

Abstract

In Haiti, decentralization as a development tool has been a part of the political discourse for over thirty years, since the end of the 29-year father-son Duvalier dictatorship in 1986. However, Haiti's recent progress – specifically in terms of fiscal decentralization – has been largely credited to the United States Agency for International Development's *Limyè ak Òganizasyon pou Kolektivite yo Ale Lwen* (LOKAL+) program though it has not been readily apparent to what extent enhancements in local revenue have impacted public expenditures.

A mixed-methods case study analysis was therefore used to examine whether increases in local revenue during the LOKAL+ program have led to improved public expenditures in two of the nine target communes. Descriptive statistics from the nine treatment sites were also presented, using a dataset built from annual budgets for each of Haiti's 140 communes from 2012 to 2015. Modest improvements in public service delivery were observed in the municipalities Saint Marc – the initial site for this particular intervention – and Delmas, which is credited with being Haiti's most successful local government. At the same time, a need was observed for simultaneous accountability measures, such as citizen engagement, in order to minimize the threat of “local capture” or the likelihood of personalism influencing the overall delivery of public services. Despite this study's findings, Haiti's legacy of authoritarianism, manifested in a lack of political will on the part of critical central government actors, continues to curtail the extent to which decentralization might be able to facilitate widespread improvements in public service delivery throughout the country.

Decentralization and Development in the World's First Black Republic

by

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Dedication

pou zansèt yo, pou lavni

Acknowledgments

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List of Abbreviations

(English translation provided in parenthesis)

ASEK or ASEC	<i>Asanble seksyon kominal</i> (Assembly of the Communal Sections)
CCC	<i>Conseil Consultative Communale</i> (Citizens Consultative Committee)
CFPB	<i>Contributions Foncières sur les Propriétés Bâties</i> (Property Taxes)
CIAT	<i>Comité Interministériel d'Aménagement du Territoire</i> (Interministerial Committee for Land Use Management)
CIDA	Canadian International Development Agency
CNRA	<i>Commission Nationale a la Reforme Administrative</i> (National Commission for Administrative Reform)
DEP	Democracy Enhancement Project
DGI	<i>Direction Generales des Impots</i> (General Directorate of Public Finance)
FAES	<i>Fonds d'Assistance Economique et Sociale</i> (Funds for Economic and Social Assistance)
FGDCT	<i>Fonds de Gestion et Développement de Collectivités Territoriales</i> (Funds for the Management and Development of the Territorial Collectivities)
FY	Fiscal Year
GFS	Government Finance Statistics
IMF	International Monetary Fund
IOM	International Organization of Migration
IRB	Institutional Review Board
KASEK or CASEC	<i>Konsèy seksyon kominal</i> (Council for the Administration of the Communal Sections)

LGRP	Local Government Reform Programme
LOKAL	<i>Limyè ak Òganizasyon pou Kolektivite yo Ale Lwen</i> (Enlightenment and Organization So Local Government Can Go Far)
MICT	<i>Ministère de l'Intérieur et des Collectivités Territoriales</i> (Ministry of Interior and Territorial Collectivities)
MPCE	<i>Ministère de la Planification et de la Coopération Externe</i> (Ministry of Planning and External Cooperation)
OECD	Organization for Economic Cooperation and Development
PACTE	<i>Programme Appui aux Collectivités Territoriales</i> (Program Supporting Territorial Collectivities)
PADF	Pan American Development Foundation
PCM	<i>Programme de Coopération Municipale Haïti-Canada</i> (The Haiti-Canada Program for Municipal Cooperation)
PDAS	Principal Deputy Assistant Secretary
PFC	<i>Plan de Financement des Services Publics Communaux</i> (Communal Finance Plan)
PFCSM	<i>Plate-Forme Communale de Saint Marc</i> (Communal Platform of Saint Marc)
PMAC	<i>Programme Modernisation de l'Administration Communale</i> (Modernization Program for Communal Administration)
SMCRS	<i>Service Métropolitain de Collecte des Résidus Solides</i> (Metropolitan Trash Collection Service)
UNDP	United Nations Development Program
UN-Habitat	United Nations Habitat
USAID	United States Agency for International Development

Chapter 1

Introduction

Statement of the Problem

Even though the Constitution of 1987 calls for a decentralized Haitian state, 31 years later, Haiti has failed to fully execute this constitutional aspiration. Furthermore, the progress that has been observed, particularly in terms of fiscal decentralization, has been realized as a result of programmatic initiatives led by the United States Agency for International Development (USAID) rather than undertakings spearheaded by the Haitian state itself. This is problematic in that Haiti today is no better positioned to provide for the wellbeing of its average citizens than it was at the end of the 29-year father-son Duvalier dictatorship in 1986. Notwithstanding the increases in local revenue that some recipient municipalities have experienced as a result of the agency's local revenue mobilization efforts (a form of fiscal decentralization) – it is not yet clear whether these enhancements have actually improved local public investments. The purpose of this study therefore is to evaluate the impact of local revenue mobilization on public service delivery in two communes that received USAID technical assistance in this regard.

Background

This mixed-methods study analyses a specific component of USAID's fiscal decentralization efforts in Haiti in light of the country's post-Duvalier constitutional aspiration of becoming a decentralized state. I will employ a case study analysis to evaluate the impact of USAID's technical support for local revenue mobilization on

the delivery of public services in two of the nine target communes, while also providing descriptive statistics of all nine treatment sites using a dataset that I built from 2012 – 2015 annual budgets for each of Haiti’s 140 communes. The municipalities of Saint Marc – the initial site for this particular intervention – and Delmas, which is credited with being Haiti’s most successful example of local governance, will form the basis of this study by way of content analysis, field observations and in-depth interviewing as my primary research tools. As a result of these investigations, my research contributes to a better understanding of whether local revenue mobilization, a form of fiscal decentralization, has any utility for improving public investment spending and service delivery throughout Haiti.

It is important to note that this study’s ability to evaluate USAID assistance for fiscal decentralization in Haiti is rooted in the country’s ongoing struggle to make a marked departure from its legacy of autocratic rule. Bear in mind that the post-Duvalier Constitution of 1987 calls for a reorganization of the Haitian state with decentralization and participatory democracy serving as the crux on which this reorganization should be based on (Cantave et al., 2000; Republic of Haiti, 1987). Acknowledging that the centralization of power and resources in the hands of a few has led to the detriment of rural sections outside of the capital, the new Haitian state that this constitution calls for endeavors to reclaim these communities and their respective populations through administrative and territorial reforms. These reforms are bent on ensuring that every region of the country has access to basic public services as well as the right to full participation in the affairs of the state. At the same time, the apparent apathy – and at times blatant unwillingness – on the

part of decision makers to clearly define powers between the constitutionally defined levels of government reflects the fact that the socioeconomic realities of Haitian society are such that “the political culture is deeply marked by old patterns of centralized authority, personalism, and patron-client relations” (Smucker et al., 2000). Regardless of the constitution’s expressed intention of forming a new post-Duvalier governmental structure – one that is participatory, inclusive and rooted in decentralization – the accomplishment of a decentralized Haitian state remains elusive.

It is in this context that USAID has been providing support for decentralization in Haiti since the 1990s through the present day. The agency’s more recent decentralization efforts have been executed through the LOKAL (*Limiyé ak Òganizasyon pou Kolektivité yo Ale Lwen*) and the subsequent LOKAL+ programs, which are focused on “making local governments more democratic, transparent and effective in providing services to their communities” (USAID, 2012). In terms of fiscal decentralization more specifically, consider that by working with USAID to strengthen its tax collection and fiscal management capabilities, the municipality of Saint Marc increased its property tax revenue by 159 percent and its business tax receipts by about 123 percent from fiscal year 2010 to 2011 (USAID, 2012). The question of whether these increases in local revenue consequently resulted in improved local public investment expenditures in Saint Marc or other affected localities is however, one that remains outstanding.

Thesis

This study examines the impact of USAID support for fiscal decentralization through local revenue mobilization on improved public investment spending in Haiti. Essentially, the question that this study answers is have local revenue mobilization efforts – namely by way of USAID technical assistance – improved public service delivery in targeted Haitian communes? As a result of USAID interventions in promoting fiscal decentralization in Haiti, there have been moderate improvements in public service delivery. Significant gains in property and business taxes (the two main forms of local revenue in Haiti) have led to reasonable enhancements in highly visible public works undertakings, such as trash collection and new road construction or rehabilitation projects.

Outline of Dissertation

The remainder of this dissertation will review the related literature and theoretical framework for fiscal decentralization prior to providing a historical background of centralization and decentralization in Haiti. A discussion of my case study design, as well as the methods I will be using for the examination of my hypothesis, will follow. I then present the analyses developed in the dissertation using the second-generation theory of fiscal federalism as a framework. Lastly, I will discuss possible implications based on the study's findings. Having detailed the outline of this dissertation, I now turn to reviewing the literature on decentralization with a particular focus on fiscal decentralization.

Chapter 2

Literature Review: Fiscal Decentralization and Development

Defining Decentralization

Decentralization as a concept first emerged in the mid-1950s and 1960s as a tool for post-independence development, with more recent resurgences in the 1990s and early 2000s (Bardhan, 2002; Conyers, 1984; Smoke, 2001). According to Rondinelli (1989), "decentralization can be defined as 'transfer of responsibility for planning, management, and the raising and allocation of resources from the central government and its agencies to field units of government agencies, subordinate units or levels of government, semi-autonomous public authorities or corporations, area-wide, regional or functional authorities, or non-governmental private or voluntary organizations.'" Essentially, decentralization broadly refers to any transfer of authority from central government to sub-national levels with the ultimate goal of improving resource allocation and making government more responsive to local needs (Bardhan, 2002; Conyers, 1984; Oates, 2006; Ramirez et al., 2006).

Decentralization also allows for the roles and responsibilities of various government actors to be redefined so that "the development of a comprehensive national policy framework which, while allowing adequate scope for local governments to adopt strategies which reflect local conditions and preferences, will ensure broad coherence and direction in respect to national development" (Miller, 2000).

There are four commonly recognized forms that decentralization can take in terms of the level of autonomy that is transferred from central to local governments. These approaches are deconcentration of central government bureaucracy, delegation to public enterprises or publicly regulated private enterprise, devolution to local government, and deregulation of private service provision (Rondinelli et al.,

1989; Rondinelli, 1989). Deconcentration allows for the least amount of power transfer to local authorities in that central government bureaucracies can establish administrative centers at sub-national levels of governments to advance national policies "without promoting political or economic decentralization" for localities (Ramirez et al., 2006; Rondinelli, 1990). Arguably, deconcentration can be exploited to "increase the power of the state by creating an organizational structure for deeper penetration and control" (Rondinelli, 1990). Devolution, on the other hand, facilitates the greatest enhancement of local government autonomy. While some authors cite deregulation or privatization as a form of decentralization, this can serve to further undermine the authority of local governments and is therefore not given much consideration in the overall discourse on decentralization.

Moreover, Rondinelli, et al. (1989), Prud'homme (1995) and Ramirez et al. (2006) claim that all forms of decentralization have fiscal responsibility at their core where the traditional economic rationale for decentralization is based on the premise that decentralization policies can:

- increase local autonomy;
- enhance governments' ability to be more responsive to local needs;
- promote greater efficiency;
- increase inter-jurisdictional competition; and
- encourage innovations in public policy and service delivery (Azfar et al., 1999; Oates, 2006).

At the same time, however, both Bardhan (2002) and Conyers (1984) highlight the need to distinguish between political, administrative and fiscal decentralization. Rondinelli (1990) further implies that “political, economic, spatial and administrative concepts of decentralization differ drastically in their meanings, implications and consequences” (Rondinelli, 1990).

A Theoretical Framework for Fiscal Decentralization

Decentralization is rooted in the assumption that the proximity of sub-national governments to local populations, as compared to the central government, makes local authorities better situated to allocate public goods¹ and services more efficiently (Azfar et al., 1999; Oates, 2006). The presumption is that enhanced authority allows local governments to be more responsive to the needs of their populations as well as more accountable in their decision-making processes (Azfar et al., 1999; Bardhan, 2002; Rondinelli et al., 1989; Rondinelli, 1989). More specifically, fiscal decentralization is the efficient delivery of public services through improved local tax systems or through intergovernmental grant transfers. Smoke (2001) defines fiscal decentralization “as the subnational share of total government expenditure” while Bahl’s (2008) puts forth that fiscal decentralization is comprised of expenditure assignments, revenue assignments or intergovernmental transfers with the appropriate arrangement being dependent upon a particular country

¹ Public goods refer to the standard delivery of services “such as water, electricity, education, sewage, garbage, and road maintenance” (Weingast 2014). Public goods can also encompass additional and/or related services.

context (Bahl, 2008; Bird, 1993; Ramirez et al., 2006; Smoke, 2001). Tiebout's (1956) model of local public goods provision was the first to articulate a relationship between the decision-making behaviors of people's locational patterns based on the level and/or quality of government services within a particular jurisdiction. The idea that people could 'move with their feet' provides an early underpinning for decentralization based on local preferences and government efficiency (Oates, 2006; Porcelli, 2009).

In addition to Tiebout's (1956) contribution, Oates' (1972) decentralization theorem provides the underpinning for what is now referred to as the first-generation theory of fiscal federalism, notwithstanding the problematic use of the word 'theorem' in what he puts forth. A theorem is understood to be a claim that can always be upheld based on a formula or a series of propositions. Theorems therefore cannot be disputed in the same way that a theory, which is a generalizable explanation, can be expounded upon and/or challenged. What further problematizes Oates' word choice is that the propositions that he initially outlined (provided below) were later challenged with the emergence of the second-generation theory of fiscal federalism that will be discussed shortly. He also went on to admit the shortcomings of his theorem in subsequent works (Oates, 2005; Oates, 2006).

Nonetheless, Oates theorem formalizes the efficiency argument for the local provision of public goods by assuming that when the cost of a good in each jurisdiction is the same for the central government as it is for the respective jurisdiction, "it will always be more efficient (or at least as efficient) for local

governments to provide the Pareto-efficient levels of output for their jurisdictions than for the central government to provide any specified and uniform level of output across all jurisdictions” (Oates, 2006). Meaning, there are more welfare gains to be had when local governments provide a good instead of the central government providing it – even when the price is constant for the two government levels – because of the asymmetry of information that enables a local government to have more insight into the needs of a local population than the central government is able to have (Oates, 2006). In putting forth this theorem, Oates (1972) established several conditions. The first assumption is that there is no spillover effect because public consumption is restricted to the jurisdiction providing the good. For those within a jurisdiction’s borders, the output is still a public good but its availability or consumption is just not generating any externalities for those outside of the community. In this sense, the theorem rules out allocative distortions arising from externalities. Second is that the goods being provided encompass a spectrum of public goods (whether non-rival or congestible) with the emphasis that the goods cost the same whether they are locally or centrally provided. The third assumption is that mobility is absent though Oates (2006) ultimately revised this premise to state “that there is no mobility in response to changes in fiscal parameters i.e. changes in jurisdictional outputs of public goods or level of taxes.” Even so, the failed application of decentralization policies worldwide, based on these propositions, however has resulted in a sizeable body of work critiquing Oates’ theorem (Porcelli, 2009; Weingast, 2009).

One of the primary critiques of the first generation of fiscal federalism is that it assumes that public officials are “benevolent social planners” who are primarily concerned with maximizing the social welfare of citizens and does not explicitly take into account the reality that the arrangement of political and fiscal institutions influences the decision making of public officials and the citizens over which they preside (Bird and Vaillancourt, 2008; Lockwood, 2005; Oates, 2005; Weingast, 2009). Oates himself eventually admits the shortcomings of his initial claims since focusing almost exclusively on local preferences and the nature of public goods alone, as the first generation does, have also led to failed outcomes throughout the developing world (Oates, 2006). As a result, the theory of second-generation fiscal federalism takes into consideration the fiscal and political incentives that subnational leaders are influenced by as they are making decisions concerning decentralization. The reality is that public officials are not only driven by the goal to maximize welfare but also by the political arrangements that require them to focus on their re-election prospects, for example. The extent to which their decisions serve citizens is based on how viable they can make themselves for re-election among other considerations (Weingast, 2009). Even when a decentralization program is adopted, Weingast (2006) articulates the concept of tragic brilliance where the delivery of public goods can be used as a tool to manipulate elections by controlling citizen behavior. Citizens in a locality who support a particular candidate or party can be rewarded with local financing for public goods while jurisdictions who support an opposing party can see a withdrawal of goods. In this case, citizens are not necessarily provided with an opportunity to display their preferences at the

poll but rather are being controlled by their vote (Weingast, 2006). Therefore, “second-generation fiscal federalism explores how various institutions align – or fail to align – the incentives of political officials with those of citizens” as a way of better understanding whether or how the principles of first-generation fiscal federalism get adopted or undermined (Oates, 2006; Weingast, 2009; Weingast, 2014).

Despite the distinctions between first and second-generation fiscal federalism noted in the literature, it is important to note that the two “approaches are more complementary rather than competing” and that no clear boundaries exist between the them (Weingast, 2009). In fact, second-generation fiscal federalism is still an emerging topic and a general theory for it has not yet been defined (Weingast, 2014). The difference is that second-generation makes more explicit the assumptions that undergirded the first generation of fiscal federalism such as the “various political impediments to the efficient assignment and production of public goods” to better inform how decentralization policies are designed moving forward (Weingast, 2009). Second-generation fiscal federalism also emphasizes local taxation authority in providing local governments with bargaining power and a resulting degree of independence from the center (Weingast, 2006). It is also believed that by allowing subnational governments to retain a larger portion of local revenues from property taxes and user fees for example, there will be greater incentives for local governments to provide market-enhancing public goods as well as promote local economic growth (Weingast, 2006).

An intriguing conundrum that surfaces regarding the merits of fiscal decentralization in developing countries is “whether a ‘good’ fiscal decentralization

is one which better achieves the goals of the central government...or one which frees local governments most from central dictates” (Bird and Vaillancourt, 2008). Many developing countries indeed pursue fiscal decentralization to support basic investments such as roads, water, sewage and electricity provision at the local level, for example, while others are turning to it “as one possible way of escaping from the traps of ineffective and inefficient governance, macroeconomic instability, and inadequate economic growth in which so many of them have become mired in recent years” (Bird and Vaillancourt, 2008). Fiscal decentralization can consequently be assessed from two distinct perspectives (Bird, 1993). The first is a top-down approach that eases the burdens of central government by shifting responsibilities downwards to subnational levels of government, to improve allocation or “to increase the level of national welfare” (Bird, 1993). From this vantage point, fiscal decentralize is assessed on the merits of how well it serves the policy objectives of the central government. The second approach is bottom-up and emphasizes improved governance by way of allocative efficiency, enhanced local responsiveness and increased citizen participation in political processes. It is within this bottom-up approach that Oates’ decentralization theorem is situated (Bird, 1993).

The Role of Intergovernmental Transfers in Fiscal Decentralization

Intergovernmental transfers are a multifaceted component of fiscal decentralization that is “at best only one element of a broad program required to

promote equitable in-country growth” (Schroeder and Smoke, 2003). As such, intergovernmental transfers can:

- Make up for fiscal imbalances at subnational levels of government;
- Be used as a tool of national redistributive goals;
- Assist in offsetting the fiscal gaps between different localities throughout a country;
- Promote local expenditure on goods and services that can either have positive externalities (given that it is the role of the central government to internalize spillovers), or
- Promote the delivery of basic goods and services that should be provided equitably regardless of the user’s ability to pay (Schroeder and Smoke, 2003; Shah, 2007).

The majority of intergovernmental transfer policies are developed with the intention of meeting some or all of these goals (Bird, 1993; Schroeder and Smoke, 2003). For these reasons, it is essential that intergovernmental transfers be well integrated into broader systems of intergovernmental finance (Schroeder and Smoke, 2003). Further, the allocative efficiency argument for fiscal decentralization has two sub-objectives as it pertains to intergovernmental transfers because transfers are intended to “encourage local governments to spend their limited resources carefully and in the most productive way possible” while also being careful to not interfere with “how subnational governments allocate resources” (Schroeder and Smoke, 2003). Even though transfers are meant to deliver resources

throughout a country in a way that factors in varying expenditure needs, as well as the different levels of fiscal capacity across jurisdictions, sometimes the intended objectives of intergovernmental transfers “conflict with each other, so that constructing a transfer system requires careful consideration of trade-offs among the various goals it may seek” (Schroeder and Smoke, 2003; Shah, 2007). Ultimately, intergovernmental transfers are also meant to alleviate the fiscal pressure that subnational governments are faced with while also supporting them to improve efficiency, minimize costs and to exercise fiscal responsibility (Bird, 2003; Kitchen, 2007).

The research does not agree about the importance that local taxation and intergovernmental transfers respectively play in the definition, nor the optimal design, of fiscal decentralization policies (Azfar et al., 1999; Bahl, 2008; Oates, 2006; Prud’homme, 1995). Whereas Prud’homme (1995) argues that fiscal decentralization allows local governments to “raise pure local taxes and undertake pure local expenditures without the benefit of central government transfers,” Azfar et al. (1999), Bird and Vaillancourt (2008), Bahl (2008) as well as Schroeder and Smoke (2003) emphasize that central governments are more adept at tax collection given the lack of capacity and diminishing resource base at the local level in most developing countries. This disparity emphasizes the need for intergovernmental transfers in bridging fiscal gaps or in returning a portion of centrally collected revenues back to the localities they were taken from (Azfar, et al., 1999; Bahl, 2008; Bird and Vaillancourt, 2008).

According to Bird (1993), the design and implementation of intergovernmental transfers comprise of one of “the most important decisions in local government finance” (Bird, 1993). There are three considerations that must be made in the design of any type of intergovernmental transfer policy (Schroeder and Smoke, 2003). The first is a matter of how the central government will determine the total amount that will be transferred to subnational governments. This can be a preset amount of central government revenues that remains relatively consistent across fiscal years. However, this approach decreases some of the control that central governments have over their macroeconomic stability and is just not typically employed as much. Central governments can also decide how much they will transfer based on subnational spending objectives (Kitchen, 2007; Schroeder and Smoke, 2003). Lastly, central governments can decide how much to transfer during their annual budgeting processes. While this approach allows for maximum flexibility on the part of central governments, it generates uncertainty on the part of subnational governments since their needs and the ability to address those needs is consequently left to the whims of central dictates (Schroeder and Smoke, 2003).

The second consideration that ought to be given to the design of intergovernmental grant transfers is how to allocate the resource pool across all eligible localities. In this regard, central government’s can opt to employ a tax-sharing transfer, as alluded to previously, where a portion of taxes collected by the central government is returned to subnational governments. Cost-sharing intergovernmental transfer options for pre-approved subnational priorities are also viable where a subnational government takes up some of the expense and the rest is

either matched or subsidized by the central government. Formulaic transfers have some popularity because they are easier to evaluate, though it is often difficult for developing countries to institute these transfers due to insufficient data, among other concerns (Kitchen, 2007; Schroeder and Smoke, 2003). Lastly, central governments can make ad hoc decisions in terms of how much of an intergovernmental transfer is allotted to subnational governments.

Finally, how the funds will ultimately be used must be accounted for in the design of intergovernmental transfers. Sector-specific transfer allocations (also known as conditional intergovernmental transfers) though useful, can unintentionally restrict the autonomy of subnational governments in addressing their constituents needs, particularly if funds are allocated for one purpose but could best be utilized in another sector based on population preferences (Kitchen, 2007; Schroeder and Smoke, 2003; Shah, 2007). Interestingly, Kitchen (2007) states, “unconditional grants are often based on population, a poverty index, or both. They are not based on the size category of the municipality” (Kitchen, 2007). Specific purpose intergovernmental transfers are also an option though they are even more limiting than the sector-specific transfers. General-purpose allocations provide “a subnational government full autonomy over the use of transferred funds (within the legal limits of decentralized functional responsibilities)” (Schroeder and Smoke, 2003). This approach is the closest to devolution since it offers maximum authority to local governments in the use of intergovernmental transfers they receive from central authorities.

Fiscal decentralization is therefore an appealing policy tool to many developing countries because of its ability to promote efficient governance, macroeconomic stability as well as encourage economic growth (Bird, 1993). Along with the traditional merits of decentralization, fiscal decentralization is also specifically sought after in terms of its ability to make “a clearly positive contribution to the functioning of the public sector” (Oates, 2006). Fiscal decentralization is unique in its consideration of a country’s decision-making institutions as a significant component in arriving at efficient budget outcomes across levels of government (Oates, 2006). Consider that the design of intergovernmental transfers is fundamental to government administration in terms of transfer delivery. Conditional transfers are typically administered by sectorial ministries where coordinating across agencies may complicate or even compromise the ability to track expenditures from the transfers in that “different central government ministries often use very different access, allocation, and reporting rules” (Schroeder and Smoke, 2003; Ramirez et al., 2006). This requires that serious consideration be given towards the development of accompanying administrative decentralization policy to bolster the gains to be had from fiscal decentralization. Also consider that since the majority of developing countries rely on international donors for funding, intergovernmental transfer programs may be created outside of “the regular administrative operations of [a country’s] intergovernmental fiscal system” with separate mechanisms and without a strategy to eventually integrate these measures into “regular government operations because the donors do not

trust the existing government system to manage the resources properly” (Schroeder and Smoke, 2003).

Institutional development is thus fundamental to a solid fiscal decentralization policy with gains to be had in multiple realms throughout a developing country. If institutional development is not taken into consideration in the design of these intergovernmental grant transfers however, this policy tool can instead generate counterproductive outcomes such as:

- ‘transfer dependency’ where the increased reliance on the part of local governments towards the central government makes localities reluctant to generate their own revenues,
- “local capture” by a small local power base rather than disseminated to the broader population as intended,
- soft budget constraints/the ‘raiding of the fiscal commons’ where an inefficient use of intergovernmental grants creates a scenario where central governments are cornered into bailing out local governments for the wellbeing of the rest of the country (Bird and Vaillancourt, 2008; Oates, 2006; Rondinelli, 1989).

Essentially, though decentralization can certainly be advantageous to developing countries, it has to be acknowledged that it can also create harm if it is not applied well (Prud’homme, 1995). It is important to note that these outcomes are not inherent to decentralization itself as a concept. Rather, decentralization requires a simultaneous approach to evaluating the organizational arrangements,

capacity and commitment to institutional development within the decentralization process itself in order for its gains to be realized (Rondinelli, 1989). This component is so crucial that Oates (2008) declares, “the design and operation of systems of intergovernmental grants in a political setting is an issue of the first priority in fiscal federalism; we need to devote more attention to it” (Oates, 2006). Even Prud’homme (1995), who is cited above for upholding the merits of local taxation for local service delivery without a need for intergovernmental transfers, acknowledges that intergovernmental transfers will have to be embraced as part of any decentralization policy especially since the taxing ability of local governments is not sufficient to meet all of their population’s needs.

The Centralization – Decentralization Dichotomy

Hutchcroft (2001) makes the argument that decentralization policies are often sought after to strengthen democratic and developmental goals though decision-makers and policy stakeholders often employ decentralization initiatives without having first “define[d] more clearly what is meant by the terms ‘centralization’ and ‘decentralization’” (Hutchcroft, 2001). As it stands, the literature tends to posit centralization and decentralization as either-or political realities, though real-world scenarios often present a hybrid of the two (Kee, 1977). Some of the research reveals that the concern is less about whether or not decentralization should occur and more about which governmental functions should be decentralized, within which sectors and to what region (Azfar et al., 1999; Miller, 2002; Oates, 2006; Prud’homme, 1995; Rondinelli, 1990). In fact, “all governments

have a mixture of centralized and decentralized functions” (Rondinelli, 1990).

Despite this, there is no prevailing understanding of exactly what should be decentralized and how (Rondinelli et al., 1989). The centralization – decentralization dichotomy then appears to be a false one.

Consider one of the aforementioned concerns that decentralization can be subject to local capture, where a powerful local elite dominates the increased authority that has been devolved to subnational governments (Brutzkus, 1975; Smoke, 2001; Weingast, 2009). This further supports the idea that a strong central government is crucial to the successful implementation of any decentralization policy. A strong central government is needed to provide oversight in curtailing harmful opportunistic behaviors, on the part of local interests (Oates, 2006). At the same time, Bardhan (2002) posits that decentralization is particularly salient for transitional and developing economies because the level of sophistication required for unitary governments to govern large territories is what often leads to inefficient or corrupt governments (Azfar et al., 1999).

Opponents of decentralization maintain that decentralization can increase disparities among regions while more centralized forms of government are better able to instead achieve economies of scale (Azfar et al., 1999; Kee, 1977; Prud’homme, 1995). The argument stands that a local jurisdiction can look to ameliorate income inequalities within its locality but it is central government that can best address regional inequalities between different jurisdictions particularly because of the spillovers that can occur from one jurisdiction to another under centralization (Bird, 2003; Oates, 2006). Additionally, the inter-jurisdictional

competition that decentralization is said to promote can also contribute to heightened disparities between regions (Prud'homme, 1995). Prud'homme (1995) also challenges the efficiency argument of decentralization by maintaining that developing countries are unable to achieve this outcome because this claim "focuses entirely on demand efficiency and ignores supply efficiency" (Prud'homme, 1995). The lack of resources or public goods within a developing country's locality has less to do with the respective desires and preferences of local citizens and simply stems from the ability of local jurisdictions to provide their basic needs (Prud'homme, 1995). Additionally, he argues that local elections in developing countries are less about selecting the best candidate to advocate on behalf of citizen interests and more about choosing someone based on connections, party affiliation, ethnic relations, and the like (Prud'homme, 1995).

Fundamentally, it is the spillover component, as well as the heterogeneity of goods provided, that is at the crux of the centralization-decentralization debate (Besley and Coate, 2003; Oates, 2006). Rondinelli (1989) concludes that central governments in most developing countries are not concerned about efficient service delivery, nor do they "perceive citizens as their clientele and consequently they do not define their major functions as satisfying citizens' needs and demands" (Rondinelli, 1989). Instead, central governments maintain a preoccupation with capital-intensive infrastructure development without much concern for the maintenance of these projects beyond their tenure in office (Rondinelli, 1989). Part of the challenge is that decentralization advocates assume that central government cannot or is unwilling to provide heterogeneous public goods according to local

interests per the decentralization theorem (Oates, 2006). Besley and Coate (2003) however, instead model a centralized system where regions are able to receive different levels of public services and thereby posit that a push for decentralization under this scenario would “stem from political economy considerations” rather than the central governments inability to provide more nuanced and locally appropriate goods and services (Besley and Coate, 2003). Besley and Coate (2003) further underscore the role of politics in influencing what they call a “trade off between centralized and decentralized provision of local public goods” (Besley and Coate, 2003). Rondinelli (1989) maintains that central government involvement in service provision actually serves to weaken a local government’s ability to raise enough revenue and to serve their localities from their own budgets.

Nonetheless, moving away from this centralization-decentralization dichotomy offers an opportunity to instead “reshape relations between capital and countryside in disparate settings throughout the world” (Hutchcroft, 2001). It is important to note that decentralization does not make the central government irrelevant. Nor is it intended to reduce its role (Prud’homme, 1995). In fact, a strong center is needed to increase the likelihood of decentralization’s success (Miller, 2002; Oates, 2006). The conclusion that central government should maintain sole responsibility for the redistribution of income is one that is upheld by a significant portion of public finance literature, according to Prud’homme (1995) though scholars like Bird (1993) refute this. It is therefore essential that responsibility and authority be transferred to local governments “that have the critical mass required to use them effectively” and “the powers transferred from central to local

governments [do] not jeopardize the efficiency of the central government”(Prud’homme, 1999).

Hutchcroft (2001) also makes an important contribution to the literature by highlighting the lack of a comprehensive framework by which the relationship between central and local governments could be better evaluated within a country’s political-administrative system. As a result, the author surveys two distinct bodies of literature, the first grounded in public administration and the second in political structures and arrangements. In so doing, Hutchcroft (2001) first demonstrates how the two disciplines individually approach the concepts of centralization and decentralization prior to merging them into a continuum that he develops in order for countries’ respective experiences with centralization and/or decentralization to be better situated. Hutchcroft then goes on to make an invaluable contribution to the field by creating a matrix that serves as an initial framework within which the merits of decentralization can be evaluated so as to determine when it may be an appropriate response and when it may not be. Keep in mind that the author readily acknowledges that the intent is not to provide exact specifications on when decentralization is warranted but rather to contribute a more robust framework to the literature that can then be tested in a country-specific context. In this way, Hutchcroft (2001) endeavors to create greater synergy between centralization and decentralization whereby better policy outcomes can emerge.

A Brief Overview of Decentralization in the Caribbean

The ongoing challenge facing developing countries throughout the Caribbean is that they have inherited centralized forms of government from their colonial predecessors that were not initially designed to serve the masses (Boswell, 1960; Cross, 1979; Galiani and Kim, 2010; Miller, 2000; Miller, 2002; Smoke, 2001).

Central authority in colonial societies served the primary purpose of upholding the interests and well being of a small but powerful class of landowners, with a particular effort to curtail the involvement of local governments and populations from decision making processes (Bardhan, 2002; Miller, 2000; Miller, 2002).

Decentralization was, and is often still viewed as, a threat to central bureaucratic structures because of this. Unfortunately, this perspective limits the development capacity of underdeveloped countries because the claim that centralized governments are better for economies of scale has often proved to be “more theoretical than real, as the extended chain of command and remoteness from the action scene which characterizes centralized operations often result in poor decision-making” among other harmful outcomes (Miller, 2000). As a result, structural change is warranted for the advancement of Caribbean governance institutions (Miller, 2002).

Miller (2000) reviews the level of decentralization among several Caribbean nations and assesses the differences between them based on size, population, colonial influence and political circumstances. Of the countries assessed, what he finds is that Barbados lacks a local government system, Haiti did not have a local government system until 1987, and that Jamaica and Trinidad and Tobago have the

most encouraging records concerning decentralization. Jamaica's Local Government Reform Programme (LGRP) was employed in 1989 with the primary goal of engaging civil society in local governance. Its objectives were to enhance the democratic process, ensure local citizens have appropriate mechanisms to engage in decision making opportunities, to improve public service delivery, and to "achieve a better division of labour between Central and Local Government, in which the Centre will focus on national policy making, planning, setting standards and macro issues, while Local Government will be responsible for operations/implementation at the local level for micro issues" (Miller, 2000). The LGRP was introduced by way of a backlash after Jamaica's local government system was dismantled in 1985. Decentralization was then upheld through a series of legislative reforms designed to increase the autonomy of local governments and to remove "the powers of Central Government to arbitrarily dissolve/dismantle local governments" (Miller, 2000). LGRP also established Parish Advisory Committees that evolved into Parish Development Committees to enable a form of participatory budgeting at the local level, to work with local authorities on the formulation of development plans, and to coordinate public and private sector initiatives towards improved economic growth at the parish-level.

In observing how decentralization has fared in the larger Latin American countries, it has often been found that "in larger states, [decentralized] functions extend to sanitation, road/drains, public health, markets/abattoirs, and zoning control, while in small states it is confined to community related affairs and projects" (Miller, 2000). Latin American countries, like Caribbean nations, have also

inherited centralized governance models from their colonial past, though many countries in that region, such as Brazil, Argentina and Colombia, have been pursuing widespread decentralization efforts since the 1980s (Stein, 1999). The pursuit of decentralization among Latin American countries has been less about increasing citizen participation but has been primarily driven by political motivations looking to better distribute power and responsibilities between central and subnational governments as well as the need to better structure the intergovernmental fiscal relationship between the two (Willis et al., 1999).

Furthermore, Willis et al. (1999) make the claim that a country's political structure, in terms of how and why political parties form, determines how decentralization has unfolded because of the levels of bargaining power that either central or subnational governments have in influencing how these policies are implemented. For example, Brazil has been found to be the most decentralized Latin American country where constitutionally mandated revenue transfers from central to subnational governments have been in place since 1983 (Willis et al., 1999). At the same time, because of a lack of clarity regarding the distinct roles between central and subnational governments under a decentralized governance framework, decentralization has exacerbated Brazil's fiscal challenges where local governments over utilized their ability to receive central government transfers without necessarily increasing the services they provided to their localities. These additional funds instead went to political party interests rather than to improved governance at the local level (Willis et al., 1999).

Summary

This literature review has sought to examine the usefulness of decentralization, and fiscal decentralization more specifically, in improving service provision, resource allocation and government efficiency as a potential way to mitigate the perils of uncontrolled urbanization in least developed countries like Haiti. Remarkably, in exploring the utility of fiscal decentralization as a policy tool for the Haitian state, a recurring theme that almost all of the authors have brought up is that the design and implementation of fiscal decentralization measures have to acknowledge that the structure of a country's public sector "reflects its history, its geography, its political balance, its policy objectives, and other characteristics that vary sharply from country to country" (Bird, 1993; Bird and Vaillancourt, 2008; Conyers, 1984; Oates, 1993; Smoke, 2001). The following chapter will provide a historical overview of centralization and decentralization in Haiti.

Chapter 3

Historical Background: The Haitian Case

Haiti's Quintessential Primate City – 'The Republic of Port-au-Prince'

Though Haiti departed early from the colonial world order, having declared independence from France in 1804 to become the first black republic in the world, instances of urban primacy in pre- and post-colonial Haiti mirror the patterns of spatial development found across the Caribbean (Laguerre, 1987). In Haiti, however, the post-colonial legacy of race and social stratification resulted in the creation of a newly independent but problematically classist society – one that Lundahl (1989) and Fatton (2002) define as a predatory state. Within this system, the facade of the state existed only so that a small light-skinned elite could garner wealth and power through patronage, leaving darker-skinned Haitians to fend for themselves and allowing short-term gains for some individuals to prevail over long-term societal development (Fatton, 2006). The spatial consequence of Haiti's socioeconomic and sociohistorical realities was that the poor black masses, *moun andeyo*, were relegated to rural areas while the wealthier elite, *moun lavil*, dominated Haiti's central city (Cross, 1979; Truillot, 2000). Members of Haiti's rural population were effectively sequestered from decision-making processes in the capital and not allotted full recognition as Haitian citizens, even though their agricultural production remained an important part of the Haitian economy. Furthermore, "it seem[ed] to be part of the strategy of the political élite to leave the roads in ruins and the rural areas isolated from the capital and the outside world...[as] an excellent vehicle for social and political control" (Yarrington, 2015). The question of how to reconcile these deep and persistent intergroup divisions in Haiti's postcolonial order has yet to be addressed. Today, the primacy of Port-au-

Prince is continually reinforced by the centralization of political institutions and resources in the capital, which in turn fuels patterns of urbanization, compelling poor, rural Haitians to attempt to make their livings at the margins of Port-au-Prince (Fatton, 2006). For these reasons, Lundahl (1992) argues that it is not possible to discuss modern-day Haiti without a close examination of the political and socioeconomic dynamics that have characterized the Haitian state. At the same time, it is important to note how these realities have manifested themselves spatially (Fatton, 2002; Laguerre, 1987; Lundahl, 1989; Lundahl, 1991).

Another critical feature of the primate city is how it “functions both as a center where rural migrants move to, and also as a periphery from which urbanites migrate to the United States” (Laguerre, 1987). Port-au-Prince is undoubtedly the main point of departure for emigrants looking to relocate to diasporic communities in Miami, New York, Montreal, and Paris among others. It is also the landing point for most of the external entities from the private and non-profit sectors that operate within the country (Laguerre, 1987). Close attention to these network dynamics is necessary to better understand “the structure of local economies and labor forces, trade composition and flow... foreign investment and its forward and backward linkages, municipal political structures and so forth” (Kasarda and Crenshaw, 1991). Ultimately, in order for the Haitian state to better serve its existing populations, the advancement of “viable secondary and tertiary cities” which will result in “the decentralization of public services” will have to be an important point of consideration (Kasarda and Crenshaw, 1991). Decentralization would also address

the over-urbanization of Haiti's primate city (Cantave et al., 2000; Kasarda and Crenshaw, 1991).

Decentralization, State Reform, and the Haitian Constitution of 1987

Bird (2003) as well as Schroeder and Smoke (2003) emphasize that the objectives and context of decentralization within a country, as well as the component parts of the systems and dynamics inherent in that country, must be understood "before analyzing any component of the process" (Bird, 2003). For Haiti, decentralization as a development tool gained its modern-day prominence at the end of the 29-year father-son Duvalier regime in February 1986 (Lundahl, 1991; Truillot, 1990). The subsequent Constitution of 1987 calls for a reorganization of the Haitian state as a means of departing from its dictatorial legacy. Within the constitution, decentralization and participatory democracy are put forth as fundamental to this reorganization (Cantave et al., 2000). Beginning in the preamble, the constitution heralds decentralization's promise of "ensuring the separation and the harmonious distribution of the powers of the state at the service of the fundamental interests and priorities of the Nation" (Constitution of 1987; Smucker et al., 2000). Acknowledging that the centralization of power and resources in the hands of a few has led to the disenfranchisement of rural sections outside of the capital, the Constitution calls for a new Haitian state that endeavors to serve these communities and their respective populations through administrative and territorial reforms. The document's wording is intended to ensure that every region of the country has access to basic public services, as well as the right to full

participation in the affairs of the state. Decentralization in a Haitian context is therefore defined as:

- The central government sharing its powers with local and regional authorities as well as providing them with the technical and financial resources necessary to effectively participate in the state's decision-making processes;
- The creation of local and regional assemblies and councils to be headed by leaders for which the population has the unobstructed and legitimate right to vote;
- The ability of local and regional leaders to actively engage in formulating and executing development plans for their territories towards improved public service delivery as well as the right of these localities to generate revenue from their populations in support of these communal development plans while receiving financial and technical support from the central government in these efforts;
- A comprehensive reform of the Haitian state that fundamentally changes the relationship between the government and the governed, leading to the full participation of all Haitian citizens in every aspect of Haitian life (Cantave et al., 2000, Constitution of 1987, Articles 71 and 84.4).

It is in these ways that the post-Duvalier constitution makes an appeal for decentralization in order to deliver public services more efficiently to every citizen

throughout the country, regardless of where they are located. The document also seeks to promote transparency and inclusion for all its citizens in Haiti's public life.

Territorial Collectivities

The Constitution of 1987's creation of *collectivités territoriales* serves as the basis for the decentralization to be carried out in Haiti (Constitution of 1987-Article 61; Cantave et al., 2000). The collectivities are geographical boundaries that establish local and regional jurisdictions with corresponding assemblies and councils, and they were created to enhance how the state delivers services, while also providing a mechanism by which populations could more directly engage with elected officials at every level of governance through the central government itself. *Section communales*, or communal sections, are the most local geographic unit in Haiti, while *communes* are comprised of multiple communal sections and *departments* most closely resemble counties in the United States.

Each collectivity, according to the Constitution of 1987, was designed to operate independently of but in collaboration with the others. At the level of the communal section (*seksyon kominal*), the constitution created a *council for the administration of the communal sections* (*konsèy seksyon kominal* - KASEK or CASEC) and an *assembly of the communal sections* (*asanble seksyon kominal* - ASEK or ASEC). Representatives for each of these are to be voted in during general elections. For communes, there was to be a *council for the administration for the commune* or *konsèy minisipal*. The *konsèy minisipal* was also to participate in general elections.

The communal assemblies (*asanble minisipal*)², however, were to be comprised of a representative indirectly selected from each ASEC as well as all the village delegates (*delege du ville*).³ The departmental assembly (*asanble depatmantal*) was to be comprised of members indirectly selected from the communal assemblies of each of Haiti's ten departments, and the departmental assembly⁴ would then elect one of its members to serve on the departmental council (*konsèy depatmantal*) (Cantave et al., 2000; Constitution of 1987, Article 87.2; Ramirez et al., 2006). Lastly, the departmental council would send one of its members to become part of the interdepartmental council (*konsèy entèdepatmantal*). Article 87.2 on the Constitution of 1987 furthers this spatial and administrative dimension of decentralization by tasking the interdepartmental council with collaborating with the executive branch of government in developing studies, plans, and projects that would enhance the "decentralization and development of the country from a social, economic, commercial, agricultural and industrial standpoint." Figure 1⁵ graphically displays the reorganization of the Haitian state as envisioned by the Constitution of 1987.

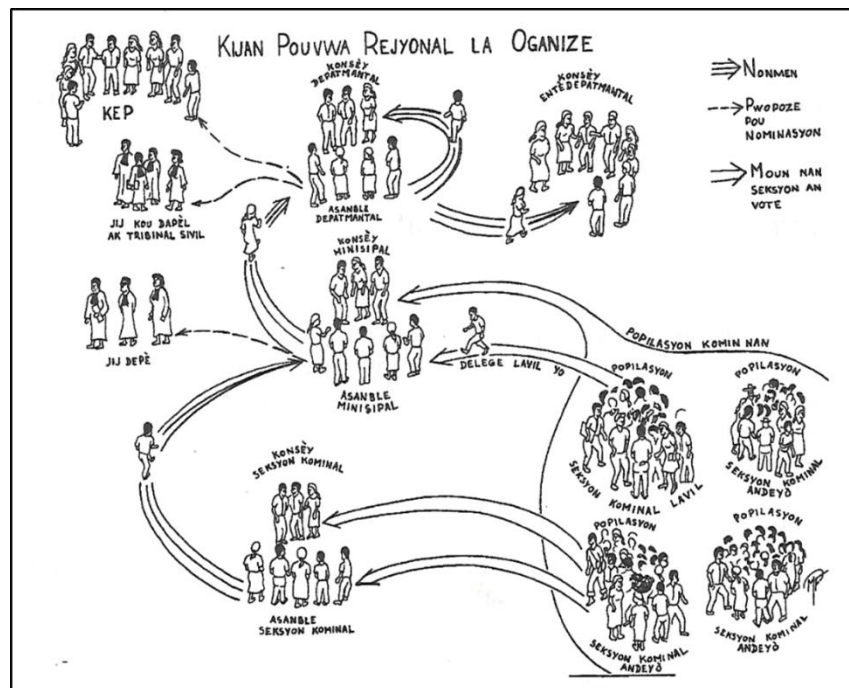
² The municipal assembly is also tasked with nominating judges for the Justice of the Peace (*jij depè*).

³ Given that the city center does not have an ASEC because it is not a communal section, a village delegate is elected to represent the population living in the more urbanized portion of a commune.

⁴ The departmental assembly is also tasked with nominating a member for the permanent electoral council (*konsèy electoral permanent*) as well as judges for the Court of Appeals and Civil Tribunal (*jij kou dapèl ak tribunal sivil*).

⁵ The text within the image is in *krèyol*, though translations to key references in the diagram were provided in the preceding discussion.

Figure 1. How Regional Power is Organized (*Kijan Pouvwwa Rejyonal La Oganize*).



Reproduced with permission from Cantave et al. (2000).

Even though the constitution created the territorial collectivities as the means for decentralization throughout Haiti, it failed to define the responsibilities of the collectivities, how their councils and assemblies would function, and the tools they would have at their disposal to achieve their plans for development (Cantave et al., 2000; Ramirez et al., 2006). The councils and assemblies themselves have never been established (Ramirez et al., 2006). This is particularly problematic given that “the Constitution relies heavily on the installation of assemblies as the key to decentralized governance, and to the dilution of executive power at the center” (Smucker et al., 2000). Ramirez et al. (2006) conclude that “one of the most feared institutions of the decentralization framework is the [Interdepartmental Council],

because of its impact in both the executive and legislative branches of the government...the [Interdepartmental Council] has direct access to the executive and the national cabinet without going through Parliament” (Ramirez et al., 2006). Both the real and perceived challenges that the Interdepartmental Council would present to the concentration of power at the central level (within both the executive and legislative branches) is one of the main reasons that the political will for decentralization as a concept is hard to come by among central government officials, even though “political will is without a doubt the pivotal factor in decentralization” (Smucker et al., 2000; Interviewees 2017).

Essentially, it was assumed that decentralization would allow for improved power sharing across levels of government and territories, advance national development objectives, and enhance public service delivery throughout the country in post-Duvalier Haiti. The eventual achievement of such goals is one of the reasons decentralization is often sought after in developing countries more generally. Decentralization in Haiti, however, has yet to be fully operationalized. The political will to enact these changes has also been hampered by the often contradictory and sometimes incomplete nature of most of the local government laws passed since the 1987 Constitution (USAID, 2018). Many contain provisions that are unconstitutional, in that they directly oppose the increased local autonomy called for by the Constitution by, for example, requiring central government oversight of development funds. Other laws have only been partially implemented.

Decentralization Laws of 1996

Following the 1994 return of President Jean-Bertrand Aristide from exile and peaceful elections in 1995 but prior to the crippling political crises that would surface in the late 1990s, the 46th legislature benefited from a sense of optimism and a renewed commitment to democracy (Olson et al., 1999; Ramirez et al., 2006; Smucker et al., 2000). Nonetheless, the emergence of three decentralization laws in 1996 illustrates the difficulty in fulfilling the constitutional promise of a decentralized Haitian state, notwithstanding the euphoria of that moment.

First, the Law of April 4th, 1996, on the organization of communal sections, sought to implement the constitutional requirements for local representation and improved local governance. The law's major flaw was a reliance on the passage of additional pieces of legislation, which effectively made it incomplete on its own. Other challenges include "an electoral requirement to elect slates (*cartels*) rather than individuals...[which] tends to undercut the principle of localism and locality representation with the section," in that external factors such as national political affiliations take precedence over local interests (Smucker et al., 2000). Additionally, given that the three-member mayoral cartels often form entirely on the basis of consolidating power rather than on, for instance, shared philosophical leanings, winning cartels are often fraught with infighting and disagreements, thus curtailing their ability to effectively govern (Smucker et al., 2000; USAID 2012; Interviewee 2017). Other shortcomings include the law's ambiguity around how much autonomy local authorities have to function on their own, in light of other provisions requiring central government oversight. Additionally, the provisions referring to the

organization of communal section government does not provide an equivalent structure for urban neighborhoods, raising concerns about the lawmakers' commitment to decentralization for Haiti's urban areas (Smucker et al., 2000).

The most pivotal decentralization law of this era was the Fils-Aimé Law of 1996, which led to the creation of an intergovernmental transfer *Fonds de Gestion et Développement de Collectivités Territoriales* (FGDCT), meaning “the fund for the operation and development of the territorial collectivities” (Ramirez et al., 2006; USAID, 2018). Introduced by Alix Fils-Aimé, then the *député* (parliamentarian) of the Port-au-Prince communes of Kenscoff and Petionville⁶, the legislation as first proposed had three primary components. Firstly, the law was to redefine administrative processes and functions throughout the Haitian state with clear corresponding budgets and salaries. Secondly, Fils-Aimé attempted to increase funding at the local level available for planning studies that could stimulate development throughout each of Haiti's ten geographic departments. Thirdly, the law was to facilitate investments based on economic partnerships with Haiti's diaspora populations, exploiting their consistent engagement with the populations they left behind through, for instance, hometown associations, local projects, and steady remittances. Fils-Aimé shared with me during a May 2017 interview⁷ that the essence of what he proposed was that it was necessary to provide the financial means to stimulate development as a starting point and that his eventual intention

⁶ At the time, these two communes were represented by one parliamentarian. Today, they each have their own parliamentarian.

⁷ Fils-Aimé agreed to be identified in my study, as he is a public figure.

was to grapple more directly with decentralizing the state after the creation of the departmental development plans. According to Fils-Aimé, decentralization is a tool meant to bring populations together and create opportunities for them to pursue their own development in a reasonable manner. Fils-Aimé's proposed law was the first explicit attempt to increase the autonomy and development of Haiti's localities since the Constitution of 1987. Prior to its introduction, local governments were not empowered to know what their funding sources were or how much they were to expect from the central government from year to year (Olson et al., 1999). The Fils-Aimé law was also the first in Haiti's history to have been proposed by a parliamentarian.

Despite his original proposal, what was actually published in *Le Moniteur* on July 18th, 1996, as Fils-Aimé's FGDCT law was a general-purpose intergovernmental transfer with the goal of supporting administrative management training programs and the management of loosely defined development plans. In the policy-making process, an executive decision was made to move Fils-Aimé's proposal into the budgeting process rather than evaluate it as a standalone law, under the assumption that fiscal responsibility in Haiti lay exclusively within the executive branch of the government. As a result, Fils-Aimé was not granted an opportunity to build a case and obtain support for his proposal in parliament; instead, only components of what he proposed – components determined by the executives – were what became law.

The third of the 1996 laws, published that September, provided specific details about how FGDCT would be financed as well as how the funds would be disbursed (Ramirez et al., 2006; Republic of Haiti, 1996; Smucker et al., 2000).

Interestingly, the law creating FGDCT also called for an eleven-member commission to manage it (though this component was terminated by executive decree on January 11th, 1999) and moved the management of this intergovernmental transfer to the Ministry of Interior (Smucker et al., 2000). Ramirez et al. (2000) finds that not only is the FGDCT ineffective in meeting the needs of local governments, since the Interior Ministry “does not apply any criteria to allocate FGDCT resources,” it is also clear that “the [Interior] Ministry never has distributed the total amount of allocated resources.” Rather than bolster local development as intended, FGDCT has become a line item in the central government, subject to the whim of decision makers at the expense of the communes it was initially intended to support (Denizé, 2002; USAID, 2012; USAID, 2018).

Regarding the implications of fiscal decentralization and improved local governance in Haiti, Smucker et al. (2000) state that the “central government allocation of funds is the quintessential litmus test of central government political will” (Smucker et al., 2000). Remarkably, the authors posit that “Parliament could significantly advance the cause of decentralization via the budgetary process alone, without waiting to pass additional enabling legislation” (Smucker et al., 2000). Smucker et al. (2000) also maintain that “the budgetary process is also the most accessible tool for promoting decentralization at the center. This includes (but is not limited to) the legally constituted FGDCT” (Smucker et al., 2000). This suggestion raises the question of whether fiscal decentralization can occur in Haiti – on the grounds of efficiency and improved allocation – in the absence of a political framework.

United States-Led Decentralization Efforts in Haiti

1995 – 2012

Bilateral United States Agency for International Development (USAID) support for decentralization in Haiti dates from the 1990s with the inception of its Democracy Enhancement Project (DEP), which ran until 2000 and encompassed at least two local governance programs including PACTE (*Programme Appui aux Collectivités Territoriales*) from 1995 – 2000. Despite several episodes of political strife and instability in the late 1990s and early 2000s, USAID's more recent efforts in assisting decentralization in Haiti have been enacted through the LOKAL (*Limiyé ak Òganizasyon pou Kolektivité yo Ale Lwen*) program. LOKAL was a component of USAID/Haiti's "2005-2010 strategy under the *Governing More Effectively and Democratically* Strategic Objective with the more focused objective of making local governments more democratic, transparent and effective in providing services to their communities" (USAID, 2012). The program ran from December 2007 through January 31st, 2011, at a total cost of \$13,683,091.⁸ LOKAL focused primarily on improving the policy and legal framework for decentralization, reinforcing local government stakeholders' ability to govern and deliver public services adequately, and promoted citizen participation as a way of increasing transparency throughout the program's target communities. The program was beset by political turmoil in early 2008, followed by three successive tropical storms that same year and then the calamitous January 2010 earthquake, which took place at the onset of the

⁸ All dollar amounts in this study are displayed in United States dollars.

program's third year. Post-earthquake, LOKAL redirected resources towards a nine-month Municipal Recovery program, helping to restore the operational capacity of the quake-affected communities that were part of the program while establishing effective ways for local stakeholders to rapidly disseminate public information (USAID, 2012). The earthquake underscored the critical role of local actors in that their proximity to the population enabled them to better identify their communities' wants and needs in the immediate aftermath of the quake, at a time when central government operations were severely debilitated (Interviewee 2017).

The final year of LOKAL's operations therefore saw rejuvenated efforts towards improving participatory planning, municipal budgeting, and revenue mobilization, with demonstrable success (USAID, 2012). Attempts at revenue mobilization highlighted local tax collection as an area for potential gains, considering that tax rolls throughout Haiti are often outdated due to deficiencies in information management, a dearth of public administration tools and technical expertise, and a lack of coordination between the tax authority and local governments. Business taxes (*patente*) and the property tax (*Contributions Foncières sur les Propriétés Bâties [CFPB]*) are the two main revenue sources for municipal governments, so it stands to reason that "increasing revenues from these taxes holds great potential for allowing municipal governments to fulfill their service delivery and public investment responsibilities," particularly in light of the aforementioned lack of transparency and insufficient allocation of the FGDCT intergovernmental transfer (USAID, 2012). Using the commune of Saint Marc and

Carrefour as pilot sites, the LOKAL program created a methodology and set of tools to support fiscal management and tax collection at the local level. Tasks included “conducting a census and valuation of properties; computerizing tax rolls and management systems; [and] providing technical assistance to strengthen tax service’s operational capacity” (USAID, 2012). This more than doubled the number of properties on Saint Marc’s tax roll, from a baseline of 6,000 at the start of this endeavor to 18,943, an increase in property tax revenue of 159 percent in fiscal year 2011. Business tax receipts increased by about 123 percent to \$23,693 in fiscal year 2011, from \$10,636 the year before. Carrefour was able to generate over \$117,154 in property taxes during the first quarter of fiscal year 2012, as compared to the \$40,376 it had collected the prior year by that time (USAID, 2012). This important initiative even resulted in a collaboration with the national Ministry of Interior and Territorial Collectivities regarding the institutionalization of annual budget preparation and review at the municipal level (USAID, 2012).

Whether these gains in local revenue actually resulted in improved public service delivery is a question that LOKAL made early attempts to address by way of participatory planning and the development of municipal support projects. The idea was to provide local stakeholders with an opportunity to obtain “practical experience in the design and implementation of public service improvement initiatives” (USAID, 2012). The goal was also for the municipal investment planning process and project development to be “mutually reinforcing components [that provide] a holistic approach to transparent local public financial management,

development planning and implementation” (USAID, 2012). Nonetheless, the 2012 LOKAL final report states that “time-series data over the life of the project including a control group would have been the most reliable measure of increased local government capacity” (USAID, 2012). My study therefore, though designed differently, is novel in its attempt to answer the question of whether USAID’s efforts to increase local revenue have actually improved the capacity of local officials to deliver better public services to their populations.

2013 – 2017

LOKAL+ was a five-year, \$19.8 million program that endeavored to build on the culminating successes of LOKAL by working directly with nine municipalities⁹ to enhance tax collection, management, and service delivery while also working with central government agencies to bolster the legal framework for tax collection. More specifically, the program’s objectives were to:

- reinforce the capacity of local governments to provide services,
- mobilize fiscal resources to pay for public services,
- improve access to central government funds and resources,
- improve the national legislative framework for decentralization, and
- increase transparency, oversight and accountability of local governments

(USAID Haiti, 2015; USAID, 2018).

⁹ The municipalities initially participating in LOKAL+ were Acul du Nord, Cap-Haïtien, Caracol, Carrefour, Delmas, Kenscoff, Limonade, Ouanaminthe, and Saint Marc (USAID 2014). The program received a one-year extension at the end of 2017, and the commune of Tabarre was added at that time (USAID 2018). The target sites mentioned throughout this study only refer to the original nine communes.

As reference, Figure 2 is an administrative map of Haiti produced by USAID Haiti, which includes eight of the nine LOKAL+ sites.¹⁰

Figure 2. Haiti Administrative Map.



Produced by USAID (April, 2019).

Though the majority of LOKAL+’s work required the engagement of local officials, LOKAL+ operated during a “turbulent period of time disrupted by an inordinately protracted electoral process” (USAID, 2018). As a result of the 7.0-magnitude earthquake that struck Haiti in 2010, local elections slated for that

¹⁰ Though Delmas is not reflected on this map, it is located within the Port-au-Prince capital region.

October were postponed until 2011. Rather than hold these critical elections when he took office in early 2011, the then-newly elected Haitian president Michel Martelly chose instead to appoint interim executive agents in mayoral posts throughout the country. This decision was an unfortunate but not entirely surprising move by the executive. Given Haiti's legacy of authoritarian rule, perhaps Martelly sought to maintain as much control and influence at every level of government as possible instead of ensuring that proper elections took place. Thus, for the first three and a half years of LOKAL+, there were no elected mayors (Interviewees, 2018; USAID, 2018). (In rare instances, the previously elected mayor was allowed to stay on as the interim executive agent during this period.)

At the national level, the Senate did pass a decentralization framework bill in 2013, though "the bill languished in the Chamber of Deputies for the rest of the year and all of 2014" (Interviewee, 2017; Interviewee, 2018; USAID 2014). In 2015, Parliament was dissolved because of delays in national and local elections that were finally held in late 2016. Though the decentralization framework law was added to Parliament's legislative agenda in May 2017, it still had not been voted on as of November 2018 (USAID, 2018). Furthermore, when local elections were finally held in 2016 for the CASECs, ASECs, and *delege du ville*, "elections for these posts were 10 years overdue" (USAID, 2018).

Lastly, there are several other international aid entities working to strengthen local government capacity throughout Haiti that also have a local revenue mobilization component in their projects as well (Interviewees, 2018; Joseph, 2018). These entities include the Canadian government, the United Nations

Development Program (UNDP), the World Bank, the European Union, the Swiss Agency for Development and Cooperation in Haiti, and the French government (Interviewee, 2018; Joseph, 2018). At the same time, a central government official and all four LOKAL+ stakeholders interviewed for this study resolutely declared that USAID was the first international entity to promote local revenue mobilization in Haiti, by way of the LOKAL+ program. Likewise, a report by Oxfam International suggested, “It also seems that other donors have taken advantage of the PACTE¹¹-LOKAL+ experience in integrating the tax aspect to better develop their projects in terms of local governance” (Joseph, 2018).

Summary

This chapter presented the ways in which Haiti continues to grapple with the deeply entrenched racial and class divisions that perpetuate the political, economic and social centralization of resources within the capital of Port-au-Prince despite Haiti’s historic emergence as the world’s first independent black nation over 200 years ago. The spatial reality of this post-colonial legacy continues to impede the progress of the entire country as over-urbanization afflicts the capital while the rest of Haiti declines as a result of this persistent pattern of outmigration to Port-au-Prince. Against this backdrop, the post-Duvalier Constitution of 1987 was a bold, multi-pronged document, which sought to promote better public service delivery

¹¹ Chapter 3 highlighted the PACTE program (1995 – 2000), which was USAID’s first-generation decentralization program in Haiti culminating in LOKAL+ as the third generation of such efforts.

throughout the country, with an emphasis on serving the *moun andeyo* residing outside of the capital. The Constitution endeavored to create local and regional political bodies whose purpose was to encourage the full participation of all Haitians in the affairs of the state. The 1996 Fils-Aimé Law, which established Haiti's first intergovernmental transfer, was a further attempt to promote local development in Haiti. While the law was well intended, a true commitment to decentralization on the part of critical central government actors remains elusive.

Adding complexity to the picture are the 20 years of USAID programing in support of improved local governance in Haiti, most recently with the LOKAL+ program. These efforts have been implemented in Haiti's politically challenging climate, with the additional complication of a series of natural disasters of epic proportion. The rest of this study will assess whether the local revenue mobilization aspect of LOKAL+ was able to positively impact local public service delivery in two of the nine target communes. The following chapter will discuss the research design and methodology of this study.

Chapter 4

Research Design and Methodology

A Case Study Analysis on Decentralization

Abdelhak et al. (2012) stated that “despite the considerable quantity of scholarship devoted to the investigation of the causes and effects of decentralization, the current efforts to collect data on the various aspects of decentralization and local governance have not given rise to a single authoritative methodology.” The authors called for in-depth case studies using a standard methodology that reflects the organizational, fiscal and governmental structures of the subnational governments being evaluated, along with qualitative measures of local government institutions and processes (Abdelhak et al., 2012). The case study method to which they refer is a quasi-experimental “empirical inquiry that investigates a contemporary phenomenon within its real life context, especially when the boundaries between phenomenon and context are not clearly evident” (Yin, 2003). The belief that the setting within which a phenomenon occurs is key to understanding the impact of the phenomenon itself is what necessitates case studies, as compared to experimental research designs where context and phenomenon are divorced in order to control for variables of interest. Even though the investigator has little to no control of the research setting, case studies are still guided by the logic inherent in experimental research designs in order to “explain the presumed causal links in real life interventions” so that “the explanations would link program implementation with program effects” (Yin, 2003). Case studies are also particularly useful in answering ‘how’ and ‘why’ questions with a comprehensive set of tools including direct observation, in-depth interviewing, archival analysis, and quantitative evidence.

In a bid to aid local resource mobilization efforts and support improved local governance, USAID has implemented many programs in countries such as Uganda, Ghana, Albania and Bangladesh (Cravens et al., 2006; Gold and Thorpe, 2015; Smith et al., 2009; Woller et al., 2016;). USAID has also provided funding for World Bank-directed studies on fiscal decentralization and service provision in Zimbabwe, Swaziland, and Zambia, among other countries (Saasa et al., 2000). USAID's LOKAL+ program in Haiti is therefore not novel, as USAID has previously supported local revenue mobilization efforts – a form of fiscal decentralization – for improved public service delivery in other places throughout the world. My study, however, is unique in that the direct appeal for decentralization in Haiti is one that first emerged in the new Haitian Constitution of 1987 – during a time of transition from dictatorship towards the expressed aspiration of becoming a democracy as outlined by this legal document. The free election of mayors, who are critical actors in any revenue mobilization effort, did not emerge in Haiti until the early 1990s, since mayors were appointed by the central government throughout the 29-year father-son Duvalier dictatorship. Consequently, Haiti lacks a long legacy of reinforcing the capacity of local leaders, particularly in terms of tax augmentation in support of public service delivery. It is within this context that my study takes place. It offers general insight into international aid support for local revenue mobilization as a development tool while also investigating whether increased local resources, and the resulting increase in local autonomy, can assist Haiti in overcoming its authoritarian past.

To do this, my study builds on the second-generation theory of fiscal federalism, which “place[s] greater emphasis on the importance of revenue

generation by subnational governments [than does first generation fiscal federalism since] subnational governments that raise a substantial portion of their own revenue tend to be more accountable to citizens, to provide the services people want, to provide market enhancing public goods, and to be less corrupt” (Weingast, 2006). With this in mind, I examined the political and fiscal dynamics (which are at the crux of second-generation theory) at work within the local governments of the target sites of St. Marc – the initial site for USAID’s local revenue mobilization efforts – and in Delmas, considered Haiti’s wealthiest and most successful example of local governance. This framework informed my data collection efforts as well as my analyses.

This chapter now presents the sites selected as the units of analysis, the measures undertaken to collect data, and the approaches used to analyze the data.

Research Question and Hypothesis

This study examines the impact of USAID support for fiscal decentralization, by way of local revenue mobilization, on improved public service delivery in two communes that were targeted for USAID intervention. To this end, this study posed the question: *Have local revenue mobilization efforts, namely by way of USAID technical assistance, improved public service delivery in targeted Haitian communes?*

My hypothesis is that as a result of local revenue mobilization, public service delivery in targeted communes has improved.

Site Selection

Weingast (2006) articulates, within the second-generation theory of fiscal federalism that grounds this study, the “one step ahead” approach where, rather than pursue across-the-board decentralization in a developing country, the goal is to “decentralize in a series of steps. The idea is first to identify a province or region that is most likely to succeed in fostering local economic growth; and then to design decentralization so that this province obtains new authority, incentives, and resources...the purpose of this strategy is to create a demonstration effect that decentralization can work in this country.” Using a rigorous, mixed-methods approach to identifying communes that had “the best chance of sustaining USAID’s assistance” based on criteria such as “potential to collect and manage own source revenue” among others, USAID chose six communes for its Year 1 intervention and added three additional communes in the second year of the program (USAID, 2013).

I selected Saint Marc and Delmas as case study sites from among the nine target communes after taking into consideration the political climate within which LOKAL+ was executed throughout the country. The commune of Delmas was one of exceptions where a previously elected mayor was able to stay on as an interim executive agent throughout the majority of the time that LOKAL+ was being implemented. The mayor stepped down for one year in order to campaign for the 2016 local elections, was re-elected, and is currently the sitting mayor. This consistency in local leadership, which allowed me to better evaluate the role of local capacity, led me to choose Delmas as one of my two units of analysis for this study. (A more detailed context for this site selection is provided below.)

By contrast, though Saint Marc had at least two interim executive agents between 2013 and 2015, before the current mayor was elected in 2016, it was a pilot site for USAID's local revenue mobilization efforts under the previous LOKAL program in 2011, making it one of two intervention sites with the longest-standing technical assistance from USAID in support of this objective. Additionally, St. Marc's location in Haiti's northern Artibonite department allows for regional variation within this study, which was an important factor in assessing the extent to which a locality's proximity to the capital impacted, for example, its relationship with the central government and/or access to resources. Carrefour, which was the second USAID pilot site in 2011 for local revenue mobilization along with Saint Marc, was ruled out as a second site for analysis primarily because, like Delmas, it is situated within the Port-au-Prince metropolitan zone. Carrefour's location would not have provided the regional variation that Saint Marc does, which is essential to upholding the external validity of this study.

Saint Marc

Founded by the French on April 25th, 1695, the Commune of Saint Marc is a port city located approximately 87 miles north of the capital of Port-au-Prince (Office of the Mayor of Saint Marc, 2015). It has six communal sections, about 129 localities, and 124 habitations. The popular beach town Montrouis is located in the first subset of the communal section Délugé. The commune is prone to flooding. There are 39 water access points, 18 of which are rivers. Though there are pockets

of soil erosion here and there, three-fourths of the commune is reported to be in stable environmental condition (Office of the Mayor of Saint Marc, 2015).

With the Gulf of Gonâve to the west and mountainous terrain throughout, the population of Saint Marc is largely concentrated in its urban centers, especially along National Highway 1, which runs from the capital to Cap Haitien¹² in the north. Saint Marc is the second-most populated commune in the Artibonite region¹³ and the fourth densest commune in the country.¹⁴ Its population has increased in the years since the 2010 earthquake, though urbanization was already on the rise prior to this due to historic patterns of rural-to-urban migration. In 2005, the total population of Saint Marc was 209,639 and in 2010 had reached 242,485. By 2014, the population count was 251,213, and just one year later, in 2015, the population of Saint Marc had grown by 15,429 people to a total of 266,642. One of the most notable *saint-marcois* is Jean Baptiste Point du Sable, who founded the city of Chicago, Illinois, in the 1770s.

In terms of public services, Saint Marc has 233 kindergarten, elementary, and secondary schools, along with 14 technical and professional schools. There are 5 hospitals and 30 other health centers and clinics. Saint Marc also has a solid regional presence of national institutions and government ministries. Electricity is available in the urban areas and in a sizable number of the habitations. A hydroelectric

¹² Haiti's second-most populous city.

¹³ Gonaïve is the densest city in the Artibonite department and the third largest commune in Haiti.

¹⁴ As of 2015, there are approximately 479 inhabitants per square kilometer in Saint Marc.

network provides 45 hours of electricity per week as well. Despite all of this, the commune still lacks basic social services and infrastructure.

Delmas

Before a 1982 decree established it as its own commune, Delmas was considered a neighborhood within the commune of Port-au-Prince. Delmas was primarily created for members of the Duvalier regime and initially, it had five communal sections.¹⁵ Today, only one communal section remains¹⁶ and the 27.7-kilometer commune is divided into three major territories. Lower Delmas is a very precarious and vulnerable zone marked by various forms of insecurity, Central Delmas is a dynamic commercial zone comprised of many small businesses as well as major manufacturers, and Upper Delmas is a middle- and high-income residential zone. Delmas remains one of the central communes within the Port-au-Prince metropolitan region.¹⁷ It is home to Haiti's chief international airport,¹⁸ is the primary site for industrialization, and is recognized as the wealthiest and most efficient commune in Haiti (Office of the Mayor of Delmas, 2015). Though Delmas was greatly affected by the earthquake of 2010, within a year it was able to rebuild

¹⁵ The original communal sections of Delmas were Cité-Soleil, Tabarre, Saint-Martin, Varreux 1 and Varreux 2. On November 23rd, 2005, Tabarre and Cité-Soleil grew enough in size to be designated as their own communes.

¹⁶ Ongoing urbanization continues to redefine the boundaries of the subdivisions of the commune, such that today Saint-Martin is the only remaining communal section of Delmas.

¹⁷ There are a total of eight communes within the legally defined Port-au-Prince metropolitan zone.

¹⁸ Haiti has a second international airport in Cap-Haïtien. Construction on this airport was completed a few years after the 2010 earthquake with significant support from Venezuela.

damaged buildings as well as to relocate vulnerable populations, largely due to the responsiveness of its local officials and to the mobilization and utilization of available funds (Office of the Mayor of Delmas, 2015).

The 4,249 commercial establishments within its jurisdiction are comprised of 121 import/export enterprises, 237 warehouses, 160 construction materials and hardware stores, and 24 gas stations. All of this industry sets Delmas apart from the average Haitian commune. Delmas is also home to a number of civil society organizations dedicated to health, education, and social assistance. There are 263 religious institutions in Delmas, five public markets, four public squares, two libraries, an amphitheater, and three sports complexes. Delmas has a total of 757 schools,¹⁹ 94 percent of which are private. Two state-sponsored entities – the Office of the Mayor and *Service Métropolitain de Collecte des Résidus Solides* (SMCRS) – are responsible for the collection and disposal of waste (which goes to the Truitier landfill). There are also private entities that ensure the collection of waste for their clients throughout the commune, with pricing systems based on the volume of trash collected and the frequency.

Delmas continues to experience alarming rates of post-quake informal settlement growth as well. In 2012, its population was 377,199 and grew to 395,260 by 2015 – an increase of 18,061 people in just three years. According to the Mayor's Office of Delmas (2015), the commune suffers from its great reputation as “a pole for major attraction within the metropolitan region in which commercial, industrial

¹⁹ 291 primary schools, 277 secondary schools, 162 technical and professional schools, 9 post-secondary establishments, 12 higher education establishments and 6 literary centers (Office of the Mayor of Delmas 2015).

and construction activities proliferate,” and its success encourages even greater uncontrolled urbanization. Once-uninhabited areas of natural land have been dramatically transformed into post-earthquake residential neighborhoods, without urban planning regulations to guide them. A post-earthquake building inventory conducted by the International Organization of Migration revealed that there are 62,851 buildings in Delmas, 89 percent of them characterized as residential dwellings, with a higher proportion of private homes versus rental properties. Along with informal residential dwellings, Delmas is experiencing what has been described as an “anarchic takeover of the sidewalks, roads and principal arteries of the commune by street vendors” (Interviewee 2017; Office of the Mayor of Delmas, 2015). These circumstances are creating major challenges for vehicle circulation and coherent programming in the commune and harming Delmas’ ability to adequately address issues pertaining to housing availability and affordability, transportation management, job creation, and overall safety and public welfare. Flooding from natural disasters and the clogging of drainage networks also presents major risks to the water supply, so that the water from pay stations or public fountains is generally not potable (Office of the Mayor of Delmas, 2015).

With 769 full-time employees, Delmas has one of the largest communal administration systems in Haiti. The vision statement of Delmas’ municipal council is to “have a Delmas that is the most prosperous, attractive, healthy and scalable [commune] in the next 25 years.” The council aims to satisfy “the needs of the Delmas population in terms of urbanization, housing, health, education, social services, civic engagement, security and in cultural and sports activities through

community and participatory actions led by a competent, dynamic, honest and motivated team” (Office of the Mayor of Delmas, 2015).

Data Collection

This mixed-method study used multiple sources of evidence, including content analysis, field observations, in-depth interviews, and quantitative data to validate its results through data and methodological triangulation. Operationalizing as many of the steps as possible through the use of secure databases, utilizing survey instruments²⁰ that were approved by the Institutional Review Board (IRB), and maintaining organized documenting procedures throughout the process ensured the reliability of this study.

Content Analysis

As one of the first LOKAL+ interventions, each target commune received USAID support to launch a participatory planning process designed to arrive at an individualized communal *Plan de Financement des Services Publics Communaux* (PFC) which would serve as the commune’s five-year finance plan for public investment with a focus on public service provision. The PFCs were comprised of a short list of about ten community-identified priority projects and their corresponding implementation budgets. The PFC was also intended to serve as a tool to encourage local tax payments and to leverage other forms of financial

²⁰ See Appendix A – Survey Instruments.

support to help fund project execution. The status of PFC priority projects, in terms of how far along they were in achieving their objectives, served as one of the main determining factors in identifying whether a relationship existed between USAID-supported local revenue mobilization efforts and improved public service delivery in this study's units of analysis.

A review of the detailed LOKAL+ final report from January 2018 also formed part of my content analysis. Evaluating the development of LOKAL+ as a whole assisted me in identifying programmatic adaptations that may have occurred and that could have impacted my units of analysis. Lastly, at the 29th annual conference of the Haitian Studies Association in November 2017 in New Orleans, Louisiana, I learned that Oxfam International also worked on an evaluation of LOKAL+ and that Saint Marc was one of their units of analysis as well. Senior Oxfam officials, located in both Washington, D.C., and Haiti, provided me with their report, which I included in my content analysis.

In-depth Interviewing

I conducted 20 in-depth interviews over the course of a year and a half. Fieldwork was conducted on the following dates: April 24–May 2, 2017, April 15–26, 2018, and July 3–6, 2018. One interview was conducted via Skype in June 2018. Though I was scheduled to be in Haiti for three weeks in July 2018, an unanticipated outbreak of violent riots three days into my trip, and the ensuing political crisis, led to an executive decision by the Milano School for International Affairs, Management and Urban Policy of The New School to halt my in-country data collection and

expedite my safe return to the United States.²¹ I was able to conduct three in-depth interviews remotely via phone upon my return. These additional interviews were executed in early November 2018.

My interview subjects, across both case study sites, included civil society representatives, LOKAL+ representatives, senior USAID-Haiti officials, Haitian central government officials, elected local officials, community organizations participating in LOKAL+ activities and local citizens. Three of the civil society members had previously served on a Haitian government commission addressing decentralization and state reform. I also interviewed an American anthropologist who is a leading decentralization expert in Haiti and who has provided technical assistance to LOKAL+.²² Local citizens included a mechanic, a hotel owner, and a cell phone vendor. These individuals were not directly associated with the LOKAL+ program and were thus able to provide more of a layperson's perspective.

I coded these interviews using the NVivo qualitative analysis software package. I began my analysis using the theory-generated codes that were embedded in my initial survey tool and watched for the emergence of additional codes from the transcripts themselves along the way.

²¹ I left Haiti six days later, when it was possible to travel. A meeting that I was scheduled to have with several members of a community organization in Saint Marc was therefore canceled, so the group instead asked for my interview questions and replied in great detail a week later.

²² For the purposes of transparency, the cultural anthropologist is also a member of my dissertation committee and his work is referred to in my literature review. He has agreed to be identified in this paper.

Field Observations

As previously mentioned, due to the rapidly changing on-the-ground conditions in Saint Marc in July 2018, I was unable to physically travel there as planned. Responses I received during the in-depth interviews, pertaining to the priority public service interventions outlined in the PFC for Saint Marc informed my indirect observations of this municipality.

In Delmas, I was able to visit the municipal palace on two separate occasions to conduct interviews with the principal mayor²³ and another local official. While in the waiting room, I was also able to observe their tax collection operations. Several of my interviews with civil society members were held in Delmas, at places of business and individual homes. I resided in Delmas during my April 2018 field visit and was able to make additional field observations as I was being driven around over the course of those ten days.

Quantitative Data

Ebel and Yilmaz (2002) have claimed that the outcomes of decentralization are difficult to measure primarily because the dataset that many cross-country analyses use (often to quantify the impact of decentralization on macroeconomic outcomes such as fiscal stability, economic growth, and public sector size) is flawed. The authors stated these studies typically used the International Monetary Fund's Government Finance Statistics (GFS) as a dataset and that the GFS did not allow for a

²³ The principal mayor gave me permission to disclose his identity in this way due to the nature of this study.

sufficiently comprehensive evaluation of intergovernmental activity. More specifically, GFS does not identify the extent to which local governments have expenditure autonomy; it does not distinguish between tax and non-tax revenues, intergovernmental transfers, and grants; and it does not reveal the proportion of conditional to general-purpose grants, nor whether their distribution is objective or discretionary (Ebel and Yilmaz, 2002). Like Ebel and Yilmaz (2002), Abdelhak et al. (2012) also prefer using Organization for Economic Cooperation and Development (OECD) data either in lieu of or as a supplement to the GSF data, since the OECD data includes disaggregated subnational revenues like tax revenues, non-tax revenues, and intergovernmental grants.

The quantitative data that I used to build my dataset came from the municipal budgets for each of Haiti's 140 communes from 2012 to 2015. I obtained these budgets from *Group Croissance*.²⁴ I cross-referenced the information I received in these budgets with local government data that a fellow Haitian doctoral candidate²⁵ obtained from the Ministry of Interior and Territorial Collectivities (MICT)²⁶ as well as from the *Direction Generales des Impots* (DGI), which is Haiti's equivalent to the United States' Internal Revenue Service. As Haiti is not an OECD country, I used the nuanced variables available in the OECD dataset as a point of

²⁴ An email introduction from the Democracy and Governance Office of USAID-Haiti, followed by an in-person introduction a few days later – courtesy of a mentor who had previously served as an economic advisor to a former Haitian president – enabled me to establish this connection.

²⁵ This colleague is conducting a multi-national study on decentralization and local government finance at the University of Maastricht in the Netherlands. My dissertation co-chair Dr. Francois Pierre-Louis introduced us.

²⁶ *Ministère de l'Intérieur et des Collectivités Territoriales*.

reference to create my dataset. More specifically, OECD's Fiscal Decentralization Database outlines the below indicators for use in analyses of fiscal decentralization:

- Tax autonomy
- Intergovernmental grants
- Revenue and spending
- Revenue structure of state and local government
- Balances and debt of state and local government
- Sub-central fiscal rule indicators
- Recurrent tax on immovable property

Note that data pertaining to revenue structure of local and state government, balances and debt, and subnational fiscal rules were not available and were therefore not included in the dataset that I built.

Like other resource-poor countries throughout the world, Haiti faces many challenges when it comes to data collection and management (Elahi, 2008; Nori-Sarma et al., 2017; Potnis, 2015). As a result, in-depth quantitative studies in developing countries in the areas of public health, public finance, education and other fields are often lacking in comparison to those undertaken in more developed countries like the United States or those of western Europe (Nori-Sarma et al., 2017). Challenges include (but are not limited to) weak institutional infrastructure, a lack of standardization across regions, a resulting lack of a centralized system for record keeping, and at times a “low propensity of respondents to give data.” These factors make it difficult to employ high-quality quantitative analyses in decision-

making processes within resource-poor countries (Elahi, 2008; Nori-Sarma et al., 2017; Potnis, 2015). Even when data is successfully collected in these settings, time and resources constraints can affect the feasibility of sustaining the effort beyond the initial data collection attempt (Potnis, 2015).

Consequently, one of the first challenges that I faced in building my dataset was the limited number of years for which I could obtain complete data. Electronic records that I acquired for earlier years (2008-2010) lacked the key variables of interest for this study. I deduced that either the localities within their respective jurisdictions had handwritten files including this information or else this data was simply not being collected at that time. In the end, the resources required to confirm one possibility or the other exceeded the scope of this research undertaking. That the data I used was even available to me must be credited to the broader LOKAL+ program (USAID, 2012; USAID, 2018). The Ministry of Interior was not collecting local budget information from the localities until 2011, when USAID's LOKAL+ program started working with MICT to assist localities in standardizing and submitting their budgets to the central government.

“Translating, cleaning, and comparing data within and across localities” also posed its own challenges with regard to ensuring the completeness of the data and in maintaining data quality (Nori-Sarma et al., 2017). As a result, the intricate process of cleaning the data included detailed line-by-line reviews of the Microsoft Excel spreadsheet and crosschecking it against multiple sources, such as one of the PFCs used in the content analysis. During this process, I identified a handful of anomalies that needed to be addressed before further analysis was conducted.

Consider the following discrepancy (bolded) that I flagged for the municipality of Saint Marc in regards to their population size by year:

▪ 2012	242,485
▪ 2013	24,002
▪ 2014	251,213
▪ 2015	266,642

Human error in reporting was, of course, likelier than a population decline of over 200,000 people that was regained a year later (USAID, 2018). In the absence of a more accurate figure for 2013, I used the population count from 2012 as a proxy to reconcile this discrepancy in my dataset.

Another challenge lay in how to interpret the data as a researcher, particularly with respect to deciding when a perceived anomaly required further investigation, as opposed to accepting the data as it was. In my dataset, there were a few instances where the value for property taxes or business taxes in a given jurisdiction was zero. In small non-treatment jurisdictions like Grand Gosier in the Southeast department, where the average population was 16,000, it was believable that there were hardly any taxable properties to generate substantial figures for these two variables in 2013 and 2014, resulting in the zero values for those years. Still, another non-treatment locality such as Carice in the Northeast, with a mean population of 13,000, had tax data for all four years even though it only collected approximately \$4 (USD) ²⁷ in business taxes in 2012.

²⁷ All figures displayed in this study are in U.S. dollars.

On the other hand, for treatment sites such as Carrefour, Kenscoff, and Delmas, all of which are located in the Port-au-Prince metropolitan region and have populations ranging from 50,000-500,000, I could not accept, without further investigation, that their missing values for property and business taxes meant that there were no figures to report. I determined that additional inquiry beyond these initial quantitative findings would be required prior to any in-depth analysis of these sites, whether by pursuing additional quantitative sources or by supplementing these quantitative records with qualitative data. The value of a mixed-method study such as this one is that it allowed me to address my quantitative limitations for Delmas with qualitative research. The next section, “Description of the Variables,” mentions how I was able to reconcile some of the missing data for this case study site.

Despite the impediments that often arise to collecting quantitative data in a resource-poor country like Haiti, the prospective utility of data collected in these types of locations “may extend far beyond those of the original research” (Nori-Sarma et al., 2017).²⁸ I look forward to seeing how the growth of this dataset over time may inform future research endeavors, whether in my own studies or that of other researchers.

²⁸ I have already received a request from a United States-based doctoral candidate to provide some of my data pertaining to six Haitian localities that the person is analyzing in their dissertation.

Description of the Variables

Property and business taxes are the primary forms of local government own-source revenues in Haiti and serve as key indicators of local tax autonomy. In fact, “the tax on built property is the source of about 80 percent of the own-source revenue raised by Haiti’s communes...business licenses represents about 20 percent of municipal revenue in Haiti” (USAID, 2018). Consequently, these are the two local government taxes that were directly impacted by USAID’s local revenue mobilization efforts. Due to the previously discussed data collection challenges I encountered, property and business tax values were not available for Delmas for two of the four years for which I was able to collect data. Surprisingly, however, I was able to obtain a combined figure for these two local taxes during my content analysis. I therefore created this combined variable, Major Own-Source Revenues, for all 140 communes in order to better support my specific analyses of the Delmas and Saint Marc case study sites. The previously discussed FGDCT intergovernmental grant transfer served as a useful control variable, despite its political setbacks. The variable for FGDCT is called “Intergovernmental Transfer.” The variable called “External Funding” controls for other major sources of funding benefitting communes annually – namely in the form of foreign aid or grants. “Local Public Investment Expenditure,” a variable that refers to capital projects such as roads, bridges, and other public works, served as my primary outcome variable. “Population Density” is a control variable of interest that reflects the number of people residing within the geographic area of each commune per square kilometer. Another control dummy variable, called “USAID Technical Assistance,” was created

to identify the nine target communities in relation to the remaining 131 communes throughout the country that did not receive technical support. I also converted Haitian *gourdes* to USD by dividing the *gourdes* amount by the corresponding annual exchange rate, as published by the Haitian Central Bank, for each of the four years.

Data Analysis Approach

I used the general analytic strategies of theoretical propositions (or hypotheses) and rival explanations to analyze the multiple sources of evidence that I collected based on the following propositions. From the onset of the LOKAL+ program in 2013 through 2017:

- Increases in local revenues will be observed;
- Public investment spending in Saint Marc and Delmas will have increased as a result;
- Local public investments have been spearheaded by PFC priority projects;
- Saint Marc and Delmas will have experienced increases in new public service programs and/or interventions; and
- The leadership of the principal mayor will be found to contribute to observed improvements in public service delivery.

Rival explanations for improved public service delivery that directly challenged or added complexity to my proposition that local revenue mobilization was the cause were as follows:

- The ability of the principal mayor to leverage central government support by way of the FGDCT intergovernmental transfer could have led to improved outcomes instead of local revenue mobilization alone; or
- The role of local political affiliation in relation to the political party of the central government could have resulted in greater financial or material resources for one or both of my case study sites;

I employed pattern matching logic to establish the internal validity of my study by comparing empirically based patterns with my propositions, as well as with my rival explanations, to see if the patterns coincided. To that end, I assessed whether “if, for each outcome, the initially predicted values have been found, and at the same time alternative ‘patterns’ of predicted values (including those deriving from methodological artifacts, or ‘threats’ to validity) have not been found” (Yin, 2003). Specific areas of interest that I observed using this approach included, but were not limited to:

- Whether the in-depth interviews I conducted with local stakeholders in Saint Marc and Delmas, as well as my direct and indirect field observations, confirmed if any of the priority areas identified in PFC documents were being planned for, were underway, or were already completed;
- The extent to which there was divergence or similarity across the types of stakeholders with whom I conducted in-depth interviews. For example, whether interviews with local citizens as the intended beneficiaries affirmed or challenged the responses I received from local officials and/or from USAID

LOKAL+ program implementers regarding the program's perceived goals and outcomes as defined in USAID project documents;

- Whether the quantitative data revealed improvements in local revenue and public investment spending that were in keeping with interview responses that I received from local stakeholders.

As a means of establishing external validity, the use of the multiple-case study design allowed me to replicate my study across the two settings in order to evaluate whether my findings were generalizable beyond a single case (Yin, 2003). Consider the significant ways in which Saint Marc and Delmas differ from one another even though both are target communes for USAID decentralization programming:

- Delmas is located within the Port-au-Prince metropolitan capital region, which can arguably make it prone to spillover effects from the capital in a way that Saint Marc, situated outside the capital region and in an entirely different department, cannot.
- The 2010 earthquake directly impacted Delmas whereas Saint Marc was unaffected.
- Even though Saint Marc did not formally begin local revenue mobilization efforts until 2014, it was pre-exposed to this type of activity as an initial USAID pilot site for local revenue mobilization in 2011, while Delmas did not receive USAID support for this activity until 2013.

- Keeping in mind the population differences already noted in the site selection descriptions (Delmas had 128,618 more residents than Saint Marc in 2015) Saint Marc collected a combined \$614,273 in property and business taxes²⁹ compared to the \$8,913,683 that Delmas collected in 2015.
- The personnel and resources of Delmas' municipal administration are vastly greater than those of Saint Marc (or any other commune in the country).

With these distinctions in mind, I expected to observe the following outcomes (among other possibilities):

- Successful local revenue mobilization efforts as well as increases in public investment spending largely due to the dynamic local leadership reportedly found in both Saint Marc and Delmas;
- Easier access for Delmas to additional resources in support of public service delivery than for Saint Marc, given Delmas' strategic location in the Port-au-Prince metropolitan region;
- More challenges for Saint Marc in commune-wide public service delivery, given the fact that Saint Marc includes rural segments outside of its urban areas that are harder to reach, whereas Delmas has no such responsibility.

Overall, a literal replication of my study within these distinct sites allowed me to generalize my findings in a way that has important implications for the utility

²⁹ As previously stated, property and business taxes are the two main forms of local revenue in Haiti.

of local revenue mobilization as a tool for improving public service delivery throughout Haiti, across a range of commune types. Additionally, my multiple-case study design added much-needed evidence to the theoretical basis of second-generation fiscal federalism regarding the usefulness of Weingast's (2006) one-step-ahead approach to decentralization in a developing country context.

The Researcher's Role

My professional engagements post-earthquake as one of a handful of known Haitian-American urban planners afforded me a level of access that I was able to leverage for my study. More specifically, my experience as a Haiti Future Leaders Fellow in 2015, one of five Haitian-Americans selected by the Haitian Embassy in Washington, D.C., to join the Jean Price Mars Class, fundamentally impacted my interest in and ability to pursue this study. Because of this experience, I was placed in the Office of Local and Regional Planning and Development of the Haitian government's Ministry of Planning and External Cooperation (MPCE)³⁰ for a two-month period, during which I lived and worked in Haiti. Being a Haiti Future Leaders Fellow enabled me to obtain a more nuanced understanding of the Haitian state while also providing me with greater exposure to many of the ordinary people who shape different components of Haitian society. It was near the end of my tenure at MPCE that I first learned of the FGDCT intergovernmental transfer and became intrigued by its potential role in encouraging local development. My interest in

³⁰ *Ministère de la Planification et de la Coopération Externe.*

FGDCT directly influenced my decision to conduct this study on decentralization in Haiti, primarily through the lens of fiscal decentralization, once I returned to the United States to begin my final year of coursework.

Furthermore, while living in Haiti the summer of 2015, I followed up with several in-country contacts that I had made after the January 2010 earthquake when I lived in Washington, D.C. (as well as during my first Haiti trip in December 2011).³¹ I was also keen to ask these individuals to introduce me to other stakeholders of whom I should be aware given my interests in governance, urban planning, and development. One such introduction proved pivotal to my ability to carry out this study, though I had no way of knowing it at the time. Like myself, Gabriel Verret is a Haitian-American who had been raised and educated in New York before establishing himself professionally in Haiti. During a career of more than 30 years, he has served at the highest levels of the Haitian Government, including twice as Principal Economic Counselor to the President, and twice as Chief Policy Advisor to the Minister of Economy and Finance. Gabriel has also worked with major multilateral and bilateral development partners, including as Macroeconomic Policy Reform Adviser to USAID-Haiti, then as Deputy Chief of its Economic Growth Office. He has a diverse portfolio of consultations with quasi-governmental organizations and the private sector as well. Gabriel became a friend and colleague from our first

³¹ I lived in Washington, D.C., from August 2010 through July 2013 and there met Haitian government officials, lobbyists, members of the private sector, and a thriving diaspora community that shaped my personal and professional trajectory as a Haitian-American in important ways. I first travelled to Haiti with a former employer, before I resigned in April 2012 to continue engaging with Haiti through my own consultancy, Pinchina Consulting, LLC.

informal interview in my hotel lobby, and we stayed in regular touch over the next two years.

When I began my fieldwork in April 2017, he was instrumental in introducing me to several individuals I knew of and needed to interview but did not know how to access. Effortlessly, enthusiastically, and perhaps with a hint of satisfaction, Gabriel never hesitated to place a call or send an email on my behalf. In qualitative research, “the best entry is one...where there is an insider who provides sponsorship and helps the researcher seem non-threatening” (Marshall and Rossman, 2011). As my sponsor, Gabriel was the ultimate connector and played a significant role in helping me gain access to key decentralization scholars and practitioners³² whose insights early on were able to help me better contextualize my study. As the study evolved, Gabriel and I made it a point to check in with one another every time I was in Haiti, and occasionally via WhatsApp when I was back in New York. Gabriel never inserted himself into my work but always made sure it was moving along uninterrupted, especially if there was something he could do to encourage its forward progress.

Dr. Glenn R. Smucker³³ was the person who introduced me to USAID’s LOKAL+ program, on which this study focuses, and who made me aware of several

³² I will never forget what transpired after asking him whether he knew how the FGDCT emerged. To my surprise, Gabriel immediately replied, “Ah! The Fils-Aimé Law,” before telling me about Alix Fils-Aimé who had proposed it in 1996 when he represented Pétion-Ville and Kenscoff in the Lower House of the Haitian Parliament. When I asked if Mr. Fils-Aimé might be reachable, Gabriel said, “Of course! I’ll call him right now and let him know you would like to meet with him.”

³³ I initially met Glenn during my first Haiti trip, and, as one of my longest-standing mentors, a colleague, a friend, and ultimately a dissertation committee member, Glenn helped me navigate and unapologetically embrace my personal and professional “insider-outsider” status as a member of the Haitian Diaspora. After all, Marshall and Rossman (2011) “recommend that qualitative researchers

LOKAL+ stakeholders whom I should interview. Glenn is a cultural anthropologist with over 30 years of experience in program development, applied research, program design and evaluation, as well as institutional development in Haiti. Glenn has and continues to advise USAID and other international stakeholders on rural development, watershed management and local governance. Additionally, Glenn provided me with access to a number of documents useful for the historical background and content analysis of this study, including an English translation of the Haitian Constitution of 1987.

Direct access to senior USAID officials in both Washington, D.C., and Haiti resulted from my speaking and public engagements as a leading Haitian professional³⁴ over the years. After presenting my preliminary research findings via live stream on Haiti's largest television network in January 2017 in *krèyol*, as part of a conference at Long Island University – Brooklyn, New York, I was invited to participate in a panel discussion on United States foreign policy in Haiti with Kenneth Merten, the U.S. State Department's Acting Principal Deputy Assistant Secretary (PDAS) for the Western Hemisphere, in March 2017. PDAS Merten's staff introduced me to Washington-based contacts who then put me in contact with key senior stakeholders in the Port-au-Prince-based USAID Haiti Mission. After that, I

be themselves, true to their social identities and their interests in the setting and/or topic. The energy that comes from a researcher's high level of personal interest... is infectious and quite useful for gaining access" (Marshall and Rossman, 2011). My many conversations with Glenn over the years helped me own my identity throughout the process of executing my research (as will be discussed further shortly).

³⁴ I was named one of "40 Urban Leaders Under 40" by Next City in 2014. In 2015, I was inducted into the Haitian Roundtable's 1804 List as a "Top 5 Haitian-American to Watch" for that year. Additionally, I was a recipient of the "2018 Young Women Rising – Impact Award" by the American Women for International Understanding.

was given contact information for a range of stakeholders such as local mayors, a contact at MICT, and LOKAL+ implementors. USAID-Haiti also provided me with the contact information of Kesner Pharel, the principal of *Group Croissance*.³⁵ After my proposal defense, another mentor and committee member Dr. Francois Pierre-Louis³⁶ helped me identify the community member perspectives I should incorporate into the study through phone interviews, given that on-the-ground fieldwork was no longer an option because of disturbances that occurred in Haiti through the end of 2018 and into early 2019 (which will be briefly discussed in the conclusion chapter).

Since in-depth interviews require that the researcher “be minimally intrusive and present for a shorter period of time, [the researcher] will need to practice and find ways to quickly build bridges and create trusting relations, since this mostly occurs in the first minutes of an interview and is crucial for gathering good data” (Marshall and Rossman, 2011). Undoubtedly, my personal identity afforded me a certain authenticity from which I was readily able to build a rapport and establish credibility with my interview subjects, especially those of Haitian descent. My ability

³⁵ Mr. Pharel’s organization was leading a high-level public finance conference in late April 2017 during the time I was in-country and trying to get in touch with him. When my efforts proved unsuccessful, Gabriel, who was also attending the conference, had me meet him in the hotel lobby where the conference was being held so I could make contact with Mr. Pharel in person. I was then able to meet Mr. Pharel in the lobby again the following day for an informal interview that resulted in my obtaining the quantitative data used in this study.

³⁶ As an adjunct professor of Urban Studies at Queens College of the City University of New York during the Spring 2015 semester, I was often asked by colleagues whether I knew of Dr. Pierre-Louis from the Political Science department. I finally reached out to Francois that fall when I noticed we would both be attending the annual conference of the National Alliance for the Advancement of Haitian Professionals in Miami, Florida. Our friendship began then.

to demonstrate a baseline understanding and genuine interest early on allowed me to display a level of what Marshall and Rossman (2011) call “emphatic neutrality.” Almost all of the interviewees were fascinated by the fact that I am a United States-born Haitian descendant who chose to forgo certain presumed and/or actual comforts afforded to me by my birth country to work so deeply in the Haitian context and especially on issues so complex and potentially precarious. At the end of one interview, however, I had to reiterate to a local resident that my identity as a Haitian-American researcher had no direct bearing on whether the delivery of public services in their commune would improve as a result.

Throughout the course of my study, I remained aware that my standing as an insider-outsider allowed me to gain access to certain spaces (e.g., within the State Department of the United States and within USAID) in a way that a Haitian native would likely be unable to do. I also sensed that being relatively young and having attained status as a professional woman in these male-dominated spaces made me at once less threatening but intriguing³⁷ (especially since most Haitian women I encountered were primarily in administrative roles). Overall, I was therefore perceived in many ways as ‘insider enough’ to intimately understand my subject matter but also ‘outsider enough’ to interpret and make sense of the material from an objective stance in a way that made me more trustworthy. People confided in me

³⁷ Whereas over two-thirds of my interviewees were men, I had just one slightly uncomfortable experience of navigating my exit at the end of a phone interview. The interviewee began asking me suggestive questions (such as my age and when I would be in Haiti next for us to meet) and I clarified that the interview was a moment-in-time and not the potential start of a longer engagement. The person said he understood though followed up the next day with a private WhatsApp message. I solidified my exit by blocking this contact immediately after.

with their stories, experiences, and perspectives – something that I did not take lightly. I was humbled by the faith that my interview subjects placed in me and in the potential utility for Haiti’s future development that they saw in my deliverable.

One interviewee told me:

“Vanessa, you’re young! You’ve engaged yourself in a fight. You’re Haitian! Work so that you can return to the country...continuing the fight because you have a degree in what you’re doing, you have research...it is for us to know that Haiti is for us. The reconstruction of Haiti is for us who are young, who are on the outside [of central government], who have some understanding in terms of how a city should be. How a city develops. [It is] for us to come and create a hope for the country of Haiti.”

Similarly, another interviewee said:

“I am hopeful that your study will be available...and useful to the Haitian state because we are lacking in these types of studies that take a very professional approach – and when I say professional I mean intellectual – to allow [the Haitian state] to ameliorate what [it] need[s] to ameliorate.”

At the same time as my identity enabled me in many ways to carry out the study, I employed several strategies to mitigate bias as much as possible. At the end of all my interviews with members of civil society who were decentralization practitioners, I made it a point to ask for recommendations of other stakeholders with whom I should meet. When the majority of the recommendations started to become some of the same interviewees I had already met with or planned to meet with, I realized I had already tapped the authoritative figures on this subject. Also, and particularly with civil society members, when I started to receive very similar and even somewhat repetitive responses to questions such as “How do you define

decentralization” or “What are the impediments to decentralizing Haiti?” I knew that I had reached a critical mass of information I could collect on this topic and that additional responses seemed unlikely to add much that was significantly different from what I had already collected. Ensuring that I reached the widest cross section of interviewees, in addition to triangulating the responses received from them, allowed me to safeguard against inadvertent partiality in the analysis and presentation of my research findings.

Another strategy that I employed to mitigate bias was looking for the extent to which posing the same questions to different types of stakeholders yielded similar or different responses. For example, I evaluated whether interviews with local citizens (the intended beneficiaries) affirmed or challenged the responses I received from local officials and/or from USAID LOKAL+ program implementers, in terms of the program’s perceived goals and outcomes as defined in USAID project documents. I also looked for whether the information revealed in the quantitative data (such as observations pertaining to local revenue collection or in public investment expenditures, for example), as well as in the documents I analyzed, were in keeping with interview responses I received from the different stakeholders.

In closing, whereas the 7.0 magnitude earthquake that claimed 300,000 lives on January 12th, 2010 was what propelled me into the realm of international development and public policy, it was my experience as a 2015 Haiti Future Leaders Fellow and the high-profile speaking and professional engagements that followed that sparked my interest in conducting this study. Being able to fully immerse myself within a Haitian government ministry increased my exposure to and

understanding of some of the challenges pertaining to governance and the delivery of public services in a way that would have been impossible without my commitment to obtaining hands-on, in-country experience. Additionally, having a sponsor like Gabriel to help me make inroads with key individuals I needed to interview, and having Glenn and Francois provide both professional and personal guidance, allowed me to situate myself in my study while also maintaining the objective stance necessary to an unbiased researcher. Over time, I learned to embrace the unavoidable curiosity generated by constitutive parts of my identity, such as being an American-born Haitian descendant, who is fluent in *krèyol*, and being a thirty-something-year-old woman who was also a public policy researcher in largely older, male-dominated spaces. These defining characteristics of who I am as a person were in fact essential in affording this study a level of authenticity that would not have been possible otherwise, but without jeopardizing the academic integrity of this endeavor. For this, I am ever grateful.

The following chapter will discuss the study's findings by first assessing how the concept of decentralization is defined in Haiti. Then, the quantitative analysis will be presented, followed by the case study analysis of Saint Marc and Delmas.

Chapter 5

Results and Discussion

Examining the Concept of Decentralization in a Haitian Milieu

Recall that the second-generation theory of fiscal federalism highlights the need to first understand the country-context within which decentralization programming is occurring, prior to conducting any analysis of its outcomes (Bird, 2003; Schroeder and Smoke, 2003). Also critical to any evaluation of decentralization efforts is an articulation of the “various impediments to the efficient assignment and production of public goods,” according to second-generation theory (Weingast, 2009). Bird (2003) puts it this way: “What we seem to need at the moment is less more imaginative sketches of what may (or should) exist than more careful reporting and analysis of what does exist and how it works.” All this makes clear the importance of understanding how my interview subjects defined the word “decentralization,” specifically in the context of Haiti. Consequently, the first section of this chapter analyzes how decentralization as a concept is understood in Haiti. Next comes an evaluation of the outcomes of USAID-supported decentralization efforts in targeted communes and, more specifically, in my two case study sites, based on an analysis of the five theoretical propositions (or hypotheses) that this study proposed as well as the two rival explanations that serve as counterarguments, to determine whether USAID support for local revenue mobilization positively impacted public service delivery in targeted Haitian communes. The chapter closes with a summary of the analysis, before Chapter 6 explores some of the impediments to decentralizing Haiti.

Decentralization, Deconcentration, and Haitian State Reform

When eight experts and practitioners were asked to define the word “decentralization,” one of the most salient themes that emerged among half of them was the idea that decentralization is “a matter of reorganizing the state through decentralization and deconcentration” (Interviewee, 2017). Relatedly, one of the eight interviewees from this category said decentralization is “a response to the way this country has been run,” and all these individuals essentially defined decentralization as “a change with the political system” (Interviewees, 2017 and 2018).

Four of these eight individuals described themselves as being a part of the 1986 and 1987 wave of optimism that believed Haiti was on the brink of change because the dictatorship had fallen, hopefully giving way to a more democratic rule. As previously discussed, decentralization entered the Haitian political discourse most prominently during this era by way of the Constitution of 1987. The quotation below, which has been translated to English from Haitian *krèyol*, reflects the exhilaration shown by these four interviewees when talking about this period:

“This is why you see that with decentralization, in the mobilization that we had in ’86 [and] ’87, decentralization was a big reclamation.³⁸ It was a big tool. And it is for this that the Constitution of 1987 is an expression of this democratic movement, this popular movement. Thus, the Constitution of 1987 gave decentralization a great ROLE³⁹ in the

³⁸ In the Haitian *krèyol* response from which I translated this quotation, the word used was *revandikasyon*, meaning a big “demand” or “claim.” It can even mean that decentralization was a major “point of advocacy.”

³⁹ Capitalization found in quoted texts throughout this analysis is used to convey emphasis placed on particular words by interviewees in the course of their responses.

new state that we said we were forming. So much so that in those years, we said we had to change the state. And one of the elements of changing the state is to put it in service to the nation. And decentralization, it was a fundamental point. In fact, you can recall that the preamble of the Constitution situates decentralization in a good spot. So, for me? I would say I am a product of this period, of this movement. It's something that – well. A lot of us participated in it so it is something that keeps me centered.”

This demand to put the state “in service to the nation” was predicated firstly on a deconcentration of central government services, followed by decentralization, which would allow for the full integration of the people and territories outside of Port-au-Prince into the affairs of the state. In essence, the broader appeal to decentralization in the Constitution of 1987 is a call for state reorganization or reform, primarily to mark a departure from Haiti’s long legacy of authoritarian rule, epitomized most recently by the 29-year Duvalier dictatorship (Denizé,⁴⁰ 2002).

The repeated and explicit references to ‘deconcentration’ throughout these interviews were interesting because the literature discusses deconcentration as a form of decentralization, existing along a spectrum of power sharing that can occur between central and subnational governments (Rondinelli, 1989; Rondinelli et al., 1989). From this perspective, deconcentration is viewed as the smallest possible transfer of power, since it serves more or less as a representation of central government entities or dictates at subnational levels of government. In fact, Rondinelli (1990) argues that deconcentration can facilitate an even stronger

⁴⁰ The ‘Decentralization and Territorial Collectivities Unit’ of the *Commission Nationale a la Reforme Administrative* (CNRA), which means National Commission for Administrative Reform, produced a minimum of sixteen in-depth analyses between 1997 and 2002 pertaining to the role of decentralization in reforming the Haitian state. This report prepared by Robert Denizé is a synthesis of the CNRA’s propositions.

central state bureaucracy by allowing for more entrenched control at subnational levels. Devolution,⁴¹ on the other hand, is the form of decentralization that holds the greatest potential to fundamentally increase the capacity, resources, and autonomy of subnational territories independent of central government whims or influence (Rondinelli, 1989; Rondinelli et al., 1989). Table 1 provides the definitions of the concepts of decentralization, deconcentration, and devolution that are most accepted throughout the literature.

Table 1. Definitions of Decentralization, Deconcentration, and Devolution from the Literature Review.

Concept	Definition in the literature
<i>decentralization</i>	Any transfer of authority from central government to sub-national levels with the ultimate goal of improving resource allocation and making government more responsive to local needs along a spectrum ranging from deconcentration to devolution (Conyers 1984; Rondinelli et al., 1989).
<i>deconcentration</i>	The establishment of central government administrative entities at sub-national levels of governments to advance national policies and “regarded as a much more limited form of decentralization” (Conyers 1983; Rondinelli et al., 1989).
<i>devolution</i>	The greatest promotion of local autonomy through clear delineations of power, responsibilities, and decision-making authority between central and “semi-autonomous local governments” (Conyers 1983).

In Haiti, however, deconcentration is a notion that is understood to be closely related to but separate from the concept of decentralization. Consider that one

⁴¹ I have observed throughout the course of my research that when general references are made to the merits of decentralization, it is devolution that is typically being spoken of.

interviewee described deconcentration as “increasing the reach of the central government to the provinces, THEN decentralization is about the decision-making of services” (Interviewee, 2017). This individual went on to say, “So the deconcentration refers to institutionally moving the central government ministries into the ten departments rather than all of them being entirely concentrated within Port-au-Prince...whereas decentralization has to do with decision-making. Decision-making over the services and the budgets and appointments.” This perspective is corroborated by Article 87.4 of the Constitution of 1987, which states, “Decentralization must be accompanied by deconcentration of public services with delegation of power...for the benefit of the departments.”

Without explicitly using the word ‘deconcentration,’ the five everyday residents and business owners interviewed across my two case study sites also defined decentralization more or less as the need to decrease the reliance on Port-au-Prince for basic services. In fact, one community member from Saint Marc went on to say that the central government should have branches or bureaus in each of the ten departments to which individuals should be able to go in order to obtain a driver’s license or a passport, for example, rather than having to travel all the way to Port-au-Prince each time (Interviewee, 2018). This interviewee continued by saying frustratedly that this would make more logistical sense, and then implored me to say whether or not their recommendation made sense or if he/she was being unreasonable. It was noteworthy that another Saint Marc resident defined decentralization as “everyone putting their hand in the pot to work together on projects to help the population” (Interviewee, 2018). When I inquired further to get

a sense of who “everyone” entailed, the respondent focused largely on civil society and non-governmental organizations as having a critical role in executing these projects, without referring at all to the role of political actors, be they local or national government officials.⁴² Three members of a community organization in Saint Marc provided a collective response that broadly addressed this dynamic, though in a fashion more in keeping with the literature, by defining decentralization as a transfer of power and authority from the central authority to the local authorities along with increasing the power of the local authorities regarding decision-making and oversight over their own collectivities.

Juxtaposing the responses from the five residents of Saint Marc to two of the three residents interviewed from Delmas was interesting because the latter provided similar responses but from the opposite perspective. For Delmas residents, decentralization was more about getting people to disperse from the metropolitan region of the capital by either staying or returning to where they were from. One Delmas resident went into detail, declaring, “It’s very critical that concrete and practical steps are taken towards economic development, industrial development outside of Port-au-Prince to reverse the practices, tendencies of people from the countryside to [come to] Port-au-Prince but rather keep people in the countryside...so we can have a more balanced city-countryside life” (Interviewee, 2018). This person also highlighted the need for the [central] government to provide basic services, policies, and overall good governance in those

⁴² Later on in the interview, however, this individual stated in response to another question that sometimes people stop paying taxes because they do not see the services that the local government should be delivering in return for their payments.

areas to make it worthwhile for individuals to either relocate to or remain within these areas with the assurance of a better quality of life.

Another Delmas resident defined decentralization as “*rann on kote pi lib*,” freeing up a place, by reducing the amount of people inhabiting a location and relocating them somewhere else. When I asked who should facilitate this relocation, the respondent said the state would have to do this, since the people might not know where to go but the state is best positioned to identify the land to put them on. This person had a clear sense of the challenges posed by rural to urban migration and elaborated on how specific instances, such as the January 2010 earthquake and then Hurricane Matthew in 2016, impacted the movement of people from the countryside to the capital in hopes of obtaining international aid relief situated in Port-au-Prince shortly after these occurrences. What was most telling in this interview was that, in speaking about the historical rural-to-urban migration dynamic in Haiti, the person several times mentioned those leaving their homes in “the other countries” to move into “the country” in hopes of obtaining both public services unavailable outside the capital and a better livelihood. For someone unfamiliar with the Haitian context, it might not have been immediately evident that this person was referring to the same country in their references to *lot peyi yo* (the other countries) and *peyi an* (the country). However, in Haiti *peyi* is sometimes used not in the literal sense of “a foreign country” but rather to mean other places throughout Haiti.

Bear in mind my discussion in Chapter 3 regarding the stratified post-colonial Haitian society that emerged after independence, with its racial, political,

and class divisions between *moun andeyo* and *moun lavil*. *Moun andeyo* –literally “people on the outside”⁴³ – were a darker-skinned mass relegated to the outskirts of Haiti (*en province* or *nan provens*),⁴⁴ while a smaller, influential constituency within the capital – city people or *moun lavil*⁴⁵ – maintained institutional, economic, and political power over the entire country. Furthermore, throughout the Haitian landscape, urban centers are surrounded by rural hinterlands with significant variation between the two in terms of the public services available and the quality of life. To elaborate on these distinctions between urban and rural populations across Haiti, two civil society members made their distinctive points using the same example that, up until the 1970s or 1980s, schools located in urban areas were under the Ministry of Education, whereas rural schools were under the Ministry of Agriculture, a fact illuminating the extent to which this hierarchical division has and continues to characterize the Haitian state’s disparate engagement of its citizens (Interviewees, 2017). Interestingly, in their separate interviews, both these individuals emphasized it was in the 1990s that all Haitians began receiving the same birth certificate. Prior to that, they said, individuals were stratified at birth where those born in rural areas had the word *paysan* (peasant) stamped on their birth certificates to distinguish them as *moun andeyo* – in effect, second-class citizens (Interviewees, 2017). Essentially, *moun andeyo* have had to exist as a

⁴³ Other pejorative terms directed at rural residents or peasants include *moun monn* (mountain people) or *moun anba fey* (“people under leaves,” a jab at their reliance on natural medicine, etc. rather than the remedies of more “educated” city people).

⁴⁴ Meaning “in the provinces,” referring to the rest of the country.

⁴⁵ Town or city people are also referred to as *moun nan bouk* to mean that they are literate or educated compared to their rural counterparts.

country within a country, finding ways to self-regulate, as they engaged with the central state on a severely limited, case-by-case basis, if at all. Thus, when the 1987 Constitution speaks of every Haitian receiving services and having a participatory role in the development of the state, it is primarily referring to this population residing outside of Port-au-Prince but also to residents in rural areas surrounding urban town centers in other cities throughout the country. This context explains why the call for deconcentration, in the Haitian case, is a resounding cry for a more uniform or pronounced presence of central government entities and public services across the entire geographic landscape of the country as a way of “bringing the state apparatus...closer to the population” and ultimately redefining the Haitian state’s relationship with its citizenry (Interviewee, 2018). Deconcentration in Haiti is such an imperative that a former decentralization practitioner said with conviction:

“If decentralization cannot work at the same time with a serious deconcentration, I don’t think it will be able to work in Haiti specifically. Meaning, if the central government itself, the state, cannot organize itself across the terrain to have all the deconcentrated organs of the state functioning, decentralization will stay a dream – a utopia! One must work with the other.”

Consequently, any attempt at decentralization in Haiti must demonstrate an unobstructed and intentional departure from the country’s segregationist history of urban and rural locales distinguished by how the state delivered basic public services. Deconcentration is understood as the first step towards decentralization, a way of redefining the state’s relationship with its rural populations that should be followed closely behind by decentralization, which would afford local actors greater

decision-making authority over the types of services available in their jurisdictions as well as fostering their ability to pursue and execute their own development objectives. One decentralization practitioner was keen to highlight that “decentralization is a process...[and] a continuum” that calls for a delineation between the functions that cannot be decentralized at all and that are instead best executed at the central government level (that is, what can be deconcentrated) and the functions that can be devolved to the exclusive authority of local officials (Interviewee, 2018). Related to this, another theme that emerged from the interviews with the eight civil society members who were decentralization practitioners and experts was that the capacity of local officials also had to be reinforced in order for decentralization to truly occur throughout Haiti.

Local Governance and Capacity

The interrelated points of local autonomy, power and resources was the second most salient theme that emerged from my interviews with the eight decentralization scholars and experts, in terms of what decentralization means in a Haitian milieu. One interviewee continued their definition of decentralization by stating, “The second element, which defines it, is the question of authority!⁴⁶ That is to say, in reality, it is the authority that is decentralized” (Interviewee, 2018). Another interviewee said, “We are speaking of the capacity that the territorial

⁴⁶ The French word used here was *competence*, though this translates to “authority,” “rights,” or “powers” (as in the separation of powers and the right to provide certain services or to be responsible for certain domains currently monopolized by the central government) rather than the English meaning of “skills.”

collectivities have to exercise certain competencies – to have a certain level of fiscal autonomy so that they can deliver public services that can contribute to the development of their regions” (Interviewee, 2018). Similarly, a third said, “The more the collectivities have a capacity to mobilize resources [and] they can exert their competencies, it will be better for decentralization” (Interviewee, 2018). Based on these responses, there is a twofold assumption about how best to transfer power from the central government in Haiti. Not only is it necessary to encourage a transfer of power, resources, and responsibilities from the central government to subnational levels, it is just as important to ensure that local actors can leverage these augmentations in order to ultimately enhance the delivery of public services (Denizé, 2002).

Even as the Constitution of 1987 created new subnational territories and governing bodies, one of its greatest shortcomings (as mentioned in Chapter 3) is that it did not explicitly define the roles of these new local officials nor did it detail exactly how power would be distributed from the central government to the localities (Constitution of 1987; Interviewees, 2017 and 2018). As a result, the majority of elected officials at both the national and local level often assume their posts without a clear understanding of how to execute their newly conferred responsibilities. The well-intentioned post-Duvalier constitution thus created a gap between a transfer of power to the localities and the capacities needed to effectively wield that power, reflecting just how new the very concept of local governance still is in Haiti, as well as the types of challenges that remain to be overcome (Joseph, 2018). One interviewee even claimed that in Haiti, the word “decentralization” is

often actually being used as a stand-in for the notion of “local governance” itself. It is for this reason that four of the eight scholars and practitioners I spoke with explained that the idea of decentralization in Haiti extends beyond a purist approach to improving public service delivery to also necessitate the establishment of a stronger overall framework for local governance in addition to local decision-making authority regarding the provision of public services.

Prior to looking more comprehensively at USAID’s support for local capacity, namely through the revenue mobilization component of the LOKAL+ program, it is worth mentioning the encouraging efforts spearheaded by the central government that are being undertaken to bolster local capacity. At least two interviewees mentioned that the Ministry of Interior and Territorial Collectivities (MICT) was executing a training program for local officials, though they were not clear on the details. In an interview with a MICT official, I learned there are approximately 15-16,000 civil servants throughout Haiti’s 140 collectivities, though only about 2,000 of these employees have the necessary qualifications for the job. Realizing this, MICT worked with municipal employees in three⁴⁷ of Haiti’s ten departments to determine the most critical roles within their respective local administrations in order to solidify the job description and requirements necessary for filling each role. MICT then went on to assist the localities with their recruitment efforts to fill these roles. Once qualified staffers were hired, MICT supported these individuals with training and provided them with resources to do their jobs until they were able to

⁴⁷ The north, northwest, and south departments.

fully assume the job responsibilities on their own. These efforts formed the basis of MICT's *Programme Modernisation de l'Administration Communale* (PMAC), meaning Modernization Program for Communal Administration, which will endeavor to expand these efforts throughout the remaining departments to improve the profile of civil servants across Haiti's collectivities. The official I met with said, "After a certain time, it has to be [the localities] that are able to do this on their own because we cannot remain eternally in this state of reinforcing local capacity. At a certain point, the local capacity has to be done being reinforced."

Given this backdrop, and the fact that Haitian stakeholders played an instrumental role in the very design and execution of the LOKAL+ program, it is unsurprising that the first objective of LOKAL+ was to "strengthen [the] capability of communal governments to provide services" (USAID, 2018). The capacities of mayors and their municipalities were built up by "train[ing] each commune's fiscal service department employees in all aspects of effective tax generation. This included orientation in existing laws, staff members' roles and responsibilities in tax roll and revenue filing system maintenance, property valuation, tax collection processes, and the use of the software CIVITAX"⁴⁸ (USAID, 2018). The second objective of LOKAL+ was to "generate a sustainable increase in local revenues to pay for services," the aspect I will concentrate on evaluating for the remainder of this study where I also include an evaluation of the principal mayor to feasibly gauge local capacity.

⁴⁸ The CIVITAX software and its critical role in local revenue mobilization efforts will be discussed further in the next section.

Evaluating USAID's LOKAL+ Revenue Mobilization Efforts in Haiti

This section provides a quantitative analysis using descriptive statistics to broadly examine the potential impact of USAID's LOKAL+ decentralization program on the nine target communes in relation to the 131 Haitian communes that did not receive this intervention. Summary statistics are provided for the five variables⁴⁹ across the four-year period. The percentage change in mean values between fiscal year (FY) 2012 (the year before LOKAL+ was implemented) and FY 2015 (the second year of the program and the final year for which I was able to obtain complete data)⁵⁰ are also provided for the variables. Finally, an assessment of the percentage change in major own-source revenue and in local public investment expenditures, my two primary variables of interest, is provided specifically for the nine LOKAL+ sites, prior to a discussion of LOKAL+'s overall effectiveness in supporting local government capacity through a more detailed analysis of my case study sites in the following section.

⁴⁹ Detailed descriptions of these variables were provided in Chapter 4.

⁵⁰ Interestingly, the timeframe that I was able to collect data for covers the period before the political turmoil over the inability to complete the 2015 elections, which led to the 2016 transition government. Presidential and local elections were finally carried out at the end of 2016, just one year before LOKAL+ was slated to end. Note that it had been ten years since local elections were carried out in Haiti.

Quantitative Analysis

Summary Statistics of the Variables

Table 2 provides summary descriptive statistics for the variables between FY 2012 through FY 2015. Included in this table are data for the nine USAID LOKAL+ sites as well as for the 131 non-target sites across this four-year time period. The mean population density in a non-USAID target commune was 629, with densities ranging from 70 people per square kilometer in the commune of Pointe-à-Raquette in FY 2012 to a population density of 27,425 in Port-au-Prince for FY 2015.⁵¹ For major own-source revenues, the mean was \$80,184⁵² for non-target sites, with Pétionville, a commune in the West department, accruing the largest amount in property and business taxes at \$7,071,455 in FY 2014. As regards intergovernmental transfers, consider that the mean for the 131 non-target sites across the four years was \$127,343, though the capital of Port-au-Prince received a transfer of \$2,031,270 in FY 2014 alone. Furthermore, this is quite a departure from the \$464,000 that commune received from the central government just a year prior. Port-au-Prince also received the largest amount of external funding at a value of \$8,336,927 in FY 2012, while the mean for external funding for all 131 non-target communes was just \$132,619. Lastly, the mean for local public investment expenditure in Haiti was \$145,021, with a range from no money spent towards

⁵¹ Notwithstanding the devastation Port-au-Prince experienced as a result of the 2010 earthquake, its population continues to rise, as it had 24,941 people per square kilometer in 2012.

⁵² As a reminder, all dollar figures in this document are displayed in USD unless otherwise noted.

capital expenditures in some Haitian communes across the four years through \$10,100,000 that Port-au-Prince spent in FY 2012.⁵³

Table 2. Summary Statistics of the Variables for LOKAL+ Sites and Non-Target Communes (FY 2012 – FY 2015).

VARIABLES	Mean		Minimum Values		Maximum Values	
	NON-TARGET	LOKAL+	NON-TARGET	LOKAL+	NON-TARGET	LOKAL+
Population Density	629	2,583	70	94	27,425	14,116
Major Own-Source Revenue	\$80,184	\$1,164,247	\$0	\$0	\$7,071,455	\$8,913,683
Intergovernmental Transfer	\$127,343	\$208,212	\$0	\$0	\$2,031,270	\$481,022
External Funding	\$132,619	\$392,689	\$0	\$4,810	\$8,336,927	\$1,338,791
Local Public Investment Expenditure	\$145,021	\$763,074	\$0	\$35,241	\$10,100,000	\$3,512,443

Non-target communes (N = 524).

Target communes (N = 36).

For the LOKAL+ sites, the mean for population density, which refers to the number of people per square kilometer, was 2,583. Caracol had the lowest population density for the four years, at 94 people per square kilometer in FY 2012. The highest population density for a treatment site was Delmas in FY 2015, with

⁵³ Note that there are communes that are unable to fund local public investments simply because they have no major own-source revenue that they are able to raise. Therefore, without significant contributions in external funding along with the intergovernmental transfer, they are unable to make these types of expenditures.

14,116 people per square kilometer. Delmas also collected the highest amount in major own-sourced revenues among the treatment sites, at \$8,913,683 (also in FY 2015), whereas the mean for all nine sites across the four years was \$1,164,247. It must be noted that the \$0 minimum value in major own-source revenue for LOKAL+ sites was less a plausible value than the result of data limitations that I faced in terms of limited access, human error in reporting, or intentional non-reporting, among other existing possibilities (as described in Chapter 4).

Similarly, the \$0 minimum values for the intergovernmental transfer variable for the LOKAL+ sites of Carrefour and Delmas may be a result of data limitations as well, although on the other hand these values could be due to the political realities around Haiti's intergovernmental transfer. Notwithstanding the rubric from the 1996 FGDCT law that defines the amount that ought to be transferred to localities each year, the dispersal of the intergovernmental transfer continues to be at the whim of central government agents. In an interview I conducted, the mayor of Delmas said his commune has not benefited from FGDCT in recent years, which corroborates this quantitative finding. Nonetheless, both Delmas and Carrefour had the highest central to local government transfer of the LOKAL+ sites, with each receiving exactly \$481,022 in FY 2012.

The mean for external funding was \$392,689 for target sites. Acul-du-Nord had the lowest amount of external funding for all four years at \$4,810 in FY 2012, while it did not come as a surprise that Delmas received the highest in external funding at \$1,338,797 in FY 2014. For local public investment expenditure, the mean for LOKAL+ sites was \$763,074. The minimum amount for this variable was

\$35,241 from Acul-du-Nord in FY 2013. Delmas spent the most on local public investments during this time period, spending \$3,512,443 in FY 2014. The fact that the maximum ranges for all these variables for both target and non-target sites⁵⁴ are all in the West department confirms the high concentration of Haiti's citizens and economic activity in the capital's metropolitan region. This descriptive analysis affirms the continued interest in the decentralization of resources on the part of many Haitian stakeholders and international development partners such as USAID hoping it will spur development throughout the rest of Haiti as well.

Table 3 provides summary statistics of the variables specifically for the case study sites of Saint Marc and Delmas for the same time period. On average, Saint Marc had 450 people per square kilometer compared to Delmas's population density of 13,390 residents per square kilometer. Delmas collected a mean of \$7,886,290 in major own-source revenues compared to the \$381,228 that Saint Marc raised from property and business taxes. The average amounts that both communes received from the FGDCT intergovernmental transfer were quite similar, though it is important to note that Delmas reportedly did not receive a transfer in 2014 or 2015 (as previously discussed). Saint Marc's external funding average was \$769,156. In the case of Delmas, the figures available for external funding are questionable, particularly the minimum value of \$120,256 for FY 2012. Considering that Delmas was a quake-affected commune (whereas Saint Marc was not), the influx of international resources would have remained reasonably high through

⁵⁴ Delmas, Port-au-Prince, Pétionville.

2012 (just two years after the earthquake) and more in keeping with the \$1,338,797 that Delmas received in external funding for FY 2014. It is suspected that this variable has been subject to errors in data reporting or incomplete information, since the findings for the other variables are consistent with what was to be expected from Delmas. Lastly, Saint Marc's average local public investment expenditure was \$1,119,794, while Delmas spent around \$3,090,420 on local public investments.

Table 3. Summary Statistics of the Variables for Case Study Sites

VARIABLES	Mean		Minimum Values		Maximum Values	
	SAINT MARC	DELMAS	SAINT MARC	DELMAS	SAINT MARC	DELMAS
Population Density	450	13,390	435	12,838	479	14,116
Major Own-Source Revenue	\$381,228	\$7,886,290	\$85,786	\$7,143,184	\$736,568	\$8,914,683
Intergovernmental Transfer	\$235,429	\$236,179	\$77,944	\$0	\$355,935	\$481,022
External Funding	\$769,156	\$598,147	\$430,861	\$120,256	\$932,402	\$1,338,797
Local Public Investment Expenditure	\$1,119,794	\$3,090,420	\$1,025,925	\$2,753,176	\$1,237,275	\$3,512,443

Saint Marc (N = 4).

Delmas (N = 4).

Mean Values of the Variables Before and During LOKAL+ Intervention

Similar trends have been observed between target and non-target sites when the mean values for three of the five variables for the year before LOKAL+ was instituted (FY 2012) are compared to the mean variables in FY 2015, two years into the program. For example, Table 4 shows that all Haitian communes experienced a 10 percent increase in population density, whether LOKAL+ sites or non-target communes.

Table 4. Mean Values Before and During LOKAL+ Intervention, 2012 and FY 2015.

VARIABLES	FY 2012		FY 2015		Percentage Change (%)	
	NON-TARGET	LOKAL+	NON-TARGET	LOKAL+	NON-TARGET	LOKAL+
Population Density	595	2,467	657	2,713	10	10
Major Own-Source Revenue	\$8,487	\$869,390	\$150,647	\$1,478,990	1,675	70
Intergovernmental Transfer	\$134,261	\$255,376	\$121,113	\$160,565	-10	-37
External Funding	\$145,786	\$224,689	\$138,413	\$479,777	-5	114
Total Revenue	\$288,534	\$1,349,455	\$410,173	\$2,119,332	368	417
Local Public Investment Expenditure	\$186,294	\$641,742	\$141,188	\$732,857	-24	14

Non-target communes (N = 131).

Target communes (N = 9).

Additionally, both target and non-target communes experienced increases in major own-source revenue, though at varying rates. LOKAL+ sites experienced a 70 percent increase in property and business taxes combined, from a mean of \$869,390 in FY 2012 to \$1,478,990 in FY 2015. For non-target communes, however, the 1,675 percent increase in major own-source revenue seemed counterintuitive since this finding is substantially better than the improvements that the treatment sites experienced. Possible explanations include better data collection efforts that began in 2011. That year, the LOKAL program (which preceded LOKAL+) began working with the Ministry of Interior and Territorial Collectivities (MICT) to standardize and collect local budget information from all of Haiti's communes. Also, the CIVITAX software,⁵⁵ created under LOKAL+ to track local tax receipts, was turned over by USAID to the exclusive control of MICT⁵⁶ in 2014 (Interviewees, 2018; Joseph, 2018; USAID, 2018). In fact, "by the third quarter of FY 2014, CIVITAX was becoming central to the method for increasing municipal revenue and improving municipal finance management" throughout Haiti (USAID, 2018). LOKAL+ also worked with MICT to train municipal employees of non-target localities⁵⁷ on the use of this

⁵⁵ The CIVITAX software was created by the Haitian firm Solutions, S.A.

⁵⁶ The LOKAL+ final report states that the program tried to expand the usage of CIVITAX beyond just MICT to include the *Direction Generales des Impots* (DGI), Haiti's equivalent the United States' Internal Revenue Service, though the tense political climate leading up to the 2015 elections created a lot of uncertainty on the part of decision makers within this central government entity.

⁵⁷ Keep in mind that throughout the majority of LOKAL+, these employees were more often than not appointees of the interim executive agents in power rather than of the duly elected mayors. This point will be discussed in great detail in subsequent sections of this chapter and again in the concluding chapter.

software as a way of streamlining tax collection efforts, akin to the exposure to this innovative platform already received by the nine LOKAL+ target sites.⁵⁸

There is a strong likelihood therefore that the observed improvements in major own-source revenue within non-target as well as target sites within the early years of LOKAL+ had to do with improved data collection efforts, namely through the technical assistance that Haiti's Ministry of Interior and Territorial Collectivities had received from the LOKAL+ program.⁵⁹ As a result, the 2015 figures for non-target sites are expected to be more credible than the available (though possibly unreliable) data for 2012 where just \$8,487 was the major own-source revenue average for all 131 non-target Haitian communes compared to the \$150,647 average for these sites in 2015. Regarding the 2012 data for the LOKAL+ sites, though the program started in 2013, the nine target sites had already been engaged in the LOKAL program from 2007-2011 and had thus been pre-exposed to various aspects of municipal governance and fiscal responsibility before LOKAL+. Despite the pre-LOKAL+ data presented for both target and not target communes, it is difficult to compare the two for this particular variable given that the 2012 figures for the LOKAL+ sites are consequently more reliable than what has been observed for the non-target sites.

⁵⁸ It was not clear exactly how many of the 131 non-target sites that MICT has provided training for nor the duration of these trainings.

⁵⁹ Additional evidence regarding the number of non-target communes trained in local data collection by MICT using CIVITAX (an outcome of LOKAL+) would further strengthen this claim; as it stands, this tentative yet important finding conceivably demonstrates the powerful impact of such a project beyond the relatively small number of target sites.

Table 4 also reveals that funds from the FGDCT intergovernmental transfer decreased for all Haitian communes from 2012 to 2015 though given the problematic nature of this fund's disbursement (discussed in Chapter 3 of this study as well as in the previous section), these decreases are not surprising. For non-target communes, the mean of \$134,261 for the intergovernmental transfer in 2012 decreased by 10 percent to \$121,113 by 2015. The 37 percent decrease in FGDCT was even more substantial for LOKAL+ sites during this time period. Nonetheless, the limitations of the quantitative data are such that it cannot be concluded with certainty whether the decreases in the disbursement of the intergovernmental transfer were due to increased corruption in the central government during this time frame (since the then-president was ruling the country by de facto rule through interim executive agents)⁶⁰ or instead resulted from some other reason, such as the reduction in tax receipts from the dedicated taxes that fund the FGDCT, or even changing policies or procedures at MICT in the absence of the duly constituted authority over FGDCT. These possibilities would need to be further explored qualitatively in a later study.

Opposite trends for target and non-target communes between the two years is observed for the variables external funding and local public investment expenditure. The mean for external funding decreased by five percent for non-target sites between the two years but more than doubled from \$224,689 to \$479,777 for the LOKAL+ target communes. While the decrease for the non-target sites cannot be

⁶⁰ The only other time since the Duvalier dictatorship that interim executive agents were installed throughout the country was in the late 1990s under Jean Bertrand Aristide.

explained by this observation alone, some increase for the target sites was a given, since they were at least receiving foreign aid support from the United States by way of LOKAL+. Lastly, local public investment expenditures decreased for non-target sites from FY 2012 to in FY 2015. The mean for local spending on roads, bridges, and projects of a similar nature was \$186,294 for Haiti's 131 non-target communes the year before the program was implemented, with a slight decrease to \$141,188 by FY 2015. For the nine LOKAL+ sites, however, the FY 2012 mean for public investment expenditure of \$641,742 increased by 14 percent to \$732,857 in FY 2015.

Local Revenue Mobilization Outcomes for LOKAL+ Target Sites

Table 5 provides the mean of major own-source revenues for each of the nine LOKAL+ sites from my 2012 to 2015 data. The specific increases in major own-source revenue ranged from at least 25 percent in Delmas to 2,203 percent in the much smaller commune of Caracol. In keeping with these observations, USAID's final report states, "LOKAL+ commune revenue from these two sources was 53 percent higher in FY 2017 than in FY 2013. Eight⁶¹ of the nine LOKAL+ communes received more revenue in FY 2017 than in FY 2013, and all nine received more than in FY 2016" (USAID, 2018). In total, USAID reports that "in five years, LOKAL+

⁶¹ The report did not specify the eight communes that are being referenced in this regard.

municipalities raised [an estimated \$29,171,699]⁶² in own-source revenue from property taxes and business licenses” (USAID, 2018).

Table 5. Major Own-Source Revenue for Target Sites, FY 2012 and FY 2015.

Communes	FY 2012	FY 2015	Percentage Change (%)
Cap Haitien	\$572,933	\$736,445	29
Limonade	\$3,184	\$8,678	173
Caracol	\$426	\$9,810	2,203
Ouanaminthe	\$17,703	\$47,367	168
Carrefour	\$0	\$2,563,992	-
Delmas	\$7,143,184	\$8,913,683	25
Saint Marc	\$85,786	\$614,273	616
Acul-du-Nord	\$1,294	\$10,791	734
Kenscoff	\$0	\$405,869	-

Despite these impressive increases, this study is most concerned with whether or not these gains led to improvements in local public investment expenditures. Table 6 shows that eight of the nine LOKAL+ sites increased their local public investment spending, the exception being Saint Marc, which experienced a decrease of three percent according to my quantitative data.⁶³ Though Delmas did experience an increase in local public investment expenditure, its two percent increase is the second lowest, whereas the commune of Limonade experienced the highest percentage change at 246 percent.

⁶² The 2.5 billion gourdes that was raised across the five years was converted to USD for an approximated value using the 2018 annual exchange rate of 68.5596 obtained from the Haitian Central Bank.

⁶³ This finding will be further investigated with qualitative data in the following section.

Table 6. Local Public Investment Expenditure for Target Sites, FY 2012 and FY 2015.

Communes	FY 2012	FY 2015	Percentage Change (%)
Cap Haitien	\$379,266	\$754,060	99
Limonade	\$45,216	\$156,601	246
Caracol	\$52,912	\$118,417	124
Ouanaminthe	\$76,723	\$149,693	95
Carrefour	\$727,667	\$832,010	14
Delmas	\$3,021,971	\$3,074,091	2
Saint Marc	\$1,055,030	\$1,025,925	-3
Acul-du-Nord	\$40,887	\$90,615	122
Kenscoff	\$376,009	\$394,299	5

Quantitative Summary

The quantitative analysis provided descriptive statistics broadly laying out the potential impact of USAID’s LOKAL+ decentralization program on the nine target communes relative to the 131 Haitian communes that did not receive this intervention, prior to the qualitative analysis’s examination of the two case study sites in greater detail.

Summary statistics of the variables revealed that the maximum ranges for all the variables⁶⁴ for both non-target and LOKAL+ communes were in the West department, home to the Port-au-Prince metropolitan region. An assessment of summary statistics specifically for the case study sites of Saint Marc and Delmas

⁶⁴ The five variables assessed were population density, major own-source revenue, intergovernmental transfer, external funding, and local public investment expenditure.

revealed a similar trend, as Delmas (one of the eight communes that comprise the Port-au-Prince metropolitan region) had an average 13,390 residents per square kilometer, while Saint Marc in the northern Artibonite region had a density of just 450 people. Regarding the two main variables of interest for this study, Saint Marc's average of \$381,228 in major own-source revenue paled in comparison to Delmas's \$7,886,290 average during that timeframe. Delmas also spent about \$3,090,420 in local public investments compared to Saint Marc's average of \$1,119,794. That these findings collectively confirm the high concentration of Haiti's social and economic activity affirms the continued interest of many Haitian stakeholders and international development partners alike in promoting the decentralization of resources and opportunity to encourage development throughout the rest of the country as well.

Mean values before and during LOKAL+ showed similar trends for LOKAL+ and non-target sites for three of the five variables (population density, major own-source revenue, and intergovernmental transfer). Both groups experienced a 10 percent increase in population density, and increases in major own-source revenue for non-target sites was a drastic 1,675 percent increase, compared to the 70 percent increase that LOKAL+ sites experienced. It is notable that USAID began working with the Ministry of Interior (MICT) in 2011 to standardize local data collection nationwide. Additionally, the CIVITAX software created under LOKAL+ was transferred to the exclusive control of the Haitian government in 2014. These enhancements likely contributed to the greater reliability of the 2015 data compared to the 2012 data for non-target communes. (Target communes were pre-

exposed to fiscal responsibility measures through the preceding LOKAL program from 2007 through 2011). Furthermore, the intergovernmental transfer amounts decreased for all Haitian communes, with a 27 percent greater decrease for the nine LOKAL+ sites, though the quantitative data alone cannot explain the causes of these decreases.

For the external funding and local public investment expenditure variables, opposite trends were observed when comparing non-target and LOKAL+ communes: the mean for external funding for the 131 non-treatment sites decreased by five percent, whereas it more than doubled for LOKAL+ sites. Finally, local public investment expenditure decreased by 24 percent for non-target sites but increased by 14 percent for LOKAL+ sites between 2012 and 2015. Of the LOKAL+ sites, however, Saint Marc was the only one to experience a slight decrease (three percent; this finding will be elaborated on in the subsequent qualitative analysis). Delmas's two percent increase in local public investment expenditure was the lowest increase of the nine sites, yet its approximately \$3 million in annual spending on public works projects exponentially surpassed that of any other Haitian commune.

In sum, while the quantitative data alone is not enough to make conclusive claims about the impact of local revenue mobilization on public investment expenditure, this overall context helps frame the case study analyses of Saint Marc and Delmas that will be presented in the next section.

The Impact of Local Revenue Mobilization Efforts on Saint Marc and Delmas

Thus far, this chapter has explored the meaning of decentralization within a Haitian milieu and offered a quantitative analysis in order to contextualize the impact of local revenue mobilization efforts on all nine target communes in relation to the 131 Haitian communes that did not participate in USAID's LOKAL+ program. What follows is the qualitative analysis that forms the crux of this study, assessing the impact of local revenue mobilization efforts on improved public service delivery in the case study sites of Saint Marc and Delmas. This analysis is based on an evaluation of the five theoretical propositions (or hypotheses) that this study proposed as well as the two rival explanations (or counterarguments).

The first theoretical proposition was that ***increases in local revenues will be observed*** in the case study sites of Saint Marc and Delmas. Table 5 of the previous section showed that between 2012 and 2015, Saint Marc saw a 616 percent increase in major own-source revenues from its pre-LOKAL+ amount of \$85,786 in 2012 to the \$614,273 collected in 2015. According to Table 5, during this time period Delmas also experienced an increase in local tax collection of 25 percent from its 2012 amount of \$7,143,184 to \$8,913,683 in 2015 (a finding that will be further explained shortly). This finding is corroborated by the LOKAL+ final report, which states, "The increase in commune revenue was both the most dramatic and the most readily measurable of the LOKAL+ achievements" for all of the nine target sites (USAID, 2018). The Oxfam report also refers to the "exponential growth of [local] revenues" at their three case study sites (one of which was also Saint Marc) (Joseph, 2018).

In order to identify taxable properties, LOKAL+ worked with municipalities to conduct censuses of private properties and businesses as a way of estimating how much revenue could potentially be collected. As an example, “by early August [2015], Saint Marc had added 25,372 built properties to those identified by the previous LOKAL project”⁶⁵ (USAID, 2018). Furthermore, “1,232 taxable businesses [were] added to Saint Marc’s tax roll” in 2016 (USAID, 2018). In addition to these property assessments, LOKAL+ also employed a great deal of public outreach campaigns “that included radio spots, sound trucks, and street banners” across all target sites (Interviewees, 2018; USAID, 2018).

At the same time, I was told by all five Saint Marc residents who were interviewed (three of whom were engaged in LOKAL+ activities and two of whom were external to the study) that while these revenue mobilization efforts were widely successful, citizens have at times withheld their tax payments when they did not see a simultaneous increase in public service delivery resulting from their contributions.⁶⁶ One of these interviewees, a business owner who was not involved in LOKAL+, said:

“For example, if you’re having a problem within your sector so to speak and you were to call [local government] for guidance, perhaps to come to your establishment to help you out...you cannot reach them. And meanwhile, you have this amount that you’re paying to the state. You reach the point where it doesn’t make sense to pay it.”

⁶⁵ As a pilot site in the LOKAL program, Saint Marc was able to increase its property tax rolls from a baseline of 6,000 to 18,943. This increased the commune’s property tax revenue by 159 percent in fiscal year 2011 (USAID 2012).

⁶⁶ Public service delivery outcomes will be discussed further in relation to the second, third, and fourth theoretical propositions.

Table 7 shows the major own-source revenue generated by Saint Marc for each of the four years in my dataset, and a decline is indeed evident between 2014 and 2015. Whereas sizable improvements are observed from the \$88,284 it collected in 2013 to the \$736,568 raised in 2014,⁶⁷ the commune experienced a 17 percent decline in collected property and business taxes to \$614,273 in 2015.⁶⁸

Table 7. Major Own-Source Revenue Collected in Saint Marc from 2012 – 2015.

Year	Major Own-Source Revenue
2012	\$85,786
2013	\$88,284
2014	\$736,568
2015	\$614,273

Bear in mind that the span of time covered by my dataset also happens to be the years in which interim executive agents rather than elected mayors were in office in most communes in Haiti, including Saint Marc.⁶⁹ Interestingly, the LOKAL+ final report commented that USAID officials were eager to observe what impact, if any, local elections in 2016 would have on the major own-source revenue generated.

⁶⁷ Saint Marc officially became a LOKAL+ site in 2014.

⁶⁸ This finding has been directly attributed to the community's collective response to decisions made by the interim executive agents that were appointed in place of elected mayors in Saint Marc (and throughout Haiti) and will be discussed at length throughout this chapter.

⁶⁹ The role of local leadership will be discussed further in relation to the fifth proposition.

Upon assuming office, the newly elected mayor of Saint Marc decided “to forgive back taxes for all property owners who resumed paying. As a result of its policy, Saint Marc’s FY 2017 revenue shot up 171 percent” (USAID, 2018). Three of the five local interviewees, as well as two out of four LOKAL+ stakeholders, also highlighted the tax forgiveness measure as a factor that contributed to the increases in tax payments. In fact, the Saint Marc site raised the most in local revenue for that year, though all the target sites experienced increases from FY 2016 to FY 2017 (USAID, 2018).

In the case of Delmas, the mayor had already been engaging in local revenue mobilization prior to USAID, beginning when he first took office in 2007. His priority at the time was to identify development funds for his commune. His account was confirmed by a local resident who unexpectedly mentioned this fact during our interview and was also corroborated by a USAID official. LOKAL+ was therefore able to join the mayor in furthering these efforts. For example, additional land assessments under LOKAL+ identified another 50,777 buildings in 2014 that were taxable (USAID, 2018). According to the LOKAL+ final report, “The impact was immediate. Property owners in Delmas, for example, started paying their property taxes upon receipt of tax notices, and by the beginning of FY 2015, Delmas revenue had jumped 32 percent” (USAID, 2018).

Two of the three Delmas residents I interviewed, one of whom was involved in the execution of LOKAL+ and one of whom was not, also described a form of moral accountability over the past two or so years that contributed to citizens staying current with their property tax payments. Residents who have paid their

property taxes are granted a green plaque by the municipality to prominently display in front of their homes. Fear of having one of the only homes without such a sign, which would suggest the household was not current on its property taxes, has incentivized those who had not paid to do so. On one of the two occasions when I visited Delmas's Municipal Palace,⁷⁰ I sat in the lobby of the tax department and observed the spirited environment there. There were four or five young adults sitting along a long desk, each working behind an individual computer and facing the lobby. In front of each work station was a corresponding chair to which individuals were called up by a number and/or by name to come pay their taxes and/or deal with other tax-related issues. The lobby had anywhere from 30 to 50 people awaiting their turn. Individuals were called up in a reasonable amount of time, and I could see a steady flow of people completing their business in the 20 or so minutes that I sat there before my scheduled 11am interview. When I met with the local official whom I was waiting on and asked about the commune's experience with local revenue mobilization, this interviewee said:

"Citizens in this commune don't wait until they receive their tax bill to come and pay it! If you were here last week, you would see that people [were overflowing and] sitting outside. It was on megaphones that [staff] had to call them in to come pay. And it is not US who are forcing them to come pay! They see the commune, the work that it is being done, and they take the onus upon themselves to come and pay [their taxes]."

This comment suggests that if the widespread perception was that tax payments were not resulting in noticeable improvements, Delmas residents arguably would

⁷⁰ The equivalent of a City Hall.

not be as willing (or even eager) to remain current on their taxes. The municipality therefore, has an obligation to maintain and even augment the public services that it delivers if it is to continue receiving timely tax payments from its citizens. The responses from two residents, a local official, and my field observations served as additional sources of evidence indicating that Delmas had indeed experienced an increase in major own-source revenue prior to and during LOKAL+.

The second theoretical proposition of this study was that ***public investment spending in Saint Marc and Delmas will have increased as a result*** of LOKAL+'s revenue mobilization efforts. Primarily employing my quantitative analysis to address this proposition, I used the variable "public investment expenditure" as a proxy for spending on public services. Based on this analysis, Delmas experienced a two percent increase in public investment spending between 2012 and 2015. As shown in Table 6 of the previous section, however, this was the lowest increase observed among the nine LOKAL+ sites. That Delmas had been engaged in local revenue mobilization efforts for at least six years before it became a LOKAL+ site may help to explain why Delmas nets approximately \$3 million in local public investment spending per year, certainly more than that generated by any other Haitian commune.

Surprisingly, Saint Marc was the only LOKAL+ site in my dataset that experienced a decrease in local public investment spending, with a decline of three percent (see Table 6). Three Saint Marc residents and two LOKAL+ stakeholders revealed that the additional revenue generated was used to pay back salaries for municipal employees rather than to deliver improved or additional public services.

USAID's final report for LOKAL+ said, "The excessive hiring and the delays in intergovernmental transfers resulted in substantial salary arrears. By the end of 2015, salary arrears had reached 22 months in Saint Marc" (USAID, 2018). Complicating this reality is the aforementioned political climate, with interim executive agents installed throughout most of Haiti (with the exception of Delmas) from 2012 through late 2016. It was not uncommon for these agents to fill local posts with their cronies, giving out jobs as personal favors during the limited time frame of their appointments rather than to those most qualified to tend to municipal affairs. It was in this context that increases gained through tax collection efforts were used to pay back salaries in Saint Marc, a practice one member of civil society and one LOKAL+ stakeholder explicitly describing this practice with the word "corruption," while three local residents familiar with the program alluded to possible corruption but did not name it explicitly.

This scenario exemplifies why the second-generation theory of fiscal federalism in which this study is grounded emphasizes the need to evaluate the "various political impediments to the efficient assignment and production of public goods" to understand what influences a local actor's decision to support or resist the potential benefits of decentralization (Weingast, 2009). Instances of "local capture," where only a small power base benefits (rather than gains being disseminating to the broader population as intended), are therefore not necessarily a reproach to decentralization policies themselves but rather underscores the importance of the organizational arrangements under which decentralization processes are occurring so as to determine whether its gains can be realized in a particular context (Bird and

Vaillancourt, 2008; Prud'homme, 1995; Rondinelli, 1989). In the case of Saint Marc, the problematic environment under the period of interim executive agents further explains why many residents may have decided to stop paying their taxes (as previously discussed) until an elected mayor was in office. For example, the LOKAL+ final report states:

*"The new mayors in Haiti [from the 2016 elections] typically found their communes in precarious financial situations, due mainly to delays in intergovernmental transfers of funds and **profligate hiring by the interim mayors (interim executive agents)**.⁷¹ Many new mayors began issuing statements.... the new mayors began dismissing staff."*

Regarding Saint Marc specifically, the final report states:

"Saint Marc's new municipal council⁷² was especially aggressive in overhauling the administration. It dismissed about 60 percent of its staff and hired smaller numbers of better qualified personnel, primarily recent college graduates who brought with them needed technical skills and enthusiasm."

If it had been a duly elected mayor of Saint Marc who decided to use the increased local revenue to pay back salaries of municipal workers, the population might perhaps have been more inclined to accept that this decision could raise the morale of municipal employees and thus improved the discharge of their duties. Regardless, these were the circumstances under which public investment spending declined between 2012 and 2015.

⁷¹ Emphasis added.

⁷² As a reminder, each commune has a municipal council comprised of a principal mayor and two deputy mayors, as stipulated in a 1996 law.

Recall that the LOKAL+ program worked with each target commune to produce an individualized communal *Plan de Financement des Services Publics Communaux* (PFC). The intended goal was for the PFC to serve as the commune's five-year finance plan for public investment with a focus on public service provision. The PFCs included a short list of about ten community-identified priority projects⁷³ along with their corresponding implementation budgets. Another critical aspect of the PFC was that the community organizations involved in producing the document would have an important role in monitoring and evaluation while the projects were being executed by the mayor's office. Lastly, this document was intended to serve as a tool to encourage local tax payments as well as to leverage other forms of financial support to fund project execution. Therefore, the third proposition that this study established was that ***local public investments have been spearheaded by PFC priority projects.***

In Saint Marc, three of the five local interviewees with extensive knowledge of the LOKAL+ program in their commune and said that Natcom (a private telephone and internet company) had granted \$2 million in gourdes to the mayor's office for the construction of a modern public market (priority project two). Two of the four LOKAL+ stakeholders interviewed also said that a private company had made funding available for this priority project (though they did not specifically name Natcom). It was not clear to the three community members, who themselves were involved in producing the PFC, whether the funds would be allocated toward

⁷³ See Appendix B – *Plan de Financement des Services Publics Communaux* (PFC) Priority Projects.

rehabilitating the existing public market as described in the document or toward building an entirely new market in a different location. The LOKAL+ final report says that the mayor has plans to construct a new public market (USAID, 2018). If this is carried out, the three interviewees believe a new market will exacerbate issues pertaining to street vending instead of addressing them because a new market will likely spur an increase in informal vending. Rather than curtailing this type of activity, their take is that a new market is likely to house an entirely new group of vendors while also attracting an increase in informal vending activity in front of (and/or surrounding) this new establishment. The concern then is that the number of formal and informal street vendors in Saint Marc will continue to rise whereas the languishing conditions faced by those in the existing market will remain unaddressed.

The LOKAL+ final report also lists the Banique-Jeanton Road rehabilitation project in Saint Marc (priority project three) as one of the “PFC projects to which LOKAL+ contributed” during the final year of the program, though the report does not detail the type of contribution made to this project (USAID, 2018). In following up with one of the three interviewees, I learned that a study supporting this project had been started but not yet completed. The LOKAL+ final report did also state that “not all projects [that LOKAL+ contributed to across the nine target sites] were fully completed as of the end of the [LOKAL+] project,” thus confirming what this interviewee told me about priority project three in Saint Marc (USAID, 2018). Two of the five local interviewees in Saint Marc who were not intimately familiar with

LOKAL+ did not refer to (or demonstrate an awareness of) any of these interventions when asked about public service improvements in their commune.

For Delmas, four completed PFC projects were cited in the LOKAL+ final report (USAID, 2018). These projects consist of three marketplaces in the neighborhoods of Delmas 19, Delmas 32, and Delmas 33, as well as a community upgrading project in the neighborhood of Siloé. One of the three community members interviewed from Delmas, who also participated in drawing up the PFC, referred to these four interventions as completed projects as well. The mayor of Delmas also cited the Delmas 32 market place that was completed with the help of \$21 million USD in funding through a partnership with the World Bank and the Pan American Development Foundation (PADF), though he was not impressed with the outcomes of the PFC. His feeling was that the funds spent on what he called “a bunch of little projects” could instead have gone toward the production and execution of a more comprehensive development plan for a larger swath of the commune to generate longer-term benefits for Delmas. To him, the PFC was “not a project of sizeable IMPACT⁷⁴ toward development really.”

In sum, the multiple sources of evidence do not support the hypothesis about the role of priority projects as indicators of public service delivery even as several of the projects in each case study site were completed or underway. The biggest challenge working against the utility of the PFC was that the budgets needed to carry out the priority projects greatly surpassed any amount that could realistically

⁷⁴ As a reminder, all-caps words are used throughout this study to convey the speakers’ emphases.

be collected through local revenue mobilization efforts alone. Additionally, USAID determined that “the [LOKAL+] project could engage only in PFC project planning and preparatory work,” not in producing the feasibility studies called for by some of the priority projects; neither could LOKAL+ participate in any project execution⁷⁵ (USAID, 2018). To take an example, consider that the estimated total cost for all 13 priority projects identified in the PFC for Saint Marc was over ten million USD,⁷⁶ even though, as previously mentioned, Saint Marc collected only \$614,273 in local revenues in 2015. Thus, in order to fund the execution of the PFC priority projects, “the LOKAL+ partner communes were left with other donors as the sole potential source of funding for their PFC projects” (USAID, 2018). Oxfam also concluded in their evaluation of the program that the “lack of coherence within the PFC was too ambitious for the reality of local revenue mobilization. Only 30 to 40 percent of the estimated budgets were collected in certain communes” (Joseph, 2018). In fact, the LOKAL+ final report admits that “only the wealthiest LOKAL+ partner commune, Delmas, was able to fund large-scale PFC projects with its own-source revenue” (USAID, 2018). Overall, the connection between citizens’ wants and needs, increased tax collection, and improved public service outcomes could not be established using the status of PFC priority projects as a gauge. Three of the four LOKAL+ interviewees admitted that the PFC results fell short of program expectations. One of these interviewees remarked frankly, “The PFC was one of the greatest failures of

⁷⁵ It is not clear when or why USAID made this determination.

⁷⁶ The exact figure obtained from the PFC for Saint Marc was 1,218,000,000 gourdes. This total included both construction costs as well as upfront operational expenses.

LOKAL+” since the program did not provide sufficient resources or guidance to the communes for implementation to be successful (Interviewee, 2018).

The fourth theoretical proposition established by this study was that ***Saint Marc and Delmas will have experienced increases in new public service programs and/or interventions.***⁷⁷ All five of the residents of Saint Marc whom I interviewed, regardless of whether or not they were directly involved in or aware of LOKAL+ activities, readily discussed improvements in terms of sanitation and trash collection as evidence of new public service interventions during the time period that overlapped with the program. USAID’s final report also states, “To improve service delivery, LOKAL+ focused on public sanitation as a highly visible service valued by taxpayers. It was also one that the municipalities had the resources to carry out” (USAID, 2018). The main commentary from these local interviewees was that trash had been collected more regularly in recent years than before. One of the five interviewees proudly described community-wide clean-up days organized by the municipality to encourage residents to partake in cleaning up the public squares in their community. This person said:

“I feel like...I am a child of the commune, I am a saint-marcois, and it makes me feel proud to know that I am working for my city. I am cleaning it, I am doing something that, you know, is good for the population. It is a source of pride for me.”

⁷⁷ The possible nature of these new interventions was purposely left vague in this hypothesis so as to allow them to emerge on their own from the data.

After praising the public sanitation efforts across all target communes, the LOKAL+ final report stated, “That being said, Saint Marc distinguished itself. The municipal council engaged with civic leaders and the private sector to engage in a variety of innovative schemes to clean up the city center” (USAID, 2018). Additionally, three local interviewees who actively engaged in LOKAL+ activities also mentioned trash collection improvements, though, in a follow-up conversation, one was keen to point out the need for a broader strategy that encompassed rural areas surrounding the city center of Saint Marc as well. This interviewee explained that flooding regularly occurs in Saint Marc proper as a result of the uncollected trash from the rural sections pouring into the city center when rainfall occurs. Local officials and/or international partners often concentrate their interventions and resources in the city center of a commune without necessarily extending services to the more rural and difficult-to-access communal sections on the outskirts of the more urbanized portion of the commune (Interviewee, 2017; Interviewee, 2018). Therefore, these populations may sometimes observe improvements being made⁷⁸ in the city proper of a commune without themselves being beneficiaries. Nevertheless, most of my interviewees, as well as the LOKAL+ final report, agreed that public service improvements in the areas of sanitation and trash collection had been made in Saint Marc, even as those improvements were mostly limited to the city center.

⁷⁸ A Saint Marc community leader explained their organization’s role in reaching out to and including community leaders from the more rural parts of the commune in their town hall meetings, training activities, etc. to cultivate cross-sharing of information and capacity building.

Noticeable increases in capital investments, like new road construction or road improvement projects, were instances of public service improvements cited by the three Delmas residents interviewed, three of the four LOKAL+ stakeholders, and the mayor. As an example, the mayor described a traffic control measure that he had recently executed at a critical juncture between Delmas 32 and 33.⁷⁹ He said that the travel time during morning rush hour traffic through this intersection had dropped considerably as a result.⁸⁰ LOKAL+ stakeholders and at least one other interviewee suggested that projects of this nature have served to reinforce the faith that many Delmas residents have in their mayor's leadership and performance. One resident, however (who was also unaware of LOKAL+), made the point that none of the roads in Delmas are being built with proper drainage and sewage systems.⁸¹ This person sent me a one-minute video through WhatsApp after the interview to show the inordinate amounts of garbage clogging the streets after a recent rainfall. I myself also observed streams of water and trash running down the roads on several occasions during my fieldwork in Delmas, a problem that will certainly warrant close future attention. Nonetheless, major road improvements have been and are still underway in Delmas as a result of increases in local revenue collection.

⁷⁹ Interestingly, neither the mayor nor the LOKAL+ final report referred to this undertaking as one of the completed PFC projects in Delmas, even though it was listed in that document.

⁸⁰ The mayor's ability to execute this project using funds generated primarily from local revenues speaks to his ability to take on projects of this nature without necessarily relying exclusively on international support to carry them out.

⁸¹ It is important to note that this issue cannot necessarily be addressed by the locality alone without a metropolitan-wide interjurisdictional effort to implement proper drainage and sewage systems. Thus, without a broader regional approach, local policies may have their limitations.

The final theoretical proposition was that ***the leadership of the principal mayor will contribute to observed improvements in public service delivery.***

Based on the five objectives of the program described in Chapter 3, I developed the following benchmarks to assess mayoral leadership:

- Supports local tax collection efforts;⁸²
- Leverages relationship with the central government, as well as international entities, to improve public service delivery;⁸³
- Engages local citizens⁸⁴ in executing new or improved public services.⁸⁵

According to two of the four LOKAL+ stakeholders interviewed, the current mayor of Saint Marc is “a child of the village” who came into office “with a different style of leadership,” one that is bent on service provision and delivery (Interviewees, 2018). Remember that several interviewees were leery of possible corruption in Saint Marc, which was the only target site that had a decline in local revenue during the LOKAL+ program. Also recall that the final report stated that local revenue increased by 171 percent a year after the mayor’s election because of

⁸² Based on objective two: mobilize fiscal resources to pay for public services (USAID Haiti 2015; USAID 2018).

⁸³ Largely based on objective three: improve access to central government funds and resources (USAID Haiti 2015; USAID 2018).

⁸⁴ Benchmark three was based on objective five: increase transparency, oversight, and accountability of local governments (USAID Haiti 2015; USAID 2018).

⁸⁵ Whereas theoretical proposition one previously discussed the mayors’ respective contributions to local revenue mobilization efforts in each of their communes, the resulting discussion is primarily centered around the second and third benchmarks.

his decision to forgive back taxes (USAID, 2018). That five out of seven interviewees (both local residents and LOKAL+ stakeholders), along with the LOKAL+ final report, mentioned the mayor's tax forgiveness policy as an explanation for this turnaround is indicative of his leadership in promoting local revenue mobilization.

Nevertheless, opinions of the principal mayor's overall leadership seemed to diverge between LOKAL+ stakeholders and local residents, who are also members of an active local community group (founded prior to LOKAL+).⁸⁶ While the mayor's efforts on tax collection were acknowledged, as well as his ability to secure funding for one PFC project (even as uncertainties remain), three group members who engaged in LOKAL+ activities stated collectively that the mayor's commitment to community engagement seemed to have changed after LOKAL+ ended. The example I was given was that the mayor remained diligent in inviting members of civil society to activities that his administration hosted but that he no longer attended community-led town hall meetings that he used to participate in during LOKAL+ (Interviewees, 2018). The two residents who were not involved in LOKAL+ activities commented that the mayor's office seemed open to engaging the community but that they, the residents, were not inclined to directly engage the mayor's office on their own. Unfortunately, I was unable to meet with the mayor⁸⁷

⁸⁶ The Communal Platform of Saint Marc, *Plate-Forme Communale de Saint Marc* (PFCSM), was legally incorporated in May 2014 by LOKAL+ but had been created by MICT and the International Organization of Migration (IOM) to support the mayor's office in dealing with the upsurge of internal migration resulting from the 2010 earthquake.

⁸⁷ I was in touch with the mayor several times via email June 2018, though he had not confirmed whether he would be willing to be interviewed during my scheduled July 2018 trip. Even if I did not have to forego my fieldwork in Saint Marc due to the unexpected riots that erupted across Haiti July 6th and 7th, I am unsure I would actually have been able to interview the mayor, my efforts notwithstanding.

and thus cannot comment on his relationships with central government actors and/or international partners, per the second benchmark. That he had only been in office for one year before LOKAL+ ended also complicated my ability to more thoroughly investigate his direct impact on public service delivery in Saint Marc. Nonetheless, this current mayor of Saint Marc met one of the three benchmarks that characterize the role of local leadership in public service delivery based on the information I had available to me for this portion of the analysis.

Delmas's generally acknowledged status as the wealthiest and most efficient commune in Haiti is often attributed to the leadership of its principal mayor. Certainly Delmas has many attributes that distinguish it from the average Haitian commune. Its proximity to the central government, as one of eight communes in the Port-au-Prince metropolitan region, is a unique advantage that the mayor has been able to leverage though this is not to diminish the achievements of this leader. For example, Carrefour, another LOKAL+ target site located in the Port-au-Prince metropolitan region, has experienced declines in local revenue even though the commune was pre-exposed to USAID's local revenue mobilization efforts as a pilot site under the preceding LOKAL program. Furthermore, all four LOKAL+ interviewees and two civil society interviewees familiar with the program shared with me Carrefour residents' displeasure with their mayor, which have led to these declines. In contrast to these perceptions of the mayor of Carrefour, the Delmas mayor's name is often synonymous with the commune of Delmas itself, according to a LOKAL+ stakeholder as well as four civil society interviewees (Interviewee, 2017;

Interviewees, 2018). One of these four civil society interviewees, who is also a resident of Delmas, said,

“What’s REALLY interesting as I think about it, [Delmas] had all of these capabilities, right? The businesses were there, it was always a big commune. And the thing that changed [was] the leader...so at the end, I think you could tell the difference when you have, on the one hand, you know, a city that is blessed with the right – being in the right place, the right size, having the right number, you know, mix of businesses and private homes, and on the other side, an executive. First of all, who knows his role, knows his power. And uses it to the hilt. Both to negotiate as a friend or a foe.”

Having been in this role for 10 of the last 11 years,⁸⁸ the mayor’s consistent leadership has allowed him to develop and execute his development strategy more fully. As I waited in the receiving room immediately outside the mayor’s office before our interview, I noticed a framed document entitled, “The Eight Programmatic Pillars of Delmas” hanging from the wall. I do not know that such a document would be hanging in another mayor’s office. Delmas is also one of the only communes in Haiti to have a multi-story Municipal Palace staffed primarily with young, college-educated Haitians. That he had been promoting local revenue mobilization on his own, six years before LOKAL+ came into existence, exemplifies his visionary leadership.⁸⁹

The comportment of the mayor of Delmas toward the central government is another example of how he leads. Consider that under the Haitian tax collection

⁸⁸ The mayor was allowed to stay on as an interim executive agent from 2011 – 2015 but had to step down for a year in order to be eligible for re-election in 2016.

⁸⁹ No further analysis is needed as the mayor’s support for local revenue mobilization was discussed at length during the earlier analysis of the first theoretical proposition.

system, after individuals pay their local taxes at the local branch of the *Direction Generales des Impots* (DGI), an estimate of the taxes collected that month is provided to the mayor, and then “DGI sends [the local taxes] to the central DGI and the central DGI sends it to [the] finance [ministry]. Then finance sends it to the central bank. And then the central bank puts it in [the commune’s] account” (Interviewee, 2018). This heavily centralized approach is one of the ways in which the central government notoriously manipulates local control. As a result, local funds that rightfully belong to the commune can be withheld as a form of punishment and/or to influence local decision making in various ways. However, while other communes may be more susceptible to these whims, the mayor of Delmas told me, “If I don’t get [our local taxes] by the TENTH [of the month], I call [and] I say, ‘The money isn’t here’ – for them to get themselves together to send it to me because that is the money [Delmas] made,” based on the monthly estimates that the local DGI provided to him. He continued:

“Meaning, if there are other communes that are suffering, that [the central government hasn’t] put their money, this is not the story regarding the money of the Mayor’s Office of Delmas. The money of the Mayor’s Office of Delmas cannot remain OUTSTANDING, we collaborate in this sense very well...So. Well, ever since I have been in office, with the central government, for me, I do not know what that is. I hear [other mayors] saying [central] blocked them [or] that they have a disagreement. I have never had that. Because what the law says, [central has] to do it!”

Interestingly, four of the eight civil society interviewees remarked that many central government actors see the autonomy of the mayor of Delmas and this fuels their commitment to obstructing decentralizing measures, since the last thing they want is for other mayors throughout the country to have the same amount of power.

Again, since not every commune in the Port-au-Prince region confronts central authorities in this way, the effectiveness of the mayor's leadership cannot be attributed merely to the proximity of Delmas to the capital. Yet one must wonder whether this mayor would still be able to govern in this manner if he were overseeing a commune farther away from the capital and lacking Delmas's level of resources.

A civil society interviewee also discussed how the mayor leverages the substantial presence of international actors operating in his commune by assessing the projects they want to execute from a particular vantage point, namely:

“How do I partner with you to make [your project/s] go further? Or how do you partner with ME to take my project further?’ Right? So he really uses leverage in the full sense of the word. In a soft leverage, where you can go and say, ‘You know, we can do a partnership’ and in the hard, like, ‘You just can’t work in my commune if you can’t deal with... you know, if we can’t come to an agreement.’ You know?”

This observation is in keeping with the fourth pillar of Delmas – “Develop local, national and international partnerships” – though two LOKAL+ interviewees said that the mayor would have preferred to receive the funds directly from USAID to further his vision for Delmas, rather than to have had them spent on various LOKAL+ activities (the earlier discussion pertaining to the PFC was indicative of this). Nonetheless, the mayor did tell me that the installation of CIVITAX was an incredibly useful outcome of the LOKAL+ program, in that it greatly enhanced Delmas's tax collection efforts.

The lack of public engagement by the mayor is a point that was explicitly raised by two of the four LOKAL+ stakeholders, as well as two of the three Delmas residents, interviewed, even though the “Eighth Pillar of Delmas” was “citizen empowerment.” One of the LOKAL+ stakeholders believed that the mayor operates with the understanding that he already knows what is best for Delmas as an integral member of the community itself. Therefore, the assumption is that he does not find it useful to conduct town hall meetings or to ask his community for input. A resident of Delmas (who was not involved in LOKAL+) expressed displeasure with what the person described as the strong-arm approach that the mayor often employs to get things done⁹⁰ without engaging or respecting the agency of his constituents in the process. As a result, this person said bluntly, “I do not have a good relationship or a good view of the [local] government.” This sentiment was in some ways reflected in a portion of an earlier quotation from another Delmas resident (who was not aware of or involved in LOKAL+), stating that the mayor “knows his role, knows his power. And uses it to the hilt. Both to negotiate as a friend or a foe.”⁹¹

Unlike Saint Marc, which already had an active community group in existence with a history of engaging with local officials, LOKAL+ created a Citizens Consultative Committee (CCC) in Delmas comprised of two to three representatives from each neighborhood. The group has floundered without ongoing support from LOKAL+, however, and was never able to establish a strong enough relationship

⁹⁰ In order to safeguard the anonymity of this interviewee, I cannot elaborate further.

⁹¹ This resident provided an example that I am unable to confirm or reject as a researcher. Withholding this tangential information also protects the anonymity of this interviewee, too.

with the mayor's office to be kept abreast of the commune's development. For example, one of the three residents interviewed was a member of this group and said,

"Our mission was to have a connection with the mayor's office that hasn't really worked out...[we weren't] really respected because it is a pilot that LOKAL+ tried to do, to try to integrate civil society into communal affairs. But this [effort] isn't where it should be yet. [LOKAL+] left it up to us to make the linkages. But before LOKAL+ left, we asked for it to give us some support in interfacing with the mayor's office because [the mayor's office] themselves are not used to this system⁹²...I mean, they hear us out but they haven't really given us open access regarding all that is happening in the commune."

Still, the mayor's lack of public engagement surprisingly did not prevent the two residents who were critical of him from remaining encouraged by their municipality's performance regarding public service delivery. Most importantly, each remained optimistic that greater inclusion, transparency, and accountability in Delmas's affairs would materialize over time. One believed that change would come if they stayed current with their tax payments and maintained their personal integrity as an upstanding citizen of this commune (Interviewee, 2018). The other felt that continued outreach to the mayor's office and making their presence felt and known over time is what would drive these improvements (Interviewee, 2018). This interviewee also said,

"Haiti doesn't have this system [of public engagement] yet. They [LOKAL+] came and brought it in. Even if it is not with the [citizen's] committee that is here now, I think in

⁹² The implications of this "system" of public engagement that is not native to Haiti will be further discussed in Chapter 6.

the future [public engagement] will come in somehow...there is hope. This isn't over" (Interviewee, 2018).

In sum, the mayor of Delmas upheld two of the three benchmarks that I evaluated to assess the role of his leadership, thereby demonstrating that local leadership does play a role in furthering public service improvements.

I established two rival explanations or counter arguments as potential challenges to the theoretical propositions of this study. The first was that ***the ability of the principal mayor to leverage central government support by way of the FGDCT intergovernmental transfer could have led to improved outcomes instead of local revenue mobilization alone***. Between 2012 and 2015, FGDCT transfers decreased for all Haitian communes, LOKAL+ sites and non-target alike (see Table 4).⁹³ My quantitative data showed a decline in Saint Marc's FGDCT transfer from \$355,935 in 2012 to \$77,944 by 2015. Delmas's transfer of \$481,022 in 2012 decreased to \$463,693 in 2013. The FGDCT line item for Delmas was \$0 in 2014 and 2015. The mayor also told me that "[he did] not receive those funds." These findings suggest that any observed improvements in public service delivery cannot be attributed to this funding source (USAID, 2018).

The second rival explanation was that ***the role of local political affiliation in relation to the political party of the central government could have resulted in greater financial or material resources for one or both of my case study sites***.

⁹³ The political instability throughout the project (with the appointment of interim executive agents at the local level and also at least two changes in the Prime Minister at the central government level) further increased the likelihood of corruption pertaining to the (mis)management of the FGDCT intergovernmental transfer.

Saint Marc, since it had several interim executive agents appointed by the president throughout the majority of LOKAL+, was the only of my case study sites to have local officials with the same political party affiliation as the central government.

Nonetheless, as discussed earlier, Saint Marc was the only LOKAL+ target site to experience a decrease in local public investment expenditures as opposed to possible undue increases in this regard. Thus, its shared political party affiliation with the central government for three of the five years of LOKAL+ did not lead to greater financial or material resources for Saint Marc.

Summary of the Analysis

This study endeavored to determine whether local revenue mobilization efforts – namely by way of USAID technical assistance – improved public service delivery in targeted Haitian communes. Based on the quantitative and qualitative findings of this study, Saint Marc⁹⁴ and Delmas experienced increases in major own-source revenues stemming entirely or in part from USAID support for local revenue mobilization. The mixed-method analysis employed in this study relied primarily on a dataset built from local government budgets for all 140 Haitian communes, in-depth interviewing and content analysis of documents such as the *Plan de Financement des Services Publics Communaux* (PFC) that USAID produced for each commune. Briefly, public service delivery improvements in Delmas were observed,

⁹⁴ Saint Marc did experience a decline in major own-source revenues from 2014 – 2015, though in 2017, it experienced a 171 percent increase from the amount collected in 2016 (USAID 2016).

including new road construction and improved traffic control measures.⁹⁵ Saint Marc did not experience comparable gains in public service delivery, though the commune was able to make notable improvements in sanitation and trash collection. My hypothesis that increases in local revenue would facilitate improvements in public service delivery was thus upheld, though not exactly in the way I had originally intended to demonstrate.

Unfortunately, progress toward the PFC priority projects did not prove a useful indicator of gains in public service delivery. I learned during my data collection that the primary objective of the PFC was to serve as an accelerated development plan, since the planning process executed by the Ministry of Planning and External Cooperation (MPCE) can take six to nine months to produce a communal development plan (Interviewee, 2018). A LOKAL+ stakeholder told me that in expediting the process, the hope was that local officials would be able to aggressively promote a connection between the community's tax payments and the resulting implementation of PFC priority projects. However, the biggest challenge was that the budgets for each priority project exceeded any amount of local revenue that the communes (with the exception of Delmas) could generate from major own-source revenues alone. Several priority projects also required supplemental technical studies for which USAID did not provide assistance (Interviewee, 2018;

⁹⁵ A local interviewee acknowledged the overall improvements in new road construction but also raised the concern that the municipality of Delmas would be better serviced by incorporating proper drainage systems into these new roads.

USAID, 2018). As a result, the execution of PFC priority projects relied exclusively on the ability of local leaders to secure external funding.

Secondly, the necessary buy-in from local officials to leverage the PFC as a funding tool for development was not evident in either of the case study sites. In fact, the local leaders operating in Saint Marc during the first three of the five years of the LOKAL+ program were a series of centrally appointed interim executive agents instead of elected officials. (Of note is that Saint Marc was also the only LOKAL+ site to experience a decrease in public investment expenditures during this time). Nor does the current mayor of Saint Marc appear to have a strong adherence to the PFC document, according to several local interviewees. While he has obtained external funds to upgrade the commune's central marketplace, a PFC priority project, it is not yet clear whether he will indeed use those funds for that purpose or build an entirely new marketplace instead. The LOKAL+ final report said that he plans to build a new marketplace, a decision three of the local interviewees involved in the execution of LOKAL+ were skeptical of. Nevertheless, public service enhancements under his tenure include noticeable improvements in sanitation and trash collection throughout the city center of Saint Marc, even though this was not a PFC priority project or objective.

Neither did the consistency in local leadership yield a greater affinity for the PFC document in Delmas, even as four PFC priority projects were completed in that

commune.⁹⁶ Consider that the PFC in Delmas (as in the other target sites) was produced in 2015.⁹⁷ A local interviewee who worked on the PFC, however, said that because the document was created during the one-year period that Delmas had an interim executive agent,⁹⁸ the mayor did not feel inclined to implement initiatives that his administration did not spearhead. The mayor clearly articulated his displeasure with the PFC, since he felt the document was comprised of a series of disjointed projects that individually or collectively would have no demonstrable impact on Delmas's longer-term development. He would have preferred for LOKAL+ to assist Delmas in producing a more comprehensive development plan that could then be executed in a series of phases.

Table 8 and 9 provide an overall synopsis of the study's findings for each case study site based on the five theoretical propositions (or hypotheses) and two rival explanations (or counterarguments) that were established.

⁹⁶ The PFC priority projects in Delmas were three marketplaces and a neighborhood upgrading project in Siloé.

⁹⁷ Local elections slated to occur in 2011 did not take place prior to my fieldwork, and were expected to occur in late 2015 along with national elections. Instead, a political crisis ensued and a transition government took over from late 2015 through most of 2016, until local and national elections were carried out. I did not know the extent to which the lack of locally elected leaders would affect the discourse surrounding the overall execution of LOKAL+ until I began my fieldwork, a point that will be further discussed in Chapter 6.

⁹⁸ As previously mentioned, the mayor, who was first elected in 2007, was able to stay on from 2011-2015 as an interim executive agent and had to step down for a year in order to run for re-election in 2016.

Table 8. Case Study Findings Based on Theoretical Propositions.

Hypothesis	Saint Marc Outcomes	Delmas Outcomes	Summary
Increases in local revenue will be observed.	616 percent increase between 2012 and 2015; 17 percent decline between 2014 and 2015; 171 percent increase in FY 2017 ⁹⁹ after new mayor is elected in 2016.	25 percent increase between 2012 and 2015.	Observed increases were apparent in both case study sites when an elected mayor was in office. ¹⁰⁰
Public investment spending will have increased.	Three percent decline between 2012 and 2015; new mayor secured \$2 million in private funding for community-identified project.	Two percent increase between 2012 and 2015; nets out at \$3 million in local public investment expenditures annually. ¹⁰¹	Public investment spending increased for Delmas and additional funding was secured in Saint Marc under an elected mayor.
Local public investments are being spearheaded by PFC ¹⁰² priority projects.	\$2 million secured for a public market; feasibility study for a road rehabilitation project was started.	Three public markets were completed; one neighborhood upgrading project completed.	The PFC document proved not the best indicator of public service delivery. ¹⁰³
Increases in new public service interventions will be observed.	Improvements in sanitation and regular trash collection.	New road construction and road rehabilitation projects.	New public service interventions were observed.
Leadership ¹⁰⁴ of principal mayor will contribute to improved public service delivery.	One of three benchmarks met. ¹⁰⁵	Two of three benchmarks met.	Mixed, yet highly encouraging results.

⁹⁹ The highest of any of the nine LOKAL+ target sites for that year.

¹⁰⁰ This finding is in keeping with the second-generation theory of fiscal federalism that political context matters for decentralization to work (Bird and Vaillancourt, 2008; Rondinelli, 1989; Weingast, 2009).

¹⁰¹ Substantially more than any other Haitian commune is able to spend towards local public investments.

¹⁰² *Plan de Financement des Services Public Communaux.*

¹⁰³ With the exception of Delmas, project budgets greatly surpassed what could feasibly be collected in local revenues. Furthermore, LOKAL+ did not provide guidance or technical assistance for project implementation and readily admits failure regarding the lack of execution around the PFC.

¹⁰⁴ Benchmarks used to assess mayoral leadership were commitment to local tax collection efforts; leverages relationship with central government and international actors to deliver services; and engages local citizens in public service delivery.

¹⁰⁵ I was unable to engage him directly in order to fully evaluate his performance on the second and third benchmarks.

Table 9. Case Study Findings Based on Rival Explanations.

Counterargument	Saint Marc Outcomes	Delmas Outcomes	Summary
Intergovernmental transfer could have influenced improved public services rather than local revenue mobilization alone.	Intergovernmental transfers decreased from \$355,935 in 2012 to \$77,944 in 2015.	Intergovernmental transfers decreased from \$481,022 in 2012 to \$0 ¹⁰⁶ in 2015.	Significant declines in the intergovernmental transfers were observed during this time period.
Shared political affiliation with the central government could have resulted in greater financial or material resources.	Local public investment expenditures ¹⁰⁷ declined between 2012 and 2015, though it shared a political affiliation with the central government during that time period.	Did not share a political affiliation with the central government at any point during the LOKAL+ program.	Saint Marc's shared political affiliation for three of the five years of LOKAL+ did not appear to yield greater financial or material resources pertaining to the delivery of public services.

Ultimately, USAID support for local revenue mobilization has proven to be an important step toward improving public administration in Haiti even as the very concept of local governance itself is still fairly new (despite the 33 years that have passed since the 29-year Duvalier regime ended in 1986). The municipalities that have participated in the LOKAL+ program have made progress in collecting property and business taxes, for example, and have been exposed to concepts of

¹⁰⁶ The mayor of Delmas corroborated this quantitative finding in my interview with him.

¹⁰⁷ Saint Marc was the only LOKAL+ target site to experience a decline in local public investment expenditures between 2012 and 2015.

transparency, accountability and citizen engagement (with hopes for ongoing improvement) in the overall delivery of public services. That other international aid partners such as the Canadian government, the European Union, and the French government, among others, rushed to follow suit in executing similar local revenue mobilization and municipal governance programs across Haiti is indicative of the potential usefulness of these types of interventions. However, relying too heavily on international partners to bolster local governance and improve public service delivery brings concerns and limitations that will be discussed further in the following chapter.

For now, it is encouraging that the Haitian government's Ministry of Interior and Territorial Collectivities (MICT) has been actively disseminating the CIVITAX software (created under LOKAL+) throughout non-target municipalities to standardize local tax collection nationwide. It was also interesting to discover through my quantitative analysis that the remaining 131 non-target communes also experienced increases (on average) in major-own source revenues during the four-year period that the nine LOKAL+ sites experienced these increases.¹⁰⁸ To further maximize these potential gains,¹⁰⁹ it is also imperative to simultaneously "fight against [the] tax exemptions [and] customs exemptions enjoyed by the wealthy class of the country to the detriment of small taxpayers often very vulnerable to the

¹⁰⁸ A separate study would be required to fully investigate the extent to which the dissemination of CIVITAX, for example, influenced this finding, but it is remarkable that the vast majority of unassuming and often overlooked Haitian citizens are increasingly making their tax payments.

¹⁰⁹ A corresponding increase in public investment expenditure was not observed for the 131 non-target communes during this period.

vagaries of a near-moribund economy” (Joseph, 2018). Nonetheless, the findings of this study show great promise in more widespread efforts to promote local governance, influenced by gains from continued local revenue mobilization efforts, which can play a pivotal role in not only moving Haiti beyond its entrenched legacy of central government authoritarianism but also toward longer-term development and improved livelihoods for all its people, regardless of their geographic location within the country. These topics will be discussed further in the next and final chapter of this study, along with the theoretical and policy implications of this study.

Chapter 6

Looking Ahead

Second-Generation Theory of Fiscal Federalism Revisited

The preceding chapter provided an analysis of how the concept of decentralization is defined in a Haitian context as well as the role of local governance and capacity in reinforcing this notion. A quantitative analysis of the nine LOKAL+ sites in relation to the 131 non-target sites across Haiti was also provided, followed by a comprehensive mixed-method analysis of the two case study sites, Saint Marc and Delmas. In both of those sites, local revenue mobilization was found to have positively impacted public service delivery, specifically when a local elected leader was in office. Saint Marc experienced moderate gains in sanitation and trash collection and Delmas made progress with new road construction and road rehabilitation projects. As a result, my findings suggest that there is merit to Weingast's (2006) "one-step-ahead approach" within the second-generation theory of fiscal federalism, which posits that it is best to identify one or two of the most promising local examples in order to first establish whether decentralization can even work in a particular country before advancing decentralization nationwide.

Another critical component of this theoretical framework is that political and fiscal incentives influence the willingness of political authorities to uphold or undermine the potential gains from decentralizing measures (Oates, 2006; Weingast, 2009; Weingast, 2014). For example, re-election prospects greatly impact the decisions that public officials make concerning the delivery of public services (Bird and Vaillancourt, 2008; Lockwood, 2005; Oates, 2005; Weingast, 2009). The second-generation of fiscal federalism makes this underlying assumption more

explicit than the first-generation theory does in order to better inform the design and outcomes of any decentralizing initiative. This chapter makes additional contributions to the second-generation theory of fiscal federalism by elaborating on an aspect of Haiti's political climate that has obstructed the realization of the constitutional aspiration of becoming a decentralized and inclusive state. Also, possible implications of the LOKAL+ experience are discussed, followed by the limitations of the study. In closing, I make some suggestions for future research.

The Lack of Political Will for Decentralization in Haiti

All eight decentralization experts and practitioners interviewed for this study resolutely declared that the fundamental reason the constitutional aspiration of 1987 has yet to be fully realized is lack of political will for decentralization among the central government actors most responsible for executing it (Interviewees, 2017; Interviewees, 2017; Smucker et. al, 2000). Further complicating the process is that the Constitution of 1987 “only declared the general framework [for decentralization], leaving the executives to decide the system’s rules and regulations” (Ramirez et al. 2006). Consequently, “little has been done to implement the decentralization process the law prescribed[;]...the complete local government structure is non-existent and the selection and nomination of important democratic elements” have either never been created or have been so disempowered that they are unable to function effectively (Ramirez et al., 2006). Of the central government actors whose political and economic power is threatened by the promises of

decentralization, it is clear that Parliament,¹¹⁰ and more specifically the Chamber of Deputies, has the most to lose (Interviewees, 2018; Joseph, 2018).

For example, in the absence of a well-defined job description for the role of *deputé*, four out of the eight members of civil society I interviewed explained how the *deputé* has historically positioned himself¹¹¹ as an intermediary between the constituents and the central government in a way that competes with, or purposely undercuts the authority of, the principal mayor. The purpose of constraining the mayor is to make him look incompetent before the populace so as to greatly diminish the likelihood of the mayor being elected to higher political office, namely the coveted position of *deputé*. The majority of *deputés* also enjoy some freedom to engage in illicit activities that typically result in a few highly visible community-based projects, giving the impression to local citizens that he is doing a more efficient job than the mayor in bringing resources into the community. However, since Haiti's "political culture is deeply marked by old patterns of centralized authority, personalism, and patron-client relations," dubious project bidding and contractual agreements often enable a *deputé* to benefit from lucrative kickbacks in delivering said projects rather than substantively improving the overall delivery of public services (Interviewees, 2017; Interviewees, 2018). Hence, the *deputés* tend to

¹¹⁰ Parliament is comprised of Upper and Lower Houses with the Chamber of Deputies making up the Lower House and the Senate as the upper house. There is one representative per commune in the Chamber of Deputies and three senators per department in the Upper House of Parliament.

¹¹¹ *Deputés*, like most Haitian politicians, have almost always been men; I am not sure that a woman has ever been elected to this post, though a handful of women who ran in the 2016 election were granted observer status.

maintain or “buy” voter loyalty¹¹² during election season through a semblance of public service delivery—a classic case of what Weingast (2006) calls tragic brilliance—all the while significantly curtailing the influence of the average Haitian mayor.

When I asked a civil society interviewee, “What would you say is the biggest impediment to decentralization in Haiti?” that person first cited the weakness of the Haitian state, then explained how *deputés* infringe on the local autonomy that mayors are supposed to have. The interviewee said:

“[For] Parliament itself, [decentralization is] not a priority in its agenda. So that creates a situation where for the most important actors, I am not entirely sure that decentralization is something that is good for them...because when you look at what has occurred now, the députés have become a type of competitor for the mayors. There are a series of funds that should reach the mayors, a series of actions that should reach the communal councils. It’s the deputies that have the funds themselves [and] that are doing projects on the terrain. Well, this is WEAKENING the [decentralization] process.”

As a result, nowhere is the stalemate over the decentralization question more acute than in the Lower House of Parliament, where *deputés* seem not particularly eager, and at times blatantly unwilling, to pass any legislative measures¹¹³ that would

¹¹² In this manipulation of voters, the *deputés* are unfortunately not atypical of Haitian politicians in general.

¹¹³ For example, Chapter 3 mentioned that the Senate passed a decentralized framework bill in 2013 but it “languished in the Chamber of Deputies for the rest of the year and all of 2014” (USAID 2014). Parliament was dissolved in 2015 as result of failed elections, until elections were finally held in 2016.

clearly delineate powers between the constitutionally defined levels of government. Similarly, one of the eight community members I interviewed described the unwillingness of the central government to transfer power to the localities by saying, “When you give with one hand, and you hold back with the other, you don’t really give” (Interviewee, 2018). In effect, Haiti’s troublesome experience with decentralization directly reflects an argument of Weingast (2009) that predatory central governments move to “reverse or compromise any and all of the benefits of decentralization...[by] undermin[ing] subnational government performance, including inadequate revenue, constraints on subnational policy making and unfunded mandates.” Given the zero-sum nature of politics in Haiti, described by Fatton (2006) and Lundahl (1997) as a “predatory state,” a *deputé’s* chief commitment is to safeguard his own political, economic, and social interests, usually at the expense of the populations he was elected to represent in central government.

I myself experienced firsthand the apparent aversion of *deputés* to decentralization. One *deputé* who had previously agreed to be interviewed for this study, quite enthusiastically, immediately declined as it drew closer once I reminded him that we would be discussing decentralization in Haiti. During the course of this study, I reached out to approximately two dozen individuals with interview requests at disparate levels of Haitian society and government, and this was the only time my interview request was deliberately rejected.

Complicating this tension between central and local actors is the conflict that sometimes existing between local-level actors, such as infighting within mayoral

cartels themselves or between mayors and members of communal assemblies and councils.¹¹⁴ Without going into great detail, Ramirez et al. (2006) noted, “Opposition to decentralization exists not only at the national level (including ministries, Parliament, and other national institutions), but also at the local level because some mayors see a more advantageous situation in not having to deal with a communal assembly.” Remarkably, a civil society interviewee said:

“There is something that’s interesting that has happened since the constitution. Decentralization has become an inescapable part of the political discourse. I would say, to make an American comparison, it’s become as sacred as [the concept of] unalienable rights...so every politician, to be taken seriously, has to convey his strong support for decentralization. [However,] the reality is just about everybody is absolutely against it! It’s not that they are kind of against it. They are absolutely against it.”

Ramirez et al. (2006) also concluded that, since the Constitution of 1987, “decentralization has been a love-hate affair.” It is for such reasons that the second-generation of fiscal federalism speaks of the need to make explicit the political, economic, and social realities of a country prior to engaging in any assessment of decentralization efforts, as initiatives are not implemented in a vacuum. Without understanding Haiti’s deeply entrenched politics, such as the dynamic between mayors and deputies or between mayors and communal councils and assemblies, it is not possible to accurately evaluate the impacts of LOKAL+’s local revenue

¹¹⁴ It is important to note that I did not observe these dynamics during the course of my study, but I became aware such tensions exist during my nearly seven years of experience working in Haiti.

mobilization efforts on public service delivery (notwithstanding programmatic shortcomings such as the PFC priority projects discussed in Chapter 5). Similarly, Joseph (2018) writes:

“Thus, seen from the angle of the legal framework for decentralization, there has been very little progress because of the political crisis and the lack of political will of parliamentarians...without system reforms, donor projects cannot succeed in a sustainable way.”

Nonetheless, as previously mentioned, the moderate public service improvements in the case study sites of Saint Marc and Delmas suggests that decentralization can take hold in Haiti, according to Weingast’s (2006) “one-step-ahead approach,” should the political will for decentralization materialize at the highest levels of the Haitian state.

Implications from the LOKAL+ Experience

Of many recent displays of the lack of political will for local autonomy among central government actors, the most blatant is the refusal of the Martelly administration (2011 – 2015) to hold local elections throughout its entire five-year mandate; instead, the administration chose to govern by executive decree. Three LOKAL+ stakeholders and all four community members familiar with the program also spoke of the difficulties that LOKAL+ encountered in working with the interim executive agents. One of the LOKAL+ stakeholders and a civil society member acquainted with LOKAL+ candidly stated that the implementation of LOKAL+ under these conditions was inherently flawed, since a program designed to reinforce local

capacity should not have operated in the absence of duly elected local actors. These two interviewees also viewed USAID's decision to move ahead with the program as legitimizing Martelly's illegal decision to usurp local power. One of the two individuals used the proverb *lave men, siye a tè*, which translates to "washing one's hands and wiping them on the ground," to convey their staunch feelings that the execution of LOKAL+ in this political environment defeated the intended purpose of bolstering local governance. In retrospect, the document that directly influenced what became LOKAL (and then LOKAL+) seems to speak to the problematic outcomes that can result from this environment:

"In the absence of a national legal, institutional, and financial framework for decentralization, this program should not be expected to create self-sufficient local governments with the technical capacities and financial resources needed to deliver urban services" (Ramirez et al., 2006).

As discussed in Chapter 5, this political climate did in fact influence the observed outcomes in Saint Marc, which had several interim agents during three of the five years of LOKAL+, unlike Delmas.¹¹⁵ Saint Marc experienced a decrease in local revenue collection once citizens realized their payments were being used to pay back salaries of municipal employees¹¹⁶ rather than to deliver public services. Just one year after the current mayor was elected however, Saint Marc experienced a 171 percent increase in major own-source revenues – the highest of all nine

¹¹⁵ With the exception of a one-year period between 2015-2016 that allowed the previously elected mayor to run for re-election, Delmas did not have an interim executive agent throughout the majority of LOKAL+.

¹¹⁶ Chapter 5 described how these positions were often filled with cronies of the interim executive agents as personal favors rather than with qualified local staff.

LOKAL+ sites for that year (a point that will be revisited momentarily). Saint Marc's experience under the interim executive agents is in keeping with "an argument [within the decentralization literature] that local governments tend to be more corrupt than central governments, leading to bad spending decisions and misuse of public resources" (Smoke, 2001). Furthermore, Prud'homme (1995) and others raise the concern that "local elites can dominate local decision-making processes in developing countries...Such a situation reduces the local government to an institution that is accountable to a small, powerful group with little connection to the broader community" (Smoke, 2001). While Saint Marc's example of local capture under the interim executive agents is a very real threat to the gains to be had from decentralizing initiatives, it is important to note that these outcomes are not necessarily a condemnation of decentralization processes themselves but rather bespeak the importance of the organizational arrangements through which these processes are meant to occur (Bird and Vaillancourt, 2008; Prud'homme, 1995; Rondinelli, 1989). In short, "simply decentralizing is not going to bring development, and failing to decentralize is not necessarily going to undermine it. The challenge is to devise an appropriately structured system that mandates and provides incentives for responsible local government fiscal behavior" – an aspect lacking in Saint Marc during this period (Smoke, 2001).

That significant increases in local revenue collection were experienced in Saint Marc only after the current mayor was duly elected would suggest that local elections play a role, to some extent, in the potential benefits of decentralizing mechanisms. Yet "elections are not a cure-all; they do not automatically police

elected officials, preserve citizen rights, and promote economic growth” (Weingast, 2013). For example, Delmas, during the Martelly administration, was a rare case: the previously elected mayor was able to stay on as an interim executive agent before being re-elected in 2016. Additionally, this mayor was already promoting local revenue mobilization in his commune with great success a few years before partnering with USAID on LOKAL+. The public service improvements that Delmas has experienced and continues to experience indeed has much to do with its consistency in local leadership and the leadership style of this particular mayor (apart from other favorable factors that distinguish Delmas from the average Haitian commune). However, there is some concern that the commune’s success is too reliant on the influence of the man himself rather than on the systems and institutional structures that he has been able to put in place during his tenure. The broader challenge that this then poses for Delmas’s continued success is that “an organization or institution is *perpetual*¹¹⁷ if it’s existence does not depend on the individuals who created it...the main implication of the absence of perpetual institutions is that today’s policies are highly vulnerable, especially to changes in leadership” (Weingast, 2013). Local elections and/or consistency in local leadership are therefore not enough to ensure the gains to be had from decentralizing mechanisms without simultaneous accountability measures, such as citizen engagement, to ensure that local leaders are adequately responding to the wants and needs of their constituency while minimizing the threat of local capture or the

¹¹⁷ Emphasis in the original.

likelihood of personalism somewhat influencing the delivery of public services. In effect, “accountability requires that local governments both develop processes that make residents feel their opinion is being solicited and provide outcomes that make residents feel their public service needs are being met” (Smoke, 2001). In keeping with this, whether or not the program should have operated when it did, one of the most significant achievements of LOKAL+ was the experience of hosting *audyans piblik* (or town hall meetings)¹¹⁸ in an attempt to foster greater transparency and accountability in Haitian politics and society. A range of interviewees (including all four community members familiar with the program, two LOKAL+ stakeholders and a civil society member with previous knowledge of LOKAL+) all concluded that the *audyans piblik* was a worthwhile activity that allowed everyday residents to establish stronger linkages between paying their taxes and the types of services that their respective locality was thus expected to deliver. One of these interviewees said:

The ‘audyans piblik’ was a beautiful experience that can be improved. It is not a practice that we have [here in Haiti], the idea of [a local official] coming to give an account for what has occurred with the funds. We do not have a practice for this. We must take this as an example for how to move forward with other communes throughout the territory, how to make this a part of our practice. When someone is elected, [the person] has to know that there will be a point in time that they will have to give an account to the public.”

¹¹⁸ These town hall meetings were held on various occasions throughout the five years of LOKAL+ to raise awareness concerning the mobilization of local revenues as well as to engage community members in identifying and shortlisting priority projects for the PFC document discussed in earlier chapters.

Joseph (2018) also stated, “The LOKAL+ project in this sense has contributed to the awakening of an active citizenship in the process of building a municipality where the citizen is a real protagonist of development through its contribution via taxes.” The increased awareness average citizens obtained from engaging in the *audyans piblik* is a step toward the participatory governance model embedded in the Constitution of 1987, even as Haiti struggles to free itself from its deeply entrenched legacy of authoritarianism. As a result, the establishment of the bottom-up institutional framework that the Constitution envisioned can indubitably serve as an important starting point for better integrating the *audyans piblik* into the political sphere with the goal of “contribut[ing] somewhat to the reduction of poverty and glaring inequalities in Haiti” (Joseph, 2018).

Despite these successes, two out of three community members in Delmas and two out of four LOKAL+ stakeholders commented that the mayor was not particularly enthusiastic about community participation even as citizen engagement was one of the eight pillars I noticed hanging from a wall in the mayor’s office (as previously discussed in Chapter 5). The two LOKAL+ stakeholders commented that the mayor of Delmas operates with the understanding that since he knows what is best for his commune as a commune member himself, there is no need to solicit much citizen input (Interviewees, 2018). The connotation was that “When they see the outcomes of his activities [such as new road construction] they will know that he is working on their behalf” (Interviewees, 2018). Similarly, three of five community members in Saint Marc also commented that their elected mayor was not keen on engaging in community participatory activities, even though he had previously

participated in community-sponsored town hall meetings while LOKAL+ was in effect, thus highlighting some of the difficulties in maintaining transparency and keeping local officials accountable once a donor-funded program has ended (Interviewees, 2018). These observations in Delmas and in Saint Marc also speak to the need to better integrate forms of accountability within the institutional structures of the Haitian state itself, where “a minimum level of trust and respect must be created between local organizations and government officials, and a mutual recognition that each is capable of performing certain functions and participating effectively in various aspects of financing and management” (Rondinelli et. al., 1989).

Consider that the roles of *CASECs* and *ASECs*¹¹⁹ (the lowest tiers of political office and those closest to the population) remain the most underfunded and devalued public positions.¹²⁰ Reclaiming their role as first-line intermediaries between the population and the mayors could provide a much-needed conduit for everyday citizens to voice their grievances and concerns with the assurance that their elected officials will work collaboratively to improve things. Joseph (2018) similarly called for the “promotion of a tripartite dialogue [between] mayors, *CASECs* [and] local civil society/community-based organizations in order to restore confidence in the people” along with a “need to promote exchanges between *CASECs* and mayors regarding the development of municipalities.” Also critical to Haiti’s

¹¹⁹ Revisit Figure 1 and its accompanying discussion in Chapter 3.

¹²⁰ In Haiti, I was once driven past what seemed a makeshift shack on the side of the road only to learn from my driver that this structure was a *CASEC*’s bureau.

institutional development would be the operationalization of departmental assemblies and councils called for by the Constitution of 1987. These departmental entities could be responsible for producing regional development plans coordinated with a broader national development strategy for the country. As the departmental assemblies and councils are meant to be comprised of *CASEC* and *ASEC* members, regular reporting back to local communities about regional and national development activities would go a long way toward promoting the much-sought-after participation of the populace.

At the same time, if these regional departmental bodies are to succeed, attention will need to be given to the lack of harmonization among key central government entities that individually and collectively come to bear on the decentralization question. For example, according to one civil society member and two LOKAL+ stakeholders, several entities such as the Ministry of Interior (MICT), the Planning Ministry (MPCE), the Interministerial Committee for Land Use Management (CIAT), and even the Economic and Social Assistance Fund (FAES)¹²¹ each believe that decentralization (or some aspect of it) falls within their respective purview and that efforts toward decentralization should not be co-opted by another (Interviewees, 2018). A LOKAL+ stakeholder observed:

¹²¹ I was not aware of the *Fonds d'Assistance Economique et Sociale* (FAES) until it was mentioned to me by a civil society interviewee. According to this interviewee, a large part of what FAES does involves public engagement. Therefore, I was told that FAES believes that they are the only ones who should be executing *audyans piblik*. If so, perhaps there is room here for FAES to work more closely with *CASECs* and *ASECs*, and maybe MICT, in this endeavor.

“Donors¹²² are able to play on this underlying competition because they see it as ‘since you cannot get yourselves together, this is what we are going to do with the funds that we came with.’ There is too much cacophony on the terrain. One [ministry] is braiding, the other is unbraiding. It is hard to standardize certain approaches when the government is not on the same page and you [as the donor] cannot find yourself on steady ground. It is as if you are on sinking sand always [with] a lot of uncertainty because you do not know who’s who [in terms of who can be trusted] and how something might backfire based on who is or is not at the table at a given moment.”

Thus, the onus will have to be on the Haitian state to essentially “save itself from itself” by capitalizing on the synergies that exist between the different but related ministries and entities, considering that an international donor is not (nor should it be) in a position to sort out these types of country-specific nuances.

Lastly, the widespread protests and outbreaks of July 6-7th, 2018, demonstrated a harsh reality: when masses of people lack formal means to make their voices heard regarding their worsening conditions, they will take to the streets (even, occasionally, with violence) in the hopes that their emotionally charged outbursts will be able to topple the person, people, and/or entrenched systems that they believe benefit unjustly from their crippling oppression. Without going into great detail, a poorly thought-out decision on the part of the executive to raise gas and diesel prices by over 50 percent,¹²³ as a result of a deal struck with the International Monetary Fund (IMF), served as the initial catalyst for these protests (Martinez Casares, 2018). To date, “the government has yet to explain why it failed to accept the IMF recommendation to enact the price hikes gradually or whether it

¹²² Specific donors were not mentioned, nor did I inquire further.

¹²³ Adding insult to injury, the price increases were implemented during a World Cup match between Brazil and Belgium in hopes that the population would not notice, since most Haitians are huge Brazil soccer fans (Associated Press 2018).

still intends to comply with recommendations that it modernize its economy by improving tax collection and increase spending on infrastructure, education and social services” (Associated Press, 2018). These recommended measures are for the most part consistent with the rationale behind the calls for decentralization as well as the findings of my study. The ongoing demands and protests have grown into calls for a proper investigation into the mismanagement of about \$3.8 billion in funding from the Venezuelan PetroCaribe agreement as well as for the president’s resignation (Danticat, 2018; Lemaire et al., 2018). The nine-day protests that began on February 7th, 2019 (corresponding with the 33rd anniversary of the fall of the dictatorship), reflect not only how frustrated everyday people have become but also their staunch unwillingness to continue accepting a political and economic order that is shrouded in secrecy and that keeps elected officials and members of the elite above reproach. It would behoove the Haitian state therefore to institute formal mechanisms of engagement that give the public opportunities to interact and collaborate with the country’s decision-makers concerning their very livelihoods. Haiti will also have to re-examine how the political order might be made more amenable to operating with greater transparency and accountability at all levels of government and society.¹²⁴ For Haiti to escape this current crisis and stand a chance of realizing its full development potential, the extensive work produced by the Decentralization and Territorial Collectivities United of the National Commission for

¹²⁴ Two interviewees gave me clear examples of the degree to which accountability is not part of the Haitian way of life, even on an individual level. One of these interviewees told me, “In Haiti, when you ask someone to give a receipt, they get mad that you dared to ask them for one. It is fundamentally not a part of the culture” (Interviewee 2018).

Administrative Reform (CNRA)¹²⁵ should be revisited as a starting point, especially since many of the practitioners who worked on that commission continue to advise government ministries and officials wherever possible in hopes of decentralizing Haiti.

Limitations and Recommendations for Future Research

One of the limitations of this study was that it did not include a smaller commune to better reflect the average Haitian commune (though this was necessitated by the theoretical framework of this study, which emphasized first identifying one or two of the best examples in a country). Now that this study has established that decentralization can work in Haiti under favorable political conditions (particularly when the local leadership is popularly elected and innovative), future research could profitably explore the impact of LOKAL+ in one of the three smallest communes (Caracol, Limonade, or Acul du Nord) in comparison to a non-target commune of comparable size.

Additionally, my study mentioned that MICT launched a training program for local officials, *Programme Modernisation de l'Administration Communale* (PMAC),¹²⁶ first as a pilot program in three departments but with the intention of scaling it up throughout the rest of the country. Another possibility for future research would be conducting a side-by-side comparison of a commune that only received an

¹²⁵ An earlier footnote stated that the CNRA produced a minimum of sixteen in-depth analyses between 1997 and 2002 pertaining to the role of decentralization in reforming the Haitian state.

¹²⁶ That is, "Modernization Program for Communal Administration."

intervention from MICT (and no other national or international intervention pertaining to local governance) with a similar commune that participated in the LOKAL+ program. It was also discussed previously that several other international partners have implemented similar initiatives across Haiti, so a LOKAL+ site could be evaluated alongside a commune that received assistance from donors other than USAID. For example, Joseph (2018) stated that the director of the Canadian local governance program¹²⁷ is a former LOKAL+ official, so it would be particularly interesting to investigate the similarities and/or differences in outcomes resulting from these different donor programs.

Even as Haiti's progress towards decentralization still seems somewhat elusive, in looking ahead I remain encouraged by the results of this study, as well as by the research contributions that those before me have made and that I and others have yet to make in bolstering the case for a decentralized Haitian state.

¹²⁷ *Programme de Coopération Municipale Haïti-Canada (PCM).*

Appendices

Appendix A – Survey Instruments

Decentralization Experts and Practitioners

1. Do you think decentralization is important for Haiti? If so, why?
2. How do you define decentralization?
3. Why did you become interested in the topic of decentralization?
4. What have you done on this topic? Any articles? Books? Talks? Legislation?
5. What are some of the major impediments to decentralizing Haiti?
6. What do you know about the FGDCT intergovernmental transfer?
 - Even though the Constitution of 1987 talks about decentralization, it was not until 1996 that the intergovernmental transfer (FGDCT) was created to help promote this. What was happening around this time that led to the creation of this intergovernmental transfer as a decentralizing measure?
7. Are you familiar with USAID's decentralization programing in Haiti? If so, do you know what led to creation of USAID's LOKAL and then ultimately LOKAL+ programs?
 - How would you evaluate the USAID's LOKAL and LOKAL+ programs in promoting decentralization in Haiti? What about in terms of improving local service delivery in targeted communes?
8. Do you think fiscal decentralization is more important than political and administrative decentralization? Why?
9. Given your experiences concerning decentralization in Haiti over the years, what advice would you give to an emerging scholar like myself?
10. Do you have any suggestions on who else I should speak with on this topic of decentralization in Haiti?
11. As my study continues to develop, can I remain in touch with you for follow up questions and feedback?

LOKAL+ Stakeholders

1. Do you think that decentralization is important for Haiti? If so, why?
2. How do you define decentralization?
3. What are some of the major impediments to decentralization in Haiti overall?
4. How did you come to be involved with LOKAL+?
5. How would you evaluate the USAID's LOKAL+ program in promoting decentralization in Haiti?
6. Did any of the communes appear to be more successful with this program than others? If so, why do you think this was?
7. In terms of the local revenue mobilization aspect of LOKAL+, how receptive (or not) were local officials and citizens to this initiative?
8. Did the local revenue mobilization aspect of the program impact public service delivery in any of the communes? If so, how?
9. Were you involved in the development of any of the *Plan de Financement des Services Publics Communaux* (PFC) in 2015? If so, what was this experience like? Was it beneficial for the communes to produce this tool?
10. I know there were several priority areas identified in the PFC. Do you know what progress has been made towards actualizing some of those projects in any of the communes?
11. Are you able to comment on how the LOKAL+ program has impacted citizen engagement?
12. Do you think local officials have an important role in promoting decentralization in Haiti? Which local government stakeholders have been most directly involved with the execution of LOKAL+?
13. Aside from USAID, do you know if there are other entities working on the topic of decentralization in terms of local revenue mobilization in Haiti?
14. Is there anything else you think I should know about your experiences with LOKAL+ or in terms of decentralization in Haiti more broadly?
15. As my study continues to develop, can I remain in touch with you for follow up questions and feedback?

Community Groups Directly Involved in the Execution LOKAL+¹²⁸

1. Do you think that decentralization is important for Haiti? If so, why?
2. How do you define decentralization?
3. What are some of the major impediments to decentralization in Haiti overall?
4. In terms of public services, what are some of the resources available in your commune?
5. How would you evaluate USAID's LOKAL+ program in promoting decentralization in your commune?
6. How has your commune been affected by the local revenue mobilization aspect of LOKAL+? Are any of the public services available in your commune a result of LOKAL+'s revenue mobilization efforts?
7. Do you pay property taxes or business taxes? Why or why not? If yes:
 - How long have you been paying these taxes? Do you have a sense of where your money goes? What motivates you to keep paying these taxes?
8. How long has this community group been in existence?
 - What is the purpose or mission of this group? How many members or organizations are in this group? What is this group's engagement like with the mayor's office? Has the group encountered any challenges in fulfilling its mission?
9. Were you involved in developing the *Plan de Financement des Services Publics Communaux* (PFC) like? Was it beneficial to produce this tool for the commune?
10. I know there were several priority areas identified in the PFC. Has any progress been made towards actualizing some of those projects? Have there been unexpected challenges in implementing the priority areas listed in the PFC?
11. Would you be willing to give me a tour of some of the PFC sites as well as other things you want me to see in your commune related to public services?
12. What role does this community group have in monitoring and evaluating LOKAL+ activities related to the PFC?
13. Is there anything else you think I should know about your commune's experience with LOKAL+ or in terms of decentralization in Haiti more broadly?
14. As my study continues to develop, can I remain in touch with you for follow up questions and feedback?

¹²⁸ The *Plan de Financement des Services Publics Communaux* (PFC) for Saint Marc referenced the *Plateforme Communale de Saint Marc* (PFCSM) and the one for Delmas referenced the *Conseil Consultative Communale* (CCC).

Community Members Not Involved in (or Aware of) the Execution of LOKAL+

1. Do you think decentralization is important for Haiti? If so, why?
2. How do you define decentralization?
3. What are some of the major impediments to decentralization in Haiti overall?
4. As a citizen, do you interact with the local government of your commune? If so, how?
5. Do you believe you have a role in terms of monitoring and evaluating local government activities?
6. What are some of the public services available in your commune?
7. Do you pay CFPB or patente taxes? Why or why not? If yes:
 - How long have you been paying these taxes?
 - Do you have a sense of where your money goes?
 - What motivates you to keep paying these taxes?
8. Have you heard of the USAID LOKAL+ program that has been operating in your commune?
9. Have you ever noticed the mayor's office promoting revenue mobilization in your commune? If so:
 - When did you first notice this?
 - How exactly did you notice this? Do you have some examples?
 - Did these efforts influence your own decision to pay taxes?
10. Is there anything else you would like me to know about your experiences in this commune or any thoughts you may have on the topic of decentralization for Haiti?

Local Officials (Mayors)

1. Do you think that decentralization is important for Haiti? If so, why?
2. How do you define decentralization?
3. What are some of the major impediments to decentralization in Haiti overall?
4. As a mayor, do you think you have an important role in promoting decentralization in Haiti?
5. What influenced your decision to become mayor? How long have you been in office? What is the name of the political party you belong to?
6. How would you evaluate the impact of USAID's LOKAL+ program in promoting decentralization in your commune? Specifically, what is your commune's experience with the local revenue mobilization aspect of LOKAL+?
7. What are some of the public services available in your commune? Are any of the public services available in your commune a result of LOKAL+'s revenue mobilization efforts?
8. The *Plan de Financement des Services Publics Communaux* (PFC) that LOKAL+ developed with your commune in 2015 identified several priority projects for the commune. Has any progress been made towards actualizing some of those projects?
 - Have there been unexpected challenges in implementing the priority areas listed in the PFC?
 - Have you been able to leverage funding from other international actors or from the central government to support the execution of PFC priorities?
9. Are the citizens of your commune engaged in local affairs? If so, how? Does your office work with the PFCSM (Saint Marc)/CCC (Delmas)? If so, how?
10. How would you describe your commune's relationship with the central government?
11. Does your commune benefit from the FGDCT intergovernmental transfer? Do you think that the local revenue mobilization efforts in your municipality have had an impact on the amount that your commune receives from the FGDCT? If so, how?
12. Do you have any thoughts on the future of your commune beyond LOKAL+ and/or USAID's involvement?
13. Is there anything else you think I should know about your commune's experience with LOKAL+ or in terms of decentralization in Haiti more broadly?
14. As my study continues to develop, can I remain in touch with you for follow up questions and feedback?

Senior Central Government Official (MICT)

1. Do you think decentralization is important for Haiti? If so, why?
2. How do you define decentralization?
3. What are some of the major impediments to decentralizing Haiti?
4. In your role, what are the ways in which you work with the territorial collectivities throughout the country?
5. Do you think local officials have an important role in promoting decentralization in Haiti?
6. How would you evaluate the USAID's LOKAL and LOKAL+ programs in promoting decentralization in Haiti?
 - Has this program impacted how local governments and the national government function in relation to each other? Ex. Annual local budgets
7. Specifically in terms of the local revenue mobilization aspect of LOKAL+, do you know how receptive (or not) were local officials and citizens to this initiative?
 - Has local revenue mobilization impacted public service delivery in targeted communes? If so, how?
 - I am looking at Delmas and Saint Marc as my LOKAL+ case study sites. Are you able to comment on how the local revenue mobilization aspect of LOKAL+ has impacted these municipalities in particular?
8. Aside from USAID, do you know if there are other entities working on the topic of decentralization in terms of local revenue mobilization in Haiti?
9. What is the future of LOKAL+ and/or USAID's involvement on this issue of decentralization in Haiti? Are you able to shed light on this?
10. Are you able to tell me more about how the FGDCT works in terms of how it is distributed to the localities?
11. Given your experiences concerning decentralization in Haiti over the years, what advice would you give to an emerging scholar like myself?
12. As my study continues to develop, can I remain in touch with you for follow up questions and feedback?

Appendix B – Plan de Financement des Services Publics Communaux (PFC)
Priority Projects

PFC Priority Projects in Saint Marc

Order	Domain	Priority Project
1	Economics	Construct a bus station in the commune of Saint Marc
2	Economics	Construct a modern market in the commune of Saint Marc
3	Infrastructure	Finalize the construction of the connecting road Banique at Jeanton I (5.5 kilometers)
4	Economics	Construct a cultural and sports complex at Bois l'État
5	Urbanism	Conduct an evaluation study of potential for electric energy and the implementation of hydroelectric and wind systems
6	Infrastructure	Rehabilitate 30 kilometers of the Goyavier à Banique road
7	Environment	Treat the major ravines feeding into Grand Rivière, Petite-Rivière and Corbe
8	Infrastructure	Construct an amusement park in the 2 nd communal section
9	Infrastructure	Construct a leisure complex (community center) in the 6 th section
10	Urbanism	Rehabilitate the historic monuments located in the commune of Saint Marc
11	Civil Projection and Public Security	Create a rehabilitation center for disadvantaged youth that can also serve as a temporary shelter in case of natural disasters
12	Health and Sanitation	Construct a health center at Goyavier (located in Coquillot, Vlamond in the 3 rd section)
13	Health and Sanitation	Study for the supply of drinking water in Bocozele by installing and rehabilitating 25 water treatment plants, by drilling wells at Pont-Sondé or by collecting sources at Grand Fond with infrastructure works for pond retention, supply lines, residential outlets, public fountains, kiosks and laundries

PFC Priority Projects in Delmas

Order	Domain	Priority Project
1	Infrastructure and urbanism	Construct a modern public market at Delmas 33 (Dumorney)
2	Infrastructure and urbanism	Construct a modern public market at Delmas 19 (Séradôt)
3	Infrastructure	Create an amusement park
4	Leisure	Create a botanical garden
5	Leisure and urbanism	Establish a health and sanitation police corps
6	Culture	Construct a center for professional and technical training
7	Infrastructure and urbanism	Construct and maintain secondary urban streets about three kilometers from Découverte Road to Caradeux
8	Infrastructure	Establish solar street lighting on the main streets of Petite Place Cazeau and of Delmas 31
9	Infrastructure	Traffic control of public transport vehicles in the commune of Delmas; a highway circuit of Delmas at Delmas 33 and the neighborhood of Nazon
10	Urbanism	A feasibility study for the land use management and rehabilitation of the Siloé neighborhood in the commune of Delmas
11	Urbanism	Study for the identification of street signs and addressing of homes within Delmas

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