were members of the cooperative were significantly higher than the average in rural districts.

The situation in the cooperative of Bas Boën in the Cul-de-Sac plain in the 1970s was very much the same, although the success of this cooperative was more artificial than that of Fermathe.⁶² The Bas Boën cooperative was organized in 1966 around a well that had been drilled with assistance from the German government and after that the cooperative received substantial support from the government of Israel, the government of the United States, the Haitian government, the OAS and a number of other organizations.

In the Bas Boën area, the step was taken from traditional crops such as millet and sugar cane to intensive cultivation of tomatoes and hybrid corn with the aid of new techniques of production entailing the use of much more capital than is traditionally employed by Haitian peasants. On the surface, the results achieved in the early 1970s were satisfactory. Jerry LaGra, in an evaluation of the cooperative pointed to the following important positive differences between the Bas Boën cooperative and rural life in general:

1. more children in school,
2. higher literacy rate,
3. more positive outlook,

4. increased use of modern inputs,
5. increased use of paid labor
6. improved methods of irrigation,
7. increased use of credit,
8. increased use of technical assistance,
9. production of export crops,
10. increased yields,
11. increased animal production,
12. increased returns,
13. increased value of land,
14. more hand tools.⁶³

Net incomes per member of the cooperative had increased by 81 per cent over a two-year period.⁶⁴ Production costs had, however, also increased. The cash outlays entailed in the traditional mode of production were close to zero (given the amount of land owned) but with the changes imposed by the modernization, cash requirements increased to a *minimum* of US\$ 200 per hectare and year.⁶⁵

Nevertheless, for the individual members the changes paid. The reason was simply that the cooperative was not charged with the costs for technical assistance. The entire venture was heavily subsidized. Had all costs been taken into account, the profitability would have been negative at the time the evaluation was made. Thus, total direct benefits less costs for the 1969-72 period amounted to *minus* US\$ 2,747 per member.⁶⁶

This figure very clearly indicates the main problem involved in spreading innovations via an integrated modern cooperative. The Haitian peasants do not accept innovations unless their superiority compared to traditional crops and methods can be demonstrated.⁶⁷ In the Bas Boën case, innovation proved easy, but only because the heavy subsidization involved made modernization a *low-cost alternative*. The new crops and methods were a direct function of the technical assistance expended by supportive organizations. Thus, several of the points of progress enumerated above were directly or indirectly a result of the technical assistance. The more favorable outlook was due to the availability of water for cultivation purposes and to the increased attention by outsiders. The production of export crops (tomatoes) could not have been undertaken without the assistance of foreign expertise. The higher yields and returns and the increased value of the land were directly due to the technicians involved. The increased use of modern inputs, credit and technical assistance was exclusively a result of the organization from the outside of the distribution

of these factors. To get the new inputs without the distribution channels established by the foreign and national agricultural technicians would have been prohibitively difficult:

Thru the coop the members have access: to credit, through the Bureau of Ag. Credit (BCA) and, of a more recent nature, through IDAI; to technical assistance from the Department of Agriculture and the OAS; to a tractor, purchased by the coop; to water, from a well drilled by the German Government; and to seeds, fertilizers and insecticides which may be donated or purchased by the coop.⁶⁸

This quotation summarizes the artificial nature of the Bas Boën cooperative at the time that the evaluation was made. Had not the technical assistance been present for a number of years, the cooperative would never have survived. The innovations were a result of the direct subsidization and not of the development of a new system or of institutions that were capable of guaranteeing the survival of the cooperative in the longer run:

Unless new institutions — e.g. a federation of Cul-de-Sac Coops — are created to provide services to Bas Boën and similar cooperatives, it is almost certain that the coop members will revert back to traditional crops and techniques upon the termination of foreign technical assistance.⁶⁹

In 1972, two more villages in the Bas Boën area were recognized by the Conseil National de Coopération and in 1977, a further five villages had been included in the project, each with its own water pump.⁷⁰ This did not, however, mean that it was necessarily the cooperative idea that had been successful. It was the combination of inputs and technical assistance that made for the results obtained. The cooperative ideas as such had little to do with the results. The meetings held were not frequented by more than one-third of the members in the late 1970s and the majority of these were silent during the proceedings which were conducted in a language spoken by a minority of the members only: French.⁷¹ Diane Wolf reports what the situation looked like in 1978:

Some members grasped the idea of a cooperative but most were not particularly responsive. We received such answers as, a cooperative is "frères unis" (united brothers), "The cooperative works for members, the members work for the cooperative." "[It] is a big light." Some used the word "cooperative" interchangeably with the word "pump" which raises questions about their understanding of the cooperative, i.e. "One cooperative is not enough, we need another one." Some members knew where the water money went. Poorer farmers seemed to have less knowledge of these procedures.⁷²

Wolf's conclusions are critical:

Although the project at Bas Boën and the surrounding villages has fulfilled its objectives, the cooperative functions less than ideally. Membership is a result of an outsider's decision designating which area receives irrigation water. Cooperative education and belief in cooperative and community ideals seem minimal. The latter is represented more by a desire for water for the individual household's land. Finally... it appears that cooperative leaders are in... different strata than most members and may be benefitting more from the cooperative and the project.⁷³

CONCLUSIONS

The cases analyzed above, both the successful and the unsuccessful ones, point to a few factors which have militated against the success of the modern cooperative movement in Haiti. In the first place, many cooperatives have undoubtedly been mismanaged. On the one hand, technical know-how of such matters as marketing and accounting has been weak and basic information necessary for the daily operations has not been gathered. Furthermore, the majority of cooperative members are presumably illiterate, and this makes efficient control of how books are kept and of how affairs in general are conducted impossible. The responsibility of financial management has too often been dependent on one or a couple of persons only. In practice, these individuals have then run everything without control from the members. Needless to say, such an arrangement leaves ample scope for tricks of all kinds that benefit only the managers and not the cooperative as a whole.

A second category of problems stem from the composition of the cooperative. In some instances, the social divisions among members have been too great. This has led to inequalities, with wealthier and socially more important people receiving more beneficial treatment than members of more humble origin. In these cases, the member knowledge of cooperative principles has generally been weak. Naturally, this state of affairs has created conflicts between different groups and this has in turn weakened the cooperative. Alternatively, traditional power groups have been resistant to the cooperative idea as such.

Thirdly, the cooperative movement has had to struggle with a bureaucratic government which has moreover attempted to control the move-

ment. In many instances, this had made it very difficult to obtain legal recognition and the fiscal advantages that go with such recognition. However, in addition, far too many cooperatives have been created from above and imposed on the peasants, as a result of administrative decisions, rather than having emerged as a result of needs perceived at the grassroot level.

Turning to the positive side, the successful cooperatives have in common that they have met the real needs of their members — as perceived by the latter. They have been *local* units, equipped with sufficient knowledge regarding local circumstances, presumably acquired through relatively long experience, to be able to operate smoothly. In this, they have also been able to draw on a relatively egalitarian structure, strong member participation and the propagation of cooperative principles to members through systematic education and a flexibility of procedures which has been obtained via a dialogue with the members themselves.

So far, so good. However, many of those cooperatives that have been most successful have one more thing in common. They have relied heavily on external assistance, both technically and financially. They have frequently been the creation of foreign aid organizations as spearheads for technological change. To the extent that they have succeeded in bringing about such change, it has very much been because an artificial environment has been created within which the peasants have then been working. One of the prerequisites for their success has been the fact that the financial and technical assistance they have received has allowed them to work in an environment where only minimal risks have been present. Subsidization and direct intervention has turned otherwise unprofitable cooperatives into "success" stories.

Notes

1 Vallès (1967), p. 67.

2 Lamothe (1958).

3 Métellus (1984), p. 21.

4 Wood (1955), pp. 351–52.

5 Lamothe (n.d.), p. 180. Woodson (1987), pp. 162–88 provides a detailed account of this credit union.

6 Vallès (1967), p. 63.

- 7 Rotberg and Clague (1971), p. 289.
- 8 For details, see Wood (1955), pp. 362-64.
- 9 Rotberg and Clague (1971), p. 289.
- 10 Ibid.
- 11 Laroche (1969), p. 108.
- 12 Erasmus (1952), p. 22.
- 13 Vallès (1967), p. 26.
- 14 It should be stressed that all statistics regarding the number of cooperatives and their activities are very shaky (Delatour et al. [1984], pp. 120-21).
- 15 Laroche (1969), p. 108.
- 16 Zuvekas (1978), p. 218.
- 17 Wolf and Jean-Julien (1978), pp. 108, 110.
- 18 Joseph (1978), p. 2.
- 19 Wolf and Jean-Julien (1978), p. 1.
- 20 *Café pilé* is prepared without washing. The beans are dried in the sun for two or three weeks and then the pulp is pounded off the beans with a mortar and a pestle.
- 21 Vallès (1967), p. 154.
- 22 Girault (1981), p. 369.
- 23 Ibid., p. 370.
- 24 Ibid., pp. 371-72.
- 25 Olson et al. (1984), pp. 16-18.
- 26 In spite of the bad quality of the available statistics, a majority of observers agree on this point. (Cf. Delatour et al. (1984), p. 121.)
- 27 Olson et al. (1984), p. 35.
- 28 Delatour et al. (1984), p. 123.
- 29 Deschamps and Duggleby (1987), pp. 15-16.
- 30 Vallès (1967), p. 213 ff.
- 31 Quoted in op. cit., p. 213.
- 32 That embezzlement of funds constituted a problem for many *caisses* was put into focus when the commission of the Haitian cooperative movement delivered its report to the Second National Labor Congress in 1969:
The difficulties presently encountered by the cooperative movement, at the head of which the Conseil National de la Coopération, have their roots in the weakness of the cooperative education of the members. The savings and credit socie-

ties in particular have suffered from this deficiency, since these deal exclusively with money. The absence of a banking organization in provincial towns in most cases confers on the treasurers of the caisses to keep considerable sums at home, and this constitutes a very large danger (Laroche (1969), p. 110).

- 33 Deschamps and Duggleby (1987), pp. 21-26 provide a summary overview of the activities of credit cooperatives after the mid-1980s.
- 34 Woodson (1987), pp. 162-88. Cf. also *ibid.*, pp. 189-226, for a second case study of a successful credit cooperative.
- 35 *Ibid.*, p. 163.
- 36 Woodson (1987), p. 180, classifies school expenditures as consumption outlays. This, however, hardly is compatible with the human capital formation view of education.
- 37 *Ibid.*, p. 185.
- 38 The very poorest groups could not be reached, since these as a rule lacked the economic means and/or the motivation to participate.
- 39 Vallès (1967), p. 161 ff.
- 40 *Ibid.*, p. 180.
- 41 *Ibid.*, p. 182.
- 42 Cf. Fisher (1930). An application to Haiti is made in Lundahl (1979), pp. 513 ff.
- 43 Vallès (1967), pp. 192-93.
- 44 The traditional labor team in Haiti and the extended family, respectively.
- 45 The rural upper class.
- 46 Cf. e.g. Capital Consult (1983) and Bourdet and Lundahl (1989).
- 47 Delatour et al. (1984), p. 122.
- 48 Girault (1981), p. 242.
- 49 Helfenberger et al. (1987), p. 104.
- 50 Delatour et al. (1984), p. 124. Cf. also e.g. Zuvekas (1978), p. 219 and Girault (1981), pp. 378-79.
- 51 Olson et al. (1984), p. 14.
- 52 Seguino (1987), p. 13.
- 53 Franzel and Martin (1985), pp. 75-82.
- 54 Olson et al. (1984), p. 19.
- 55 *Ibid.*, pp. 39-40.
- 56 Wolf and Jean-Julien (1978), p. 88.
- 57 *Ibid.*, p. 74.

- 58 Girault (1981), p. 379, Wolf and Jean-Julien (1978), p. 93. However, many of the cooperatives were formed during the presidency of Papa Doc, and the fact that they managed to survive may indicate that they were harmless or at least not perceived as any threat by the authorities (Olson et al. [1984], p. 36).
- 59 Wolf and Jean-Julien (1978), pp. 21, 97-98.
- 60 Girault (1981), pp. 378-79. Cf. Franzel and Martin (1985), p. 68. It should be noted that coffee growing is that area of peasant production in Haiti where the differences are largest between small and large producers, both economically and socially.
- 61 Rotberg and Clague (1971), p. 291.
- 62 The Bas Boën cooperative is analyzed in LaGra (1972), Becerra de la Flor and Abarbanel (1974) and Wolf and Jean-Julien (1978).
- 63 LaGra (1972), pp. 6-7.
- 64 Ibid., p. 7.
- 65 Ibid., p. 4.
- 66 Ibid., p. 10.
- 67 See Lundahl (1979), Chapter 12 and Lundahl (1983) for some details.
- 68 LaGra (1972), Annex 1, p. 15.
- 69 Ibid., p. 4.
- 70 Wolf and Jean-Julien (1978), p. 7.
- 71 Ibid., p. 17.
- 72 Ibid., p. 18.
- 73 Ibid., p. 19.

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