

## Odious debts and global responsibilities

Haiti's example shows how foreign debt can lead a defenseless population into a catastrophe

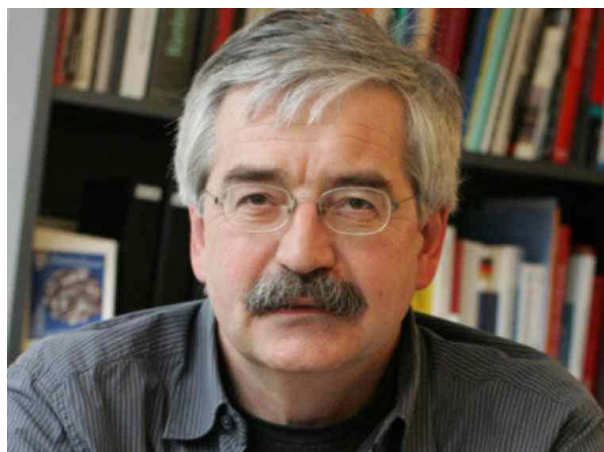
*Thomas Gebauer, MD*

---

From time to time catastrophes remind us of the dangers lurking along the uncertain paths of historical development. Such was the case with the banking crisis which made the destructive potential of neoliberalism clear for all to see. This is also the case with the Haitian earthquake which left 250,000 dead and 1.5 million homeless. At this point we should not be talking about global responsibilities in the abstract, we should be naming the responsible parties. Catastrophes – even those unleashed by natural causes – always have a “man made” component. Danger does not reside in the floods *per se*, nor in the earthquakes or typhoons alone; rather danger emerges from the interaction of these natural phenomena with each person's respective vulnerability.

“Vulnerability” (Latin: capacity of being hurt) has a complex set of consequences. It is especially important when people are forced to live in circumstances of insecurity, where there are neither early warning systems nor public institutions capable of providing reliable help at times of special need. Even in conditions of great adversity people are less vulnerable when they can fall back on government assistance, systems of public solidarity, or insurance payments which compensate for losses (at least the material ones). In the absence of an effective infrastructure even a minor tropical storm is transformed into a disaster and an earthquake into a catastrophe.

The earthquake in Haiti struck a society that was “vulnerable” to greater extent than almost any other. Haiti is the poorhouse of the Western Hemisphere, a land without hope, abandoned by God. Among the Caribbean islands, so prized by



Thomas Gebauer; Photo Credit: Christoph Boeckheler

tourists, it is a forgotten corner. If one believes the declarations of the G8 finance ministers, this will all change soon. They say the catastrophe offers the chance for renewal. There is talk of forgiving Haiti's foreign debt. Is this an act of support at a time of great need? Not at all. Rather, this offer – when examined closely – opens the door on a 200 year old scandal!

Unquestionably foreign debt is one of Haiti's biggest problems. Those who doubt the existence of so called “odious debts” would do well to learn from the Haitian experience. Shockingly enough, the origins of foreign indebtedness can be traced back to the country's independence in 1804. In 1825, France, Haiti's former colonial master, used military pressure to force Haiti to pay 90 million gold francs for its independence, a sum equivalent to 17 billion Euros today. This amount – equivalent to 10 times the national budget – was compensation to the French plantation owners who would no longer be able to exploit the slaves. In order to keep up with mandatory payments, Haiti took out numerous new loans during the 19<sup>th</sup> century and exported anything that might bring in foreign currency. During this period the depletion of natural resources accelerated, leading ultimately to the ecological collapse of the country. However France collected its monies without fail until the last payment in 1947 some 122 years later.

---

Thomas Gebauer, Director, Medico Internacional

Website: <http://www.medico-international.de/>

Email: [info@medico.de](mailto:info@medico.de);

Address: Medico International Burgstr. 10660389

Frankfurt/Main, Germany; Phone:+49-69 94438-0;

Fax:+49-69 436002

This commentary was originally published in German in the Medico Rundschreiben January 2010 and is reprinted here in translation with the kind permission of the author.

When Haiti requested restitution of the comparatively modest sum of 4.6 million dollars located in the Swiss bank account of deposed dictator Jean-Claude “Baby Doc” Duvalier, the request was denied. In early February, 2010, the Swiss Supreme Court ruled that the statute of limitations had run out on the crimes of which the dictator had been accused. Restitution of monies was, therefore, not possible. Torture and murder committed against the poor and disempowered seem to be subject to time limits; when people free themselves from slavery and oppression, those in power never really forgive them.

Haiti’s current foreign debt is one billion dollars. Most of this debt was taken on during the Duvalier’s reign of terror (1957-1986), a period of close cooperation between the Duvalier family and international financiers. Baby Doc alone is thought to have taken over 500 million dollars out of the country. During his presidency money flowed into Swiss bank accounts and foreign debt servicing, while there were progressively less funds for roads, education, and electrification. Haiti ended up in the stranglehold of IMF dictates, damaging the public sector beyond recognition.

And finally Haiti ended up under *de facto* UN administration. The UN came not only to assure security, but also to participate in strategic political decisions. This explains the promotion of a new highway (paid for by the Europeans) linking Haiti and the neighboring Dominican Republic; the purpose of this highway was to promote the sale of US agricultural surpluses. Haiti wanted EU support for building rural infrastructure, what it got was a deathblow to its own farmers and agricultural industry.

Long before the earthquake collapsed Port-au-Prince into ruins, the population of African descendents lived in a perpetual state of emergency. Ever since the former slaves threw off the yoke of colonial oppression and asserted their rights to the heritage of humanism and the

Enlightenment, they have received nothing from Europe (and later the USA) except punitive disregard and paternalism. Finally, many Haitians are now left with literally nothing other than the opportunity to show that they are masters of survival.

The prevailing mood in Haiti is neither apathy nor chaos nor violence. Rather there is a tremendous distrust of anything that comes from outside the country. Foreign aid workers sense this as soon as they become aware of what is happening on the ground and stop seeing Haiti is just one more assignment. By contrast, those who throw food supplies from helicopters in front of CNN’s cameras should hardly be surprised if this type of “assistance” ends up in fighting. It is understandable why hungry people would snatch at food. It is worth remembering that the theft of food in the postwar Germany was blessed by Archbishop Frings. [Translator’s note: the German verb “fringsen” (to steal food or coal) is derived from Archbishop Joseph Cardinal Frings.] However, when Haitians are involved, this is called “plundering.”

These pictures serve, in the end, to legitimize the presence of US troops. Already in January the Council on Foreign Relations (a Washington Think Tank) used the old stereotype of the uncivilized savage to petition for placing Haiti under an international protectorate. Haiti today is urgently dependent on foreign aid. However, it is important to make sure that this aid does not prepare the way for a recolonization that would definitively relegate Haiti’s 1804 Independence to the history books.



*Visit our blog at [www.socialmedicine.org](http://www.socialmedicine.org)*