

Unrest in Haiti

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Food riots and other headaches for Haiti's government

Haiti's prime minister lost his job on April 12th, the result of more than a week of unrest as protesters rioted in reaction to rising food prices in the hemisphere's poorest country. Several Haitians died, and one United Nations peacekeeper was killed. The president, René Prével, has announced new food subsidies, and international agencies have pledged more food and financial assistance. Although relative calm has returned in recent days, the government has been weakened, and there's a risk of renewed outbreaks of violence.

Mr Prével (who first served as president in 1996-2001) has succeeded since taking office in May 2006 in reducing the level of chronic instability and violence in Haiti, focusing on political co-operation and disarmament of street gangs. He has benefited from the strong support of the international community, including the US and regional governments. The presence of 8,000 UN peacekeepers has also helped bring greater security to the streets.

Although advances in security and reducing crime have been notable, particularly in the capital, Port-au-Prince, social indicators have remained among the worst in the world—with 76% of the population living on less than US\$2 a day, according to the UN—and improvements in the provision of basic services have been limited (electricity blackouts remain the norm, for example).

No cushion

Now, the fragile stability achieved to date is being undermined by the erosion of already-low living standards by high oil and food prices. Haiti is highly reliant on imports of fuel and much of its food, and foreign aid has been insufficient to offset elevated prices for food staples. With poverty levels so severe, the population has little capacity to absorb increases in the cost of their basic consumption basket.

To address the recent unrest, Mr Prével announced on April 12th new government subsidies on rice (to be funded largely with international aid money), to cut its price to consumers by 15%. Emergency food aid is also to be sent to the country by aid organisations. These include the Pan American Development Foundation, an affiliate of the Organisation of American States, which will make available 400 tons of fortified rice, worth more than US\$1.5m. The World Bank has also approved a US\$10m grant to help ease the impact of higher food prices. The president has also promised to bolster official efforts to increase national food production over the longer term.

Despite this, the country's National Assembly voted on April 12th to oust his prime minister, Jacques-Edouard Alexis, whom they blame for mismanaging the economy. Selecting a replacement whom lawmakers will accept could take some time, as Mr Prével's party lacks a majority in the legislature.

Food boosts inflation

Haiti's local food costs have shot up by an estimated 40% in the last year, mostly because of the global rise in the price of fuel, which has raised the cost of growing and transporting farm products both domestically and around the world. Further, domestic agricultural supplies were damaged by rains and floods in the final months of 2007. In addition, tighter customs procedures at ports and border crossings—part of an anti-corruption drive—have slowed the entry of imported and donated goods into the country.

These factors combined caused Haiti's overall inflation rate to climb in the final quarter of last year, to reach 10% year on year in December (inflation averaged 8.5% over the year as a whole). The cost of living is believed to have continued to rise in the early months of 2008.

Even before the latest price acceleration, it was evident that urgent action was needed to improve living standards for the poor. The risk now is that food costs and Haiti's inflation rate will remain elevated, stymieing the efforts of the government and multilateral agencies to make better the lives of the Haitian masses. This could translate into further political instability.

Political risks rise

Haiti's political history is marred by such instability, and there are signs that radical followers of an earlier president, Jean-Bertrand Aristide—who left the country amid social turmoil in 2004—may be seeking advantage in the current situation. Many of them, including the members of his Fanmi Lavalas party, have been agitating for his return for some time.

Even if Mr Aristide's return is not an immediate risk, opponents to the Préval government will be emboldened by the ouster of his close colleague, Mr Alexis. Indeed, his sacking represents a censure of the president as well, and some protestors also have demanded Mr Préval's resignation.

Although the government has been able to quell the worst violence in recent days, the situation has exposed the fragility of the Préval government and the chronic weakness and instability of Haiti's political institutions. The country now could again become a battleground for various interest groups (Fanmi Lavalas, smaller political parties, former military men, business groups), many of which will seek to regain power lost in recent years.

It will take much support and pressure from outside governments and multilateral institutions to prevent Haiti's political system from melting down. Even if the Préval administration reconstitutes itself and survives, the concessions made to gain the support of lawmakers could further reduce the government's effectiveness during the remainder of its term.