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The Great Leap Backward: Exploring the Differences in Development Paths Between the Dominican Republic and Haiti

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THE GREAT LEAP BACKWARD: EXPLORING THE
DIFFERENCES IN DEVELOPMENT PATHS BETWEEN THE DOMINICAN
REPUBLIC AND HAITI

by

REBB VALERIS

A thesis submitted in partial fulfillment of the requirements
For the Honors in Major Program in Political Science
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Thesis Chair: Dr. Bruce Wilson

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ABSTRACT

This thesis examines the variance in human development paths and policies pursued on the island of Hispaniola by the governments of the Dominican Republic and Haiti. The different paths have resulted in significant dissimilarities in contemporary levels of economic and social development across the island. Starting from the theoretical perspective of Acemoglu and Robinson (2012), I find that institutional explanations can only explain part of this divergence. I argue that a more complete explanation needs to take into consideration the role played by class, color, and race. I also find that foreign intervention, particularly the occupation of both countries by the US Marines in the 20th century, helped direct the development strategies of each country in different directions.

DEDICATION

The puzzle of Hispaniola is dear to my heart. I, born of Haitian parents, carry a heavy burden for the people I view my own. My mother, during the era of the suppressive rule of Jean – Claude Duvalier (“Baby Doc”), fled Haiti for her life and economic opportunity. Out of 170 people who travel with her on sea, my mother was amongst the 20 who survived. Like many Haitians voyaging from Haiti to a neighboring island or the U.S., before leaving her family and loved ones behind in sheer misery, my mother vowed to never forget the suffering of her people. Still till this day, my mother reiterates her story time and time again. She continually reminds me to never forget to assist those trapped in abject poverty.

This thesis is an expression of my commitment to always be reminded of the struggles of the Haitian people. I reflect on the questions which puzzle many Haitian expatriates living outside of Haiti in various host countries. Like I, many Haitians living outside of Haiti are wondering what went wrong!

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TABLE OF CONTENTS

INTRODUCTION	1
Thesis Statement	3
CASE STUDY	6
Historical Analysis	8
Debt History: 19 th -20 th century	8
Impacts of the Occupation: Education and Public Infrastructure.....	13
Slave History: Impact on Society and Culture	16
Dominican Economic: 19 th -20 th century.....	17
U.S. Occupation: 1916-1924	20
Literature Review.....	26
Theoretical Approaches and Goals	26
Culture Argument (Harrison)	34
Drawing a comparison (Dubois)	40
Institutions Argument (Robinson and Acemplgu)	46
Policy Matters (Jaramillo and Sancak).....	48
Infrastructure	51
I. Education	58
II. Purchasing Power.....	70

III. Political Instability	76
Conclusion	92
References.....	101

INTRODUCTION

On January 12, 2010, a 7.0 magnitude earthquake devastated Haiti killing over 220,000 people, injuring more than 300,000 people, and leaving approximately 1.5 million people homeless (CNN, 2010). This catastrophic event revealed the level of poverty and misery facing Haitians, especially compared to Haiti's neighbor, the Dominican Republic.

Although there are various competing theories attempting to account for the difference in level of poverty between Haiti than that of its more prosperous neighbor, the Dominican Republic, Acemlgu and Robinson (2012) assert that development is determined by the politics and political institutions governing elites opt for and the impact and interaction of such institutions on economic institutions and the economy. According to the authors, "while economic institutions are critical for determining whether a country is poor or prosperous, it is political institutions that determine what economic institutions a country has." Thus, the divergence in development paths is determined by the extent to which countries adopt inclusive political institutions.

Exclusive political institutions allow elites controlling political power to create few institutions with checks and balances or opposing forces. As a result of becoming rich and wealthy, elites then control and develop future political institutions favorable to their own interests. Extractive economic institutions, in turn, create increasing economic wealth and power for the same elites. Political dominance then characterizes the status of such elites. In Latin America, wealth that was generated by colonist was used to build security forces to defend their control on power. According Acemlgu and Robinson (2012), existing elites oppose inclusive

economic and political institutions for fear of being threatened by the entrance of new players in the economy, thus creating winners and losers in the in the area of politics and economic markets (p. 84).

The authors hold that exclusive institutions are set up by elites who desire to organize society in a zero sum game. Exclusive institutions are determined by which parties win politics, i.e., who gets more support, better alliances, and accumulates the most wealth. In the case that the distribution of power is narrow and unchecked, then political institutions are created around a zero sum game. Power is then used by elites to extract resources from the rest of society. Those who win the game of politics set up economic institutions to profit and enrich themselves and increase their power (Acemoglu and Robinson, 2012, pp.79- 80).

Method

By comparing and contrasting the historical and institutional difference between the Dominican Republic and Haiti, I identify the relevant variables to which disparities of human development can be attributed especially around the 20th century that is the point at which the Dominican Republic started to outpace Haiti. I will analysis historical sources that will cover the periods between the occupations of the Haiti and the Dominican Republic, from 1915 and 1916 respectively to the 1960s when the Dominican Republic outpaced the development path of than that of Haiti.

Thesis Statement

My analysis for determining the differences in human development paths and policies pursued between Hispaniola will draw primarily from the theoretical perspective of Acemoglu and Robinson (2012) and my own analysis. I will argue that differences in institutions only partly explains the difference in development between Dominican Republic and Haiti, with Haiti have more exclusive and extractive institutions; Important to my analysis is the internal relations between class, color, and race. While institutional and internal social determinates are important, I will argue the difference in policies implemented by the U.S. Marines during both countries' occupation in the 20th century was more important in determining the difference in human development paths and polities pursued by each countries' government immediately after the U.S. occupation.

With particular importance to human development and the sources of the difference of policy decisions between Hispaniola, with Dominican Republic implementing more superior policies than that of Haiti, I will argue as follows:

The source of the difference in structural measures pursued, particular in creation of public infrastructure, between Dominican Republic and Haiti was due to the Marines implementing different policies in both countries during the occupations of both countries in the early part of the 20th century. The inability of American business interest to establish sugar plantations in Haiti, but being able to so in the Dominican Republic necessitated the building of infrastructure to facilitate the production of sugar exports. Therefore, one on hand, the Marines

implemented minimal public works programs in Haiti, but on the other hand, implemented substantial levels of public works programs in the Dominican Republic.

The source of the difference in improvement to education and in turn, improvements to access of education occurred as a result of different policies pursued by Marines during the U.S. Occupations during the early 20th century. In the case of Dominican Republic, Marines made substantial reforms to the Dominican Republic's school system from primary to tertiary education and centralization the administration of the schools system. However, in the case of Haiti, Marines only made minimal reforms; Marines created farm and vocational schools but placed such schools under a different administration than that of Haiti's national government school system.

While it is easy to see how the Marines' in the Dominican Republic helped to propel the country's education achievements, the continual disparity in access to education in Haiti is linked to the Haiti's exclusive political and economic institutions as set up by the country's elites. Although the Haitian education system had minimal reforms, Haiti's elites, who are particularly aristocrats, have traditionally resisted changes to the country's preference for a classical education system and the usage of French as the language of educational instruction; such resistance to educational reforms are both used as tools to justify elites' exclusion of the broader sectors of the Haitian society from universal, democratic education and also extending democratic participation to the popular sectors of the Haitian society.

In addition, Haitian elites' preference for exclusive economic institutions blocks economic conditions necessary to necessitate improvements to education. Haitian elites have a

tendency to invest primarily in the production of agricultural crops for export while remaining almost solely dependent on imported goods. These factors block the development of capital goods and that of consumer good production from the use of local available raw materials and other resources, and such sectors of the Haitian economy would necessitate the entrance of more advanced education in areas such as advance science technology and engineering knowledge, thereby improving the access to education for the broader sectors of the Haitian society.

The difference in purchasing power between the countries can be explained by the difference in industrialization and extent of to which both governments adopted extractive and inclusive institutions. In the case of Haiti, the Haiti state has a tendency to extract resources from the broader sectors of the Haitian society.

The sources of Haiti's political instability can be explained in part by the adoption of exclusive institutions by elites; another important source of Haiti's instability is due to the inability of the more popular branches of government to restructure the Haitian military to correspond to its political, ideological, and socio-economic interest. However, internal determinates alone cannot explain Haiti's persistent political instability. U.S. anti-communist policies and the inability of Washington to identify communist threats in Haiti also explain the sources of political instability.

This thesis is structured as follows. Section I covers the extent with which Dominican Republic has outpaced Haiti. Section II will focus on the extent to which each theory best accounts for the difference of development paths within Hispaniola. Section III will cover the most adequate theory accounting for the sources of the difference of policy solutions

implemented by the Dominican Republic and Haiti and the sources of difference in development paths between both countries'.

CASE STUDY

I examine Haiti and the Dominican Republic because both countries share the island of Hispaniola while representing two completely different development paths. Both countries have a long history of political instability and were both occupied by the U.S. in the 20th century. The quality of both countries' institutions was relatively poor until being transformed by the U.S. occupations (Jaramillo & Sancak, 2007). Yet, the neighboring countries are at two opposite ends of a gap separating a nation desiring to move from misery to poverty and the other having emerged out of poverty and is now increasing prosperity.

The Dominican Republic is considered to be an average-income country with an estimated population of 10 million and a 2011 GDP per capita of \$9,400. The country maintains an unemployment rate of 13% and the average life expectancy is 71 years for men and 73 years for women. 87% of the population is literate (CIA, 2011).

Haiti, on the other hand, is considered a low income country with a similar population size to the Dominican Republic, but a GDP per capita of \$1,300. There is also an estimated 80% of the population living under the poverty line. Haiti's unemployment rate is almost 41%, while life expectancy is 59 years for men and 62 years for women. 52.9% of the Haitian population is

illiterate (CIA, 2011). These stark differences between the two countries of Hispaniola is perplexing, considering Haiti used to be the richer of the two countries (Harrison, 2006, p. 22).

Many development indices place the Dominican Republic far ahead of its Haitian neighbor. While the parameters of this thesis will not go beyond the 1960s, to simply illustrate the extent of demarcation in Hispaniola, I compare the difference of Dominican Republic and Haiti's human development paths between 1980 and 2011.

According to the United Nations Development Program, human development is defined as “the expansion of people’s freedoms to live long, healthy and creative lives; to advance other goals they have reason to value; and to engage actively in shaping development equitably and sustainably on a shared planet (UNDP, 2010).”

The Human Development Index (HDI) measures the average achievements in a country using three dimensions of human development: (1) a relatively long and healthy life (measured by life expectancy), (2) extent of one’s knowledge (adult literacy rate combined with primary, secondary, and the level of the population ratio of those enrolled in higher education), and (3) the extent of one’s standard of life. The HDI sets a minimum value expressed as 0 and a maximum value expressed as 1 for each dimension and then shows where each country stands in relation to the minimum and maximum values. A score of “1” means a country is developed as possible. A score of “0” means a country is has no level of development (UNDP, 2010).

While the HDI is helpful, it does have its limits. The HDI gives us simply an average of basic human development progress. Inequalities amongst all three human development

objectives are ambiguous as the result of the distribution of human development across a country's total population.

Haiti's 2011 Human Development Index was 0.454, which is below the Latin American average of 0.731.¹In comparison the Dominican Republic's HDI was 0.689,² somewhat lower than the average of 0.731 for countries in the Latin American Caribbean region (UNPD, 2011). The Dominican Republic's had an HDI rank was 98th and Haiti's 158th. Haiti rank falls into a level comparable of those found in Sub-Saharan Africa (UNPD, 2011).

Historical Analysis

Debt History: 19th -20th century

French Debt

During Haiti long history of political instability, Haiti contracted a debt agreement with France. According to Dubois (2012), the French indemnity claim was accepted by Boyer in 1825 in order to prevent an immediate French military intervention and attain France's political recognition, and in turn, commercial trade that had been disrupted since Haiti's revolution in 1791. In case Boyer refused the debt agreement, French wars ships were stationed off the coast of Haiti and ready to attack (Dubois, 2012, pp. 99-100).

The terms of the indemnity required that Haiti provide 50% tariff reduction on French imports and pay 150,000,000 Francs (about 3 billion dollars today) to the French government.

¹ after this figure is adjusted to determine levels of inequality in actual attainment of human development objectives, Haiti fell to 0.271

² after this figure was adjusted to determine levels of inequality in actual attainment of human development objectives, Dominican Republic HDI falls to 0.510

The payment terms required that Haiti would make full payment of the debt in 5 installments. The agreement also had provisions for Haiti to only loan money from French banks. The loans from French banks would include large sums in bank fees and interest. By the late 19th century, debt payments to French banks and the French government had already bankrupted the Haitian Republic. By the end of the 19th century, 80% of Haiti's revenue went to paying debt payments. In order to make debt payments, most of the government revenue came from taxes extracted from Haiti's peasant class (Farmer, 2003, p. 77; Phillips, 1999, pp. 6, 7).

In order to make Haiti's debt payments, Boyer reestablished the "coveer" labor system. This system created a rural police to enforce laborers to stay on their respective lands in order to discourage movement and commercial activity amongst different local rural agriculturist. Nevertheless, Boyer's method for making debt payments would fail. This failure was due the breakdown of Haiti's planation system (Dupuy, 1989, p. 204; Dubois, 2012, pp. 103-118).

Prior to Boyers' emergence to power, Petition, the leader of Haiti's more liberal portion of the country, adopted a liberal land policy and redistributed land ownership downwards to peasants. The landed bourgeois, unable to control the production process, increasingly turned to the controlling the import/export sectors, the circulation process, and the state in order to extract resources for the population. The more dominate bourgeois class divided themselves around the major port cities, which in turn, linked them to the capitalist world market, and exploited the hinterlands surround the cities' ports. The bourgeoisie now controlled the process of buying, selling, exporting of cash crops, and the resale of the imported manufactured goods (Dupuy, 1989, p. 205).

U.S. Financial Control

In 1909, at the urging of the State Department, American bankers purchased a majority interest in the Haitian national bank. By 1919, the National City Bank of New York acquired a controlling interest in the Haitian National Bank. All of Haiti's \$40 million outstanding debt contracted from French banks was acquired by the National City Bank in 1922. By 1915, 80% of the government revenue to pay for the debt came from export duties from cash crops produced by peasant farmers (Dubois, 2012, pp. 204-207). Phillips (1991) states "this dependence on cash crops made agricultural and economic diversification impossible (Phillips, 1991 p. 10)."

U.S. Occupation: 1915-1934

In 1915 Haiti was invaded by the U.S. Marines. Prior to the invasion, In November of 1914, Secretary of State, William J. Bryan, cabled the Haitian government regarding concession to be made to the United States. Washington desired an agreement to establish control of the Haitian customs. There was expressed an interest to the settlement of issues affecting the National Railway and the National Bank. Haiti was also to give full protection to all foreign interest. Lastly, Haiti was to pledge never to lease Haitian territory to any European Power for use as a coaling station or naval base (McCrockin, 1956, 9-10; Dubois, 2012, p. 7).

There were various involvements prior to the U.S. occupation of Haiti. In 1909, at the urging of the State Department, a couple of U.S. banks purchased a majority interest in the Haitian national bank. Roger Farnham, the vice president of the National City Bank in New York. December 1914, the Marines entered Port-au-Prince to facilitate a "transfer between the two institutions that Farnham managed. Dubois (2012) alleges that the bank then brought about a

financial emergency so that the United States could militarily intervene (Dubois, 2012, pp. 204-207).

During the transfer of the banks, U.S. troops took \$500,000 worth of gold owned by the Haitian government from the Haitian Bank (Dubois, 2012, p. 204, 205). Dubois (2012) argues that the official objective of Washington to control Haiti's custom houses would play well into the banks plot (Dubois, 2012, pp. 204-207).

In 1910 James P. MacDonald, a U.S. investor, acquired a rail road company to create a railroad line connecting all of Haiti's cities. Foreign capital to complete the rail was much needed by the Haitian business elites. McDonald would also take the opportunity to gain a monopoly on all banana exports leaving Haiti. By 1911, peasant began to be disposed from their lands in order to establish a rail road, while at the same time a monoculture plantation production for export. Those ejected from their lands were given no compensation. Local elites saw McDonald as a threat to Haitian sovereignty and helped channel the rage of those disposed from their lands against the president Vilbrun Guillaume Sam (Dubois, 2012, pp. 207-209).

Vilbrun found himself in a difficult situation that he himself had no control over. With the Banque National subject to the control of American banking interest, the Haitian government was refused any form of government funding. The Haitian state was now completely bankrupt. It seems that bankruptcy of the government would negatively impact both the military leaders and political elites. In order to subject internal opposition, Sam executed 167 political prisoners, most members of elite families. Sam was then dragged into the streets by a mob that "tore him to pieces" (Dubois, 2012, 210). With all this considered, it is held that the American controlled

bank and American corporate interest brought about conditions necessary to open up Haiti to be invaded officially by the U.S. military. As a consequence of Sam's murder and political instability, United States Marines invaded Haiti on July 28, 1915 (Dubois, 2012, pp. 207-209).

The 1916 convention between the United States and Haiti allowed the United States to control Haiti's financial affairs until 1926. American banks were willing to provide Haiti with a loan, yet needed assurance by the U.S. government that Haiti would pay it back. So, in order to this guarantee to American bankers, the U.S. extended its financial and military control of Haiti until 1934, eight years after the initial time frame (Dubois, 2012, p. 245).

There are some that argue the United States Marines occupation was to (1) limit the threat of Germany attacking the United States and (2) implement U.S. "dollar diplomacy" (Skidmore, Smith, and Green, 2010, p. 113). Sprague (2012) argues U.S. military occupation was a "pretext of possible German encroachment during the First World War." Dubois (2012) argues that developments leading up to and resulting from the U.S. Occupation helps us determine the underlying interest motivating the occupation. According to Dubois (2010), "American banks and corporate investors pushed Haiti towards intense political instability and absolute "chaos in the first place. Thus, we are lead to believe that the most direct cause of the occupation was due to the fact that that "military officials of the United States considered Haiti strategically important..." Yet, the underlying cause was so that "American entrepreneurs were eager to build new plantations in Haiti as they had elsewhere in the region (Dubois, 2012 pp. 8, 210)."

Impacts of the Occupation: Education and Public Infrastructure

Education Reforms

In the 1920s, the Marines embarked on a project of improving Haiti's education system. According to Leybrun (1966), the United States Marines never had a treaty with Haiti concerned with reforming Haiti's education system. Dubois (2012) suggests that the only reason the Marines engaged in implementing public education programs was due to criticism of both the occupation and the Wilson Administration after the Senate investigations of 1920-21. The U.S. Senate investigations placed the Marine authorities "under pressure to make good on the justifications they had given for invading the country (Dubois, 2012, p. 278)."

Public Works: "Corvee" Labor

During the military occupation of Haiti from 1915 to 1934, the Marines centralized political and military control over the country (Dubois, 2012 p. 238; Dupuy, 1989 p. 207). According to Dupuy (1989), the centralization of political and military power in Port-au-Prince "necessitated the development of infrastructure" to provide a minimum level of public works and services (p. 207). Roads were built from Port-of Prince to Gonaives. Roads were also built from Gonaives to Cap-Haitian (McCrockin, 1956, pp. 93-94).

In 1916, the U.S. Marines began using rural sectors of the Haitian society as road building crews. The financial resources needed to fund the implementation of public infrastructure came primarily from the taxing the rural class. In case that the masses could not provide such taxes, the Marines would facilitate the implementation of the "corvees" labor system, which meant that in case the broader sector of society could not provide taxes, then it

necessitated the Haitian government to force labor upon them. In the case that labors refused "corvee" labor, they would be shot to death (Dubois, 2012, pp. 239, 240, 6).

Many U.S. officials thought the "corvee" labor as a both an effective and appreciate way to supply labor needs for the development of infrastructure for the country (McCrockin, 1956 pp. 93-94). According to McCrockin (1956) revenue provided for the projects implemented during the U.S. occupation "were provided solely" from the revenues of the Haitian Republic (McCrockin, 1956, p. 230). Seeing that 80% of the Haitian government revenue went to pay off debts during the periods of the Occupation, the leads us to believe that the U. S. Marines did not have sufficient financial resources to implement public works.

In addition, McCrocking (1956) describes the Haitian civil authorities as seeing peasant labors as a "valuable sources of income" and they filled "their own pockets that hey brought their country to the brink of disaster (p. 96)." Gendarmes also saw an opportunity to exploit the masses accepting bribes and embezzling monies given them by peasants. The Gendarmerie commanders and Haitian elite used the peasants to work on the roads in their districts (McCrockin, 1956, pp. 95-96).

Military Structure and Recruitment

The Marines restructured the composition of Haiti officer corps with a small minority of Haitian mulatto upper-class (Metz, 2001, p. 282). According to Dubois (2012), this was done in part, for political reasons: the bourgeois class unlike other sectors of the Haitian society supported the occupation in order to serve their personal interest for power. The Marines' racial

prejudice for lighter-skinned Haitians over darker ones seemed to incidentally correspond with the fact that they supported the occupation (Dubois, 2012, pp. 217, 278; Metz, 2001, p. 282).

A series of mulatto presidents governed from 1930 to 1941 (Dupuy, 1989, p. 208). Sprague (2012) suggests that the transformation of the Haitian military structure was to ensure that future political regimes would be pro-American and subservient to the Haitian bourgeois and major landowners (Sprague, 2012, p. 24).

Communist Challenge to Haiti's Exclusive Institutions

The victory of the Allied forces over the Axis powers after the Second World War gave renewed vigor to the Haiti's youth (predominately milats, with far left leanings) to both challenge and change the Haitian society. The international explosion of Marxism after the postwar era had heavy influence in shaping the ideology of these young and educated radicals. Smith (2009) suggest that their opposition to the Lescot's (1941-46) regime was based on opposition to the oppressive nature of the state rather than anti-bourgeois sentiments (Smith, 2009, pp. 72-73).

In response to this opposition, Lescot ordered the military to suspend the production of literary propaganda associated with the radical groups that threaten the stability of his regime. The radicals then responded by organizing a student strike with the intent that the strike would transform into a social revolution. The students' strike was later joined by a number of labor unions. Both student radicals and labors unions called for the recognition of constitutional freedoms and democratic guarantees. Leading offers in the military would then demand Lescot to

step down for fear that a popular movement from below would completely destabilize the country (Smith, 2009, pp. 75-76).

Duvalier and Human Capital Flight

1957 marked the suppressive rule of Francois Duvalier. Sprague (2012) argues that while Duvalier upheld Haiti's dominate social order, he did "not tolerate dissent from any" sector of the Haitian society whether "rich, poor, or middle class (Sprague, 2012 p. 32)." As a result, Haiti started losing its most educated and resourceful citizens through citizens fleeing the country starting in the 1960s (Stepick, 1998, p. 37). In the 1960s, over 1 quarter of all Haitian immigrants to the U.S. were professionals. By the middle of the 1960s, observers estimated that 80% of Haiti's professional class had left Haiti (Dubois, 2012, p. 353). In the 1980s, before the immigration of the poorer class to South Florida, it has been estimated that 55.9 % of all Haitian had at least a high school degree and about 10% were college graduates (Stepick, 1998, p. 38).

Dominican Republic

Slave History: Impact on Society and Culture

Spanish Socialization

Agricultural production in the Dominican Republic was not export oriented and resulted in the importation of far less slaves than did Saint-Domingue. For a small sum, Spanish law allowed slaves in Santo Domingo to purchase their freedoms. For this reason, Santo Domingo had far more freemen than that of Saint- Domingue. Consequently, Santo Domingo had more of

an egalitarian society and a far racially stratified population than that of Saint-Domingue (Metz, 2001, p. xix).

Dominican Economic: 19th-20th century

Emergence of the Modern Sugar Industry

The 1870s marks the period of the emergence of the Dominican Republic's modern sugar industry. This period was determined by various factors: Firstly, as a result of the Cuban Ten Year War (1868-1878), a number of Cuban sugar planters and investors fled to the Dominican Republic. Along with the immigration of Cuban sugar planters and investors came with them their physical and investment capitals to the Dominican economy; apart from push factors, there were also pull factors that brought Cuban groups to the Dominican Republic, notably the prospects of an abundant supply of cheap and fertile land for sugar production. As a result of the various factors during the 1870s, the Dominican Republic increasingly opened up its economy to exporting into the world market (Murphy, 1991, p. 11).

Eventually, Dominican policy makers began creating an internal environment conducive to creating incentives for foreign nationals to increasingly introduce further capital in the Dominican economy. According the Murphy (1991), from the 1870s to the 1880s, concessions to foreign nationals included: (1) exclusive rights to selected private enterprises in mining, manufacture, railroads, and internal shipping; (2) in 1880, import duty exemptions were approved for the sugar industry, the concession was especially important to the plantation owners who imported costly machinery; (3) a series of laws passed between these years which allowed

for declines in export taxes on other principal export crops-coffee, cacao, and tobacco (Murphy, 1991, p. 11).

There were also international factors that assisted the emergence of the Dominican Republic's modern sugar industry, including the decline of the European sugar beet industry, which opened up the world market to the increasing importance of Dominican cane sugar. Also, in the U.S., the defeat of the Confederacy by the Union brought a major blow to the South's economy and plantation system and the death of the Louisiana sugar cane industry. These international developments during the latter part of the 19th and the early part of the 20th century allowed the Dominican modern sugar industry to emerge and then experience relatively positive national economic growth (Murphy, 1991, p. 11).

Debt Reduction and Forgiveness

The 20th century for the Dominican Republic also saw a reduction of foreign debt. On March 31, 1905, the Dominican Republic signed the Modus Vivendi agreement with the United States, under which the United States collected customs revenues for the country. Provisions in the agreement obligated the Dominican Republic to utilize 45 % percent of the country's annual revenue for administrative expenses, while the remaining 55% was distributed among the country's creditors. In 1907, the United States proposed to modify the Modus Vivendi agreement. The new version prohibited the Dominican government from increasing its debt without U.S. consent. The Dominican Republic also signed a treaty with the U.S. which required the Dominican Republic to take a \$20 million dollar loan to pay off all of its creditors. (Peguero, 2004, pp. 27-28; Calder, 1984 p. 4; Logan, 1968, pp. 39-46).

During Trujillo's first administration, from 1930 to 1934, the U.S. and the Trujillo government negotiated a settlement to prevent Trujillo's government from getting deeper into a balance-of-payment crisis. This decision by the U.S. was decided upon after the negative impacts to the Dominican economy by the 1929 economic depression and the hurricane of 1930. With the approval of the U.S. government, in October of 1931, the Dominican government, while continuing interest payments, was given the go ahead to enact the Emergency law that allowed the Republic to suspend external debt payments on capital for two years. The U.S. also allowed the regime a moratorium on government foreign debt. The relief of such financial constraints allowed the regime to implement stabilization policies (Betances, 1995, p. 37). This measure also allowed the Trujillo regime to divert funds from customs revenues, which, in turn, would increase the national income by 33 percent. During his regime, Trujillo was also able to end the U.S. control of the Dominican customs house and established the Dominican government's control of the customs house in 1940, after negotiating and signing the Trujillo-Hull Treaty. As a result, within two decades after having taken office, "Trujillo paid off the nation's foreign debts, developed a national infrastructure, and laid the groundwork for economic development by promoting industrialization." Sugar exports accounted for the majority of the government's revenue during the leader's time in office (Peguero, 2004, pp. 72, 73).

The ending of the U.S. control of the customs house, coupled with the Trujillo's regime's emphasis on economic development, would eventually create a favorable economic environment for the Dominican Republic during World War II; during this period, the Dominican Republic's export and import substitutions, through domestic manufacturing,

stimulated economic production and development. The economic progress of the of the Dominican Republic allowed the government to pay off all of its external and internal debts, balance the government's budget, and bring and maintain the value of the Dominican peso at about the same exchange rate as the U.S. dollar (Peguero, 2004, p.73).

U.S. Support of a Dominican Dictator

In terms of available revenue available to the Dominican military, during the Trujillo regime, which lasted from 1930 to 1961, according to Balances (1995) the U.S. moratorium allowed the dictator to government revenues sufficient to fund the Dominican military and stabilize his regime. As a result, Trujillo was able to consolidate power and subordinate "all social classes" and groups under his political and military power (Betances, 1991, p. 37). Grasmuck and Pessar (1991) further suggest that Trujillo dominance on power allowed him to restrict the emigration flow of Dominicans. Trujillo is held to have restricted emigration flow because he feared emigrants "causing political problems for him abroad." It would not be until Trujillo's assassination that the outflow of emigrants would begin (Grasmuck and Pessar, 1991, p. 9).

U.S. Occupation: 1916-1924

The United States Marines officially occupied the Dominican Republic in 1916. According to Calder (1916), despite "no clear direction from Washington," diplomatic correspondence between the Dominican Republic and Washington prior to the official occupation of the Dominican Republic detailed U.S. interest. In no particular order, the U.S. called for: (1) the centralization and reorganization the country's traditional armed forces into a

constabulary; (2) there was a desire to create mechanisms for U.S. financial control of Dominican finances; (3) strengthening U.S. authority over public works, state-owned railroads, and telegraph system were mentioned; (4) Washington also called for a land title law to facilitate taxation and the purchase of Dominican land by North American corporations; (5) and, Washington desired to establish a naval base in Samana Bay (Calder, 1984 p. 26). While Washington had some official justification for occupying the Dominican Republic leading up to the official occupation of the country, Matibag (2003) argue that the impact of the occupation “was largely responsible for converting the republic from a cattle-raising economy into a U.S. dependent sugar-growing economy (p. 133).”

The Land Question and Integration of Hispaniola's Economy

Prior to the official occupation of the Dominican Republic by the Marines in 1916, Washington called for a land title law to facilitate taxation and the purchase of Dominican land by North American corporations (Calder, 1984, p. 26). A legal measure enacted by the Marines during the occupation concerned with land rights was the Law Registration Act (Matibag, 2003, pp. 133-134).

Under this Act, while American agriculture companies had never previously held land title, the legal measure afforded the companies the rights to demonstrated at least ten years of possession in order to attain legal rights to land possessions. However, when average defendants asserted a social definition of ownership as a defense, lawyers for sugar companies used the recently enacted legal measure as firm defense. Murphy (1991) alleges that this strategy was not only a strategy for the sugar companies to confiscate more and more land for

production, yet also a method to convert small peasant farmers into sugar plantation workers (Murphy, 1991, pp. 20-21).

The law in effect dispossessed those with no formal deeds to the lands they occupied or worked. Whole communities were disposed and their land holdings broken up (Matibag, 2003, pp. 133-134). According to Betances (1995), since the 1890s peasant agriculturists were being disposed from their lands, yet dispositions of peasants from their lands were “drastically stepped up” during the periods of the occupation (p. 35). By 1925, such legal measures allowed lands to be concentrated in the hands of a few wealthy families, and in turn, appropriated by sugar companies, with sugar companies appropriating a fourth of the countries land surface. According to Matibag (2012), structural modification to the Dominican Republic’s land rights by the Marines were in direct contrast to that of Haiti’s. Matibag (2003) goes on to argue that whereas structural modification in Dominican Republic intensified the country’s dependence on monoculture, the U.S. maintained the feudal organization of large landholdings in Haiti, thus continued the pre-existing pattern of unequal land ownership (Matibag, 2003, pp. 133-134).”

As early as the 1870s, with their being a small population and a large availability of land for peasant farming, export based sugar elites were forced to offer attractive salaries and living conditions to attract labors necessary for maintaining and expanding production. Because the Dominican peasants still had ties to their subsistence plots, they were not totally dependent on wage labor of from sugar corporations. The voluntary nature of working for the sugar companies put peasant agriculturists in a position where they could continually demand payment increases. A critical labor shortage developed. The need for an increase in cheap, and

less demanding labor turned the Cuban-based sugar companies to seek foreign laborers (Murphy, 1991, 36-37).

Matibag (2003) explains that before the U.S. Occupation of the Dominican Republic, the main source of immigration labor in the Dominican Republic were “caclos” from the Lesser Antilles. Yet, in order to relieve labor shortage for high leveled sugar production the “United States forces cooperated with the multinational and national and national sugar producers” in “instituting a policy of sending Haitian labor in greater numbers than ever before to both Dominican and Cuban refineries.” Matibag (2003) argue that while the United States “reorganized both economies,” the U.S. also created the conditions of “borderland violence (Matibag, pp. 132- 333).”

Public Works

According to Bruce Calder (1984), the whole occupation's public works reform programs were more effective than earlier Dominican efforts for a variety of reasons: Firstly, the public works programs had a large amount of available revenue generated towards it; the Republic benefited from the unusually prosperity generated by the need for Dominican exports into the world market. Also, unlike Haiti, whose public works programs would be paid from its government revenues, the United States covered large expenditures once paid by the Dominican government, particularly the cost of executive administration. There is evidence to suggest that U.S. Marine officials in the Dominican Republic used large numbers of Haitians as crews for road construction in order to cut the costs of implemented road works (Calder, 1984, p. 51, 62-64; McCrockin, 1956, p. 230).

Between the periods of 1916 to 1917, King (1928) suggests that the Dominican Republic did not need the U. S. occupation to make improvements on public works (p. 98). According to King (1928):

“The average expenditure by the Dominican Government for public works during the four years preceding 1916 was over twice the amount for that year, and far in excess of that for 1917. At first, that is to say, the American accumulated money by spending almost nothing on such needed improvements as roads. Prices had risen during the 1915 and 1916, but they broke all records in 1917. War time inflation had quite as much to do with the vast increase in revenues as did the financial acumen of the American military brains. The final payment on the National City Bank loan in 1917 freed Dominican Republic finances from a very heavy load about a third of a million dollars available annually for other purposes. This would have taken place just the same—the intervention was not responsible for it (King, 1928 p. 98)”

Between 1921 and 1922, the public works project took a sharp decline as the result of inflation due to changes in world sugar production. As result, sugar prices fell from 22.50 hundredweight to only \$2.00 in May 1921 (Pons, 1998, p. 331). Also, after being in need for more funding for expenses on public works projects, on March of 1922, the American military government took out a loan of \$6.7 million to continue high construction and to pay the salaries of public employees (Calder, 1984, pp. 51-52; Pons, 1998, p. 332).

Two years after the end of the US occupation, the Vasquez's administration continued its public works programs constructing schools, railroads, telephones, and aqueducts. Increases in government revenues from sugar exports, in turn, allowed for increases in level of public works, thereby motivating further development; industries, commerce, and agriculture production would also be promoted. At the end of World War I, development in Europe opened up the door for the need for Dominican export. Dominican trade and government revenue increased (Peguero, 2004, p. 62).

While Tillman (2010) argues that the occupation centralized the Dominican infrastructure to benefit American sugar companies, there is agreement on the public works having a positive impact on the Dominican economy and society (p. 3). The occupation had the effect of forcing “rapid centralization of infrastructure that united regions, developing a form of national unity that was long silenced by a new culture of military-civilian (Tillman, 2010, p. 15).”

Also, as a result of roads built in various regions, while mainly amongst the affluent Dominicans, increasing amounts of cars began traveling on the streets. Eventually, the advent of cars would replace the use of horses as sources for transportation (Pons, 1998, p. 336). The Dominican Republic would also be introduced to advanced irrigation systems, sugar processing systems, and mills; such investment also gave foreign entrepreneurs an incentive to invest in more and more innovation and sophisticated technology (Murphy, 1991, p. 21). However, the companies would not invest in Dominican labor (Matibag, 2003, pp. 132-134).

Educational Inclusion

Apart from creating public works projects, the Marines also embarked on reforming the Dominican education system. In 1917, the marine commission on education published its code of education. “The foremost goal of the military government’s reformed education system was to...broaden and strengthen the elementary education.” The laws governed all levels of Dominican education, including the Catholic seminary and special and vocational training. The Legal measures called for obligatory education for those between the ages of seven and fourteen; access to education to be free; and, “mandated a primary education curriculum which appeared reasonably well suited to the Dominican urban rural and rural masses...The most notable aspect of the marine’s policy was for instructions to be in Spanish, “a notable departure from U.S. colonial policy in Puerto Rico and the Philippines” (Calder, 1984). Calder (1984) concludes that Marines implemented an “education system tailored” to meet the needs of the broader sectors of the Dominican society (Calder, 1989, pp. 34, 35).

Literature Review

Theoretical Approaches and Goals

Culture

There is a large body of literature accounting for the difference in development paths between Haiti and Dominican Republic through the links between Culture and economic development. Lawrence Harrison (2006) identifies culture as the source of the difference for development paths between Haiti and Dominican Republic. Culture is passed from generation to generation and, according to Harrison (2006) plays a dominant role in explaining political,

social, and economic development. Harrison (2006) creates two general categories that fall on opposite sides of the spectrum and help to determine the extent to which culture promotes economic development.

He argues that the extent of both countries' slave experience and the identification In comparing the difference in development paths between Haiti and Dominican Republic, Harrison (2006) argues Haiti has a culture far more resistant to economic development than that of the Dominican Republic, thereby, accounting for the difference in development paths.

According to Harrison (2006), Haiti's slave history was far more brutal than that of the Dominican Republic, thereby, shaping the culture of Haitians. Haiti is also held to identify much closer to the Vodun religion than the Dominican Republic. He identifies the Dominican Republic as having more progressive societies than those of African roots, such as Haiti (Harrison, 2006, pp. 21-34)

According to Harrison (2006), after Haiti's independence in 1804, Haiti was in charge of its own destiny and by implication- its development path. Harrison (2006) believes that Haiti developed a value system "largely shaped by African culture, of which Voodoo is a prominent component, and by slavery." (p. 31).

With particular importance to human development, Harrison (2006) identifies particular areas in the Haitian culture that shape Haiti's underdevelopment including its experience with slavery that he link to the apparent passivity to work, and thus, is held to impact levels of productivity and economic growth (p. 31, 44). Although the significance of punctuality is held to be important in a labor market, and thus, important to a nation's GDP, Haiti's slavery

experience is also held to impact Haitian culture to maintain a rhythm of life not concerned with punctuality. Therefore, it is argued that Haiti's slavery history is linked to Haitian culture and produces resistance to economic development (Harrison, 2006, p. 191).

Harrison (2006) identifies Haitian Vodun's belief system in which destinies are controlled by spirits, and elements of sorcery, magic, and witchcraft as having a resistant force on human development objectives, which he links to mistrust and the idea of rule of law. Mistrust is also held to be linked to the promotion of social capital in the Haitian society (Harrison, 2006, pp. 30, 47) a lack of personal responsibility and entrepreneurship. Sorcery, magic, and witchcraft are held to be associated with lack of rationality and desire for educational progression. Together these three cultural areas are link to the difference in development paths between the Dominican Republic and Haiti (Harrison, 2006, pp. 30-31, 40, 47, 50).

Inclusive and Exclusive Institutions vs. Culture

Acemglu and Robinson (2012) utilize the terms inclusive and exclusive economic and political systems to argue what accounts for different development paths between countries, to define the rules influencing how the economy works and the incentives that motivate people. According to these authors, inclusive economic institution feature secure property rights and economic activities for a broad cross -section of society; the economic institution must have an unbiased system of law, and a provision of public services that provide a level playing field in which people exchange and contract. It also must permit the entry of new business and allow people to choose their careers (Acemglu and Robinson, 2012, pp. 73-75). The authors hold that an inclusive economic system must include a centralized state in order to functions properly.

The state is held to be an entity with coercive capacity to impose order, prevent violations, and enforce contracts between parties. The authors also hold that the state should provide other public services such as the creation of public infrastructure such as roads and transport networks. Basic regulations need to accompany public services in order to prevent misdeeds and fraud by civil officials. While public services can be provided by the market and private citizens, the state needs to be the central authority to provide such services because the state is able to provide the coordination necessary to provide such extensive endeavors (Acemoglu and Robinson, 2012, pp. 75-76).

External and Internal Determinates

In drawing a comparison between the Dominican Republic and Haiti, Dubois (2012), argues that developments following Haiti's revolution and independence triggered the long process of Haiti's current underdevelopment. Dubois (2012) cites both internal and external social forces as having been the sources of Haiti's underdevelopment. At times internal and external social forces are held to interact in a manner that exaggerates the human development potential of the broader sectors of the Haitian society (p. 5).

In terms of internal determinates, Dubois (2012) cites Haiti's plantation-based economic institutions, extractive and exclusive political institutions as being a sources of Haiti's underdevelopment. Haiti's history of militarization and military spending has been cited as well. While Dubois (2012) makes an emphasis on internal determinates, he argues that impact of external social determinates have the most substantial impact on Haiti's development potential.

External terminations with the greatest impact on Haiti's underdeveloped are the French indemnity, and most importantly, the U.S. Occupation between the periods of 1915 and 1934.

Dubois (2012) argues that the plantation system has haunted Haiti until the present day. Similar to the Haiti's colonial past, Haitian elites use the state apparatus to force the peasant class to produce agricultural goods for the world market. Haitian elite is mainly composed of two groups: The ruling class, composed mostly of large land owners and those with ambitions to control the state, and a business class, composed of those who would control the ports and the flow of export and import goods. The elite groups took control of the state and used it to heavily tax the goods produced by the small scale farmers, without returning the tax revenues back into the economy, thereby reinforcing the economic division between the peasant class and elites (Dubois, 2012, p. 6).

In concert with an exclusive economic system, the masses were excluded from participation in the political process. Dubois (2012) notes that the various experiments of including the masses into a more liberal democracy have been continually closed off when it amounted to sharing power with the rural population. In order to validate his point, Dubois (2012) points to the fact that since 1804 until 1987, Haiti's official language was French, which only few understood, while broader society understood Haitian Creole and were not able to understand the country's laws for most of Haiti's history. Despite the recent liberalization of Haiti in the recent decade, (i.e., the first democratically elected president, Jean Bertrand Aristide) the state structure remains largely unaccountable and impermeable to the demands of the majority of Haitians (Dubois, 2012, p. 7).

While internal determinates are deemed a source for Haiti's present underdevelopment, Dubois (2012) argues that foreign governments increasing control of Haiti's politics and economy is far more significant as being a source for Haiti's present underdevelopment. In terms of economic control, the author argues the 1825 indemnity of 150 million Francs (about \$3 billion in present estimates) forced upon Haiti by the French government has haunted Haiti until the present. While Dubois (2012) admits that the French debt was eventually reduced to 60 million Francs, and Haiti paid off both the French debt and initial loan in 1898, yet other loans taken out and various other charges acquired by Haiti to pay off the initial loans would follow Haiti to the at least to the 20th century. In support of his argument, Dubois (2012) points out that in 1914, Haiti's debt payment climbed to 80 percent of the country's revenue. Less significant sources for negative impacts to Haiti's economy have been cited by Dubois (2012) as being corruption and financial mismanagement, constant civil wars, and repeated demands and abuse of foreign merchants, at times backed by their respective government's gunships, for financial compensation alleged for damaged property during internal rivalries (Dubois, 2012, p. 9).

The most modern and significant source for Haiti's development, according to Dubois (2012) did not come from a colonial power, but instead, an imperial one. It is held, while the U.S. official government stance found Haiti to have geopolitical interest to America, American Corporate interest was to build an export based plantation economy beholden to an international market as had been instituted in elsewhere in the region. All in all, Dubois (2012) argues while the U.S. did do "some good" in Haiti, e.g., building public works and public infrastructure, the negative impacts of the occupation substantially outweighed projects instituted by the U.S. The

occupation would eventually exaggerate the country socially, economically, and politically (Dubois, 2012, p. 9).

Dubois (2012) alleges that confiscation of peasant land by the Americans served the purpose of forcing peasants to immigrate to the Dominican Republic as substantially lower wage labor. The US occupation also impacted Haiti's economy through the centralization of Port-au-Prince, Haiti's capital, as the center of trade at the expense the country's regional ports, which resulted in capital accumulation and drawing of peasants to the capital (Dubois, 2012, p. 9).

Dubois (2012) also argue that the impact of the occupation negatively affected the economy and politics of Haiti during the second half of the twentieth century because future Haitian leaders depended more on U.S. support to stay in power and were less concerned about meeting the popular demands of their citizens. The consequence of a dependence of U.S. support by Haitian leaders enforced the authoritarian tendencies of the Haitian elites. The reign of the Duvalier, between 1957 and 1971, resulted in human capital flight and a brain drain in the Haitian society (Dubois, 2012, p. 9).

Policy Matters

According to Jaramillo and Sancak (2007), policy decisions since the 1960s played different roles in the growth paths of Haiti and the Dominican Republic. Dominican Republic has outdone Haiti in implementation of structural measures, stabilization policies, and political stability. Meanwhile, Haiti has been behind the Dominican Republic in implementing structural policies, while subject to numerous political shocks that have affected its growth (p. 23).

In comparing the difference in HDI, it is well documented that, according to Jaramillo and Sancak (2007), policy decision since 1960s played differences in growth paths between Haiti and the Dominican Republic. Structural policies have been the most key determinate impacting the divergence between the two countries. Following structural policies, the next two determinates are political stability and stabilization policies. Dominican Republic has outdone Haiti in terms of implementation of structural measures, stabilization policies, and political stability. Meanwhile, Haiti is behind the Dominican Republic in implementing structural policies, and was subject to numerous political shocks that have affected its growth (Jaramillo and Sancak, 2007 p. 23). The following section identifies the particular policies for each of the three measures that have been identified by Jaramillo and Sancak (2007).

As national accounts became accessible, it became clear the Dominican Republic diverged and would continue to diverge in terms of development paths between Haiti. In terms of structural measures, Dominican Republic implemented more superior than that of Haiti in policy measures focused on improvements in education and credit to the private sector and by enhanced political stability. Progress in these areas were facilitated with the context of sound monetary and fiscal policies given that fact the Dominican Republic had a robust balance of payments position as early as the 1970s (Jaramillo and Sancak, 2007, p. 19).

In terms of structural measures, education improvements in Dominican Republic were primarily in the secondary education. The Dominican government implemented reforms to primary and secondary curriculums. The reforms were to make school more relevant to the work life of citizens. Improvements in access to education would come with such reforms. The

Dominican Republic saw a major increase in trade openness. And, structural measures were in creation of public infrastructure (Jaramillo and Sancaks, 2007, pp. 19-21).

In contrast, while seeing minor improvements, Haiti has lagged behind the Dominican Republic in terms of comparable structural measures. The main structural measures implemented by Haiti were trade openness, education, and bank credit to the private sector. In terms of trade openness, Haiti saw minor growth in the exports and the assembly sector. While Haiti did see improvements in educational reforms, particularly in school enrollment, Haiti would remain far behind the Dominican Republic. In terms of credit to the private sector, less credit was given to industrial and export sectors than those allocated in the Dominican Republic. Haiti would also face economic contractions due to political instability and a weakening of stabilization policies. Haiti continued to see political turmoil. In terms of public works, Haiti's expenditure would outpace available government revenue (Jaramillo and Sancak, 2007, pp. 21-22).

Culture Argument (Harrison)

Harrison (2006) claims after Haiti's independence in 1804 Haiti was in charge of its own "destiny" and by implication- its development path. However, in his attempt to isolate exterminable determinates accounting for Haiti's economic development path, Harrison (2006) ignores Haiti's long history of foreign debt and interventions.

Haiti experienced countless interventions from European Powers and the United States (U.S.) from the 19th to the 21st century (Averill & Yih, 2000 pp. 269-71; Logan, 1968 pp. 207-209; 249-250; Plummer, 1992 pp. 78-79; Nicholls, 1985 pp. 108-109; Farmer, 2003 pp. 78-79).

In contrast, the Dominican Republic experienced far less foreign interventions and debt. The Dominican Republic experienced periodic interventions from Haiti between 1844 to 1847, and later, by the U.S., between 1916 to 1924 and in 1965 to restore order, political, and democratic stability after the Dominican Republic experienced years of civil war (Peguero, 2004, pp. 15; Pons, 1998, pp. 134, 171; Calder, 1984, p. 26; Gleijeses, 1978, pp. 256-181).

In terms of Haiti's debt history, it is estimated that 150,000,000 Francs (about 3 billion dollars today) was owed to France in 1825, and that debt was not fully paid by the Haitian government until 1947. By the end of the 19th century and from 1915 to 1934, 80% of the Haitian government's revenue went towards foreign debt payments. Between 1915 and 1934, the remaining 20% of revenue was outside the Haitian government's control and was under the complete control of the U.S. Marines to expend at their discretion (Phillips, 1991, p. 3-15; Farmer, 2003, p. 88; Smith, 2009, p. 113; McCrockin, 1956, p. 230; Dubois, 2012 p. 282; Pamphile, 2008, pp. 106-120). To make matters worse, revenue for debt payments were extracted through taxes from the broader sectors of the Haitian society, thereby burdening the already scarce resources of the Haitian majority (Dubois, 2012, pp. 204-207; Dupuy, 1989, p. 205; Phillips, 1991, p. 10).

In contrast, from 1905 to 1907, 55 percent of the Dominican Republic's revenues went towards debt payments and the Dominican government retained 45 percent of its revenue to do as it saw fit. The Dominican Republic's foreign debt was paid in full as early as 1907; the only remaining debt by the government was that owed to American banks (Peguero, 2004, pp. 27-28; Calder, 1984 p. 4; Logan, 1968, pp. 39-46). However, by 1940, the Dominican Republic had

satisfied in full its debt payments owed to American banks, thereby freeing the country's national budget from all foreign debt (Betances, 1995, p. 37; Peguero, 2004, pp. 72, 73). Therefore, it does not appear that Haiti was in charge of its own development path due the country's long history of external debt and interferences.

Slave History

Harrison (2006) makes the argument that Haiti's slavery history is linked to the apparent Haitian passivity to labor. However, Harrison (2006) is either unaware of or ignores the fact that the popular sectors of the Haitian society have been subject to instances of forced labor since the end of the country's slave history in 1791 to, at least, the mid portion of the 20th century.

It has been well documented that successive Haitian governments from 1791 to 1971 have subjected the broader sectors of society to forced labor on public works and agricultural production (Girard, 2005, pp. 37-38; Dubois, 2012 pp. 31, 238-243; Dupuy, 1989, p. 87; Lebyrun 1941 p. 46). It has also been well documented that during the occupation of Haiti by U.S. Marines from 1915 to 1934, U.S. Marines and Haitian officials subjected the broader sectors of the Haitian society to forced labor on public works (Farmer, 2003, pp. 82-83; Abbott, 1988, p. 40; McCrockin, 1956, pp. 93-94; Sprague ,2012, p. 24). Therefore, because of Haitian's extensive work history, it is incorrect to label Haitians as passive to labor.

Harrison (2006) also ignores that the fact that since the time of Haiti's independence, Haiti has yet to industrialize, the country remains primarily agricultural, and without integrated sectors of production that would allow for the creation of more jobs and less unemployment (Dupuy, 1989, p. 142; Lasswell, 1979, p. 247). In addition, when foreign investments were

made, Haitians were subjected to below subsistence labor wages from foreign corporations and their wages were also extracted by the Haitian government, thereby reducing the purchasing power of the popular sectors of the population (Weinstein and Segal 1984, p. 93-100; Smith, 2009 p.165-166; Dubois, 2012, p. 2012 pp. 267-271). Therefore, between forced labor, the lack of sufficient wages necessary to provide subsistence, it is no wonder Haitians have been perceived as passive to labor. For reasons already stated, Haiti's slavery history does not appear to be linked to the apparent Haitian passivity to labor.

Also, Harrison (2006) argues that the rhythm of life of the broader sectors of the Haitian society lacks a concern with punctuality is to suggest that Haitians are employed and have access to waged labor, but this could not be further from truth. When national accounts became available, the unemployment rate in Haiti has been estimated to be far higher than that of the Dominican Republic. Therefore, before Harrison (2006) can make the argument for a rhythm of life accounting for the difference in development paths between Hispaniola, he must first address the reasons for differences of access to wage labor between Dominicans and Haitians, which he fails to do.

Even if Harrison (2006) were able to prove the large portion of the Haitian society had access to waged labor, more extensive studies challenges Harrison's (2006) suggestion of Haitian having a single concept of time. Plaisir (2010) concludes that the broader sectors of the Haitian society hold two concepts of time simultaneously: one that is linear and the other, being cyclical. In using Haitian storytelling folklore to demonstrate the Haitian usage of a dual concept of time, Plaisir (2010) concluded that time for Haitians "does not exist in a fixed cultural

concept.” Plaisir (2010) goes on to argue that when “there is no reason to establish a distinct concept of time, Haitians express time in terms of eventuality. The mere fact that Haitians believe they must wait for nightfall in order to perform folk tales suggests a sense of both linearity and eventuality within this ritualistic activity.” Within Plaisir (2010) study the author demonstrates Haitians concept of time has been influenced by both the Judeo-Christian tradition and the African tradition in Haitian folklore (Plaisir, 2010, pp. 272-273). Similarly, Brown (1999) concluded the Dominicans have two concepts of time as well. In the words of Brown (1999), Dominicans were "notorious for their lack of punctuality" when it came to "social affairs," however," Dominican are "painstakingly punctual when it comes to business (Brown, 1999 p. 80)." Therefore, due to Haitians lack of employment opportunities, and also the availability of evidence to suggest that Haitians simultaneously adhere to multiple conceptions of time, there is a lack of evidence to conclude that Haitians have a culture resistance to punctuality.

On the surface, Harrison's (2006) argument that sorcery, magic, and witchcraft are held to be associated with lack of rationality and desire for educational progression might seem rational; however, Harrison (2006) must first address the difference of access to education between Dominicans and Haitians before he could make any form of argument on what motivates a person's interest for education, which Harrison (2006) fails to demonstrate. Furthermore, there is also evidence to suggest that Marines made far more superior improvements to Dominican institutions than that of Haiti's.

Furthermore, while it is well documented of the prevalence of the practice of Vodun amongst a large portion of the broader sectors of the Haitian society (Leybrun, 1966, p. 135-142;

Averill and Yin, pp. 267-288; Ramsey, 2011 p. 177-248), where Harrison (2006) goes wrong is that he does not address that a people may hold more than one belief and value system derived from separate and distinct religions; static data report that about 96 percent of Haitians belong to some form of Christian sect, whether Catholic or Protestants (CIA, 2012).

Both Dominican Vodun (known as Gaga) and Haitian Vodun appear to contain features from a belief in sorcery, magic, and witchcraft (Brown, 1991, pp. 72-76). Brown (1999) documents that Dominican, rather than using Catholic theology to interpret Catholic rituals, ceremonies, and concepts, have used Vodun beliefs in interpreting such components of the Catholic faith (p. 71-75; Daniel, 2011, p. 144-146). According to Lebryun (1996), Catholicism is also syncretized into Haitian Vodun (pp.166-174).

Mbiti attempts to an answer this seeming contribution for a people holding beliefs from Vodun and Christianity simultaneously. Mbiti (1969) suggest that societies that adhere to African Vodun have “simply assimilate whatever religious ideas and practices are held or observed by their families and communities (p. 3).” Therefore, due to evidence that suggest that both Haitians and Dominican adhere to multiply religions simultaneous, the cultural based theory must first address the extent to which a people adhere to difference religious simultaneous before making any conclusion that Haitians are much closer to the Vodun religion than that of the Dominican. Therefore, Harrison has not provided sufficient and clear evidence to conclude that a belief in sorcery, magic, and witchcraft resist human development objectives such as the rule of law, promotion of social capital, because of evidence to suggest the Dominican Republic and Haiti adhere multiple religions simultaneously.

Conclusion

In examining Harrison's cultural-based argument that Haitian Vodun and slave experience are sources of the difference of development paths Dominican Republic and Haiti fail to account for the difference in human develop paths between the two countries. Firstly, it does not appear that Haiti was in charge of its own development path immediately after the country's independence because Haiti was subject to a long history of external debt and interferences. Secondly, due to Haitian's extensive work history, it is incorrect to label Haitians as passive to labor; Haitians have been subject to a long history of forced labor, and have appear to have been subject to below subsistence wages. Thirdly, Haitians do not appear to have a rhythm of life lack a concern with punctuality. Harrison (2006) ignores that fact the Haitians have far less employment opportunities than that of the Dominican Republic; In addition, there is evidence to suggest that both Dominican and Haitians simultaneously adhere to multiple rhythms of time. Lastly, it does not appear that sorcery, magic, and witchcraft resist human development objectives such as the rule of law, promotion of social capital, because within in both societies there is evidence to suggest that people hold multiple religions simultaneously. Therefore, Harrison (2006) cultural-based argument fails to account for the difference in development path between the Dominicans Republic and Haiti.

Drawing a comparison (Dubois)

External and Internal Determinates

Dubois (2012) extensive history analysis on the history of Haiti leads allows there to be traced the difference phases of Haiti's history over underdevelopment from slavery

to the 20th century; however, much of Dubois (2012) historical analysis is not relevant in helping to understand what accounts for Haiti's underdevelopment not long before the occupation to the 1960s. The areas of Haiti's history that bears relevance in order to draw a comparison between the difference in development paths between the Dominican Republic and Haiti and difference of policies perused are as follow: (1) the French independent contacted by Haiti in 1825 is important because Haiti made to last payment on in 1947, which is the time frame our investigation; (2) the countries extractive and political institutions, and also the creation of exclusive political and economic institutions by elites to keep the popular sectors of the Haitian democratic participation and the formation of democratic universal education; (3) the negative impacts of the occupation on Haiti politically and socially, and how such negative impacts had helped to determine Haiti's development path; lastly, the role the U.S. policy played in supporting Haitian Dictators during the 20th century and how such support complicated Haiti's potential for democracy and political stability; The suppressive reign of Duvalier is also important in helping to understand Haiti's lack of human capital as far as human development indicators are concerned.

To being with, Dubois (2012) suggest that the French indemnity (which was satisfied mid the 20th century) is a significant source of Haiti's underdevelopment. According to Dubois (2012), such debt payments exaggerated Haiti's extractive institutions because debt payment was extracted from the broader sectors of the Haitian society. However, Dubois (2012) seems to throw a wrench in his own argument by implying that the states' revenue made towards debt payments would likely have been used towards the development of the broader sectors of the Haitian society.

Dubois (2012) asks the hypothetical question: “[w]hat might have been done with this money in Haiti itself? How much could have been created with it? We will never know.” Seeing how Dubois (2012) argues that Haiti’s institutions are extractive, it is not likely that such revenues would have been distributed to meet the demands of the popular sectors of the Haitian society. In describing redistribution of the state’s revenue between the haves and halves not’s, Dupuy (1989) suggests that redistribution of the state’s revenue is usually shared amongst certain social groups and classes, and doesn’t impact the general population (pp. 103-104); For instance, according Pamphile (2008), during the U.S. occupation of Haiti (1915-1934), Marines justified reforms to Haiti’s education system on the grounds that the Haitian government traditionally restricted access to education to a small and elite sector of the Haitian society at the expense of more popular sectors (Pamphile, 2008, p. 113); and, in case government revenue did not do towards debt and the narrow sectors of the Haitian society, it went towards funding the Haitian military (Dupuy, 1989, pp. 103-104; Pamphile, 2008, p. 113). Therefore, due to Haiti extractive institutions it is incorrect to conclude that revenues paid to debt by the Haitian government would have been redistributed towards the development of the popular sectors of the Haitian society.

Although, regardless of the reasons Marines began to implement public works in Haiti, there is evidence to suggest that U.S. Marines did attempt to implement public works but found there to be a shortage of revenue for the purpose of public works projects in Haiti (Lebryun, 1941, p 283); the lack of ready revenue for public works was likely due to the fact that Haiti’s government revenue went towards making payments towards the French debt. For instance, Marines were forced to utilize Haitian government revenue mainly to support their reforms

projects towards making advance payments to American banking creditors, which was at expense of funding necessary to support the country's national school system. (Phamphile, 2008, p. 118, 67-82; Farmer, 2003 p. 77; Phillips, 1999 pp. 6, 7; McCrockin, 1956: 93-94; Dubois, 2012, pp. 281-282).

This point is important in contrasting the difference in available fund for projects implement by Marines during the occupation of Dominican Republic. Dominican Republic 55% of Dominican revenue went towards paying debt; and, the remaining 45 % was allotted to the Dominican government to be spent however the government pleased (Peguero, 2004, pp. 27-28; Calder, 1984 p. 4; Logan, 1968 pp. 39-46; Peguero, 2004, pp. 72, 73). Therefore, the differences in debt histories between the Dominican Republic and Haiti is likely to being a source of the difference in policies pursued by the U.S. Marines during the occupations of both countries.

Dubois (2012) also that the negative impacts of the occupation on Haiti's politics, economy, and society also contributes to Haiti also contributed to Haiti's underdevelopment; for instance, the centralization of public works and commercial activity in Port-au-Prince; and, restricting Haiti's small elites to govern over key military and state position, which created conditions for popular movements to overthrow the Haitian government; (Dubois, 2012, pp. 217, 278; Metz, 2001, p. 282 Sprague, 2012, p. 24); There points are important because, in contrast, U.S. had more of a positive impact on the Dominican Republic socially, political, and economically than that of Haiti. The occupation facilitated social mobility for the largest sectors of the Dominican society by removing the Dominican Republic's group of elites from key

government and military position in order to place groups over such institutions who reflected the countries socio-economic class; and, the Marines created public works, reformed the country education system, and stabilized the country politically (Peguero, 2004, p. 36, 39; Pons 1998, pp. 93, 336-337). Therefore, in comparing both countries it appears that the impact of the Marines occupation had far more positive impact on the Dominican society than that of Haiti's.

Lastly, Dubois (2012) argues that the U.S. support of Haitian dictators during the 20th century complicated Haiti's potential for democracy and political stability. The U.S. support of dictators and a small and elite sector of the Haitian population during the occupation of Haiti contributed in the suppression of more liberal forces seeking to control the state, thereby creating conditions for popular movements below to continually seek to overthrow successive governments almost immediately after the end of the occupation of Haiti.

While it appears that U.S. support of Haiti's dictators helped to resist democracy in Haiti, it is also true that U.S. support of the Trujillo's dictatorship was a source of the Republic's inability to democratize, also. But the U.S. support of Haitian dictators does not appear to be linked with human capital flight; this is because the U.S. also supported Trujillo's regime but, Grasmuck and Pessar (1991) note that Trujillo was able to restrict emigration outflow of Dominican citizens from the country (p. 9) however, Francois Duvalier did not restrict human capital flight from leaving the country (Smith, 2009; Stepick, 1998 p. 38). Nevertheless, the difference in human capital flight appears to account for the differences in development paths. Therefore, the difference in conditions allowing for social mobility between Dominican and Haiti, with Dominican Republic

exhibit more social mobility after the occupation, and also the difference in human appear to account for the difference in development between Dominican Republic and Haiti.

Conclusion

Dubois (2012) cites both internal and external social forces as having been the sources of Haiti's underdevelopment. At times internal and external social forces are held to interact in a manner that exaggerates the human development potential of the broader sectors of the Haitian society (p. 5). In his historical analysis he attempt to explain the underdevelopment of Haiti, Dubois (2012) cites Haiti's debt history, institutions, the impacts of the occupation, and Haiti's human capital flight as being the most modern sources for Haiti's underdevelopment. The differences in debt histories between the Dominican Republic and Haiti, with Haiti have a longer debt history, is likely to being a sources of the difference of ready government revenue for reforms pursued by Marines. In drawing a comparison between Dominican Republic and Haiti, it appears the interaction between external and the Dominican society had more positive impacts on the Dominican Republic's development path.

While it is not clear as to which Dominican Republic extractive institutions have, it would appear that Haiti's extractive political institutions are less likely to redistribute government revenue to the Haitian society than that of the Dominican Republic. The differences in debt histories between the Dominican Republic and Haiti, with Dominican Republic exhibiting a far less debt history, is likely to being a source of the difference in policies pursued by the U.S. Marines during the occupations of both countries; it appears that the impaction of the

Marines occupation had far more positive impact on the Dominican society than that of Haiti's; Marines created conditions that allowed for more social mobility in the Dominican society than that of Haiti's. Although Dubois (2012) lacks evidence to link U.S. support of dictators in Haiti with the Haiti's loss of human capital, Haiti faced more human capital flight during Haiti dictatorial era than Dominican Republic did.

Institutions Argument (Robinson and Acemoglu)

Acemoglu and Robinson (2003) argue that inclusive economic systems require that the state to function properly. In examining Acemoglu and Robinson (2012) theoretical perspective, it was not the Dominican state but the U.S. Marines invasion that set the stage for American capital dominance, over Dominican politics, and condition necessary to encourage incentive for investment, and innovation. Property right was not protected for domestic investors but mainly for American agricultural interest; American interest for increase commercial activity for sugar exports led to the fostering of infrastructure and industrialization (Betances, 1995 p. 26, 27; Murphy, 1991 pp. 11-22; Matibag, 2003 pp. 30-136; Pons 321-339). The above mentioned aspect of the authors' theory is only relevant to Dominican Republic at the end of the country's occupation when the Dominican gained its sovereignty and the state had been centralized (Peguero, 2004 p. 62); however, by the end of the U.S. occupation of the Dominican Republic, there is evidence to suggest the country already outpaced Haiti in human development indicators and structural policies immediately after the occupation of the country during the early 20th century.

According to Acemplgu and Robinson (2012), using the development of England from monarchical based exclusive political and economic institutions to a consolidation of its pluralistic parliamentary democracy, the move to an inclusive political institution is formed when an intense conflict occurs as different groups compete for power prompted by an organic crisis of an authoritarian society. However, the democratization of the Dominican Republic was not due to an organic crisis that consolidated into a democracy; but, as argued by Hall (2000), the democratization of the Dominican Republic mainly due to both shifting American policies of the U.S. for support of democratic governance amongst the Latin American region and the used of U.S. control over Dominican sugar quotas into the U.S. as a tool to pressure the Dominican Republic into democratization (Hall, 2000, p. 112-132).

On the March 29, 1961, the U.S. Congress granted the Executive Branch discretionary powers to embargo purchases of non-quota sugar from countries' the United States had no diplomatic relations with; this law was particularly for Executive Branch to circumvent Congress in order to avoid making future purchases of the Dominican Republic's portion of the Cuban windfall; since Trujillo and his family controlled the majority of the country's sugar interest and maintained control of the military, the control of U.S. sugar quota would give Washington considerable leverage to pressure the Trujillo regime to democratize the country (p. Hall, 2000 p. 112-114; Skidmore, Smith, and Green, 2010, p. 112).

In addition to using the Dominican embargo as tool of leverage to propel the democratization of the Dominican Republic, the Kenny administration instituted the Kenny plan. Relevant aspects of the plan to propel the democratization of the Dominican included: (1)

Trujillo's family had to donate their sugar properties to a public fund; (2) the formation of a coalition government under the U.S. handpicked successor to Trujillo, Joaquín Balaguer; (3) the departure of the members of Trujillo's family associated with the military to leave the country (Hall, pp. 124-125). All three elements of three aspects of the Kenny Plan were found successful. Thereafter, the Kennedy Administration continued its use of the Dominican sugar quota as a leverage to forced Dominican Republic to democratize (seeing how the sugar industry was the main basis of the Dominican economy at the time) (Hall, 2000, pp. 127-131)

In conclusion, while political institutions appear to be important in determining whether a country is poor or prosperous, Acemoglu and Robinson (2012) perspective fails to account in the influence of external determinates; Despite the important contributions from Acemoglu and Robinson's (2012) perspective, the perspective is reductionist on the side of internal determines; The Dominican state was not the main source of the country's political and economic institutions; but, U.S. policy appear to have been the main source of the country's institutions determining the Dominican Republic's development path.

Policy Matters (Jaramillo and Sancak)

At first assessment, the HDI seems to support policy decisions being the most direct determinate that best account for different development outcomes before 1960s. But, Jaramillo and Sancak (2007) note that policy decisions before the 1960s played a role in the difference in development paths between the two countries. Although national accounts are lacking, the authors allege that the disparities between the two countries likely occurred as a result of policies

implemented in each country directly after the U.S. occupations (Jaramillo and Sancak, 2007 p. 23).

While it is clear that policy decisions at least since 1960s played the most direct roles in the difference in developmental paths between both countries, Jaramillo and Sancak (2007) admit that the lack of national accounts prior to 1960s does not allow for the exact pin point in time the Dominican Republic started to outpace Haiti. Although national accounts are lacking, Jaramillo and Sancak (2007) reckon the disparities between the two countries occurred chiefly as a result of difference in policies implemented in each country directly after the U.S. Occupations of both countries during the earlier part of the 20th century (Jaramillo and Sancak, 2007, p. 23).

While HDI rankings and the differences of policies pursued seems to be the most important indicators highlighting particular areas and direct policy measure implemented and assisting in causing the divergence in development paths within the island of Hispaniola, these factors still do not explain the sources of policies pursued. The challenge of a more in depth analysis of the sources of divergence between the neighboring countries will be taken up. In order to identify the point and time and the various sources of difference of policy solutions, I will analyze the histories of both Haitian and the Dominican Republic in order to determine what best explains the difference in policies pursued and the difference in development paths between the countries of Hispaniola.

Rather than attempt to conduct an exhaustive investigation of all aspects of Haiti's historical and institutional development, I restrict my investigation to those details bearing relevance to account for the difference in development paths prior to the end of the 1960s.

Infrastructure

Difference in Public Works

The difference in structural measures implemented between the Dominican Republic and Haiti, particularly in the creation of public infrastructure, occurred immediately after the end of the U.S. occupations of both countries. The sources of the difference in structural measures implemented and levels of infrastructure built between both countries' is due to the Marines implementing different policies in both countries during the occupations of both countries' in the early part of the 20th century. The inability of American business interest to establish sugar plantations in Haiti, but being able to do so in the Dominican Republic, necessitated the building of infrastructure to facilitate the production of sugar exports. Therefore, one on hand, marine's implemented minimal public works programs in Haiti, but on the other hand, implemented substantial levels of public works programs in the Dominican Republic.

Failure of Haiti's Public Work

U. S. Marines implemented far less public infrastructure in Haiti than in Dominican Republic mainly because American agricultural interest attempted but was unable to establish any significant foothold in the Haitian economy during the period of the occupation of Haiti. Agricultural and geological surveys conducted by American officials in the 1920s suggest that both American agricultural companies and the U.S. Marines found Haiti's natural environment unsuitable for the establishment of American agricultural interest. In 1930 General Russell, High Commissioner in Haiti during the Marine occupation of the country, admitted that the creation of plantations in Haiti was complicated "by the question of land ownership...and the scarcity of

really good land.” He would go on to also admit that “no important mineral resources capable of profitable exploitation, under present conditions, and industry are as yet significant (Quoted in Phamphile, 2008, p.164).” Hence, the reason most of the American ventures established during the occupation of Haiti failed with the exception of two to three ventures (Dupuy 1989, p.137).

Public Works in Port-au-Prince

As already mentioned in the case study, instead of implementing significant levels in Haiti as that of the Dominican Republic, the Marines mainly established public works projects in Port-au-Prince, Haiti’s capital. Dupuy (1989) explains that the U.S. Marines concentrated public works projects in Port-au-Prince after having centralized “political and administrative decisions” over the country, and this “necessitated the development of an infrastructure to provide a minimum of public and social services (p. 207).”

According to Dubois (2012), the centralization of infrastructure and commercial in Port-au-Prince by the Marines brought with it negative impacts on the Haitian society (Dubois p. 2012 p. 9). He explains that prior to the occupation, 19th century Haiti consisted of eleven largely independent regions, with each region having its own port towns, market system, and merchant elites. However, the centralization of commercial activity and infrastructure in Port-au-Prince would later cause commercial activity in the various regions outside of the capital to fade; migrants regional areas and from the country side looking for economic opportunity increasingly concentrated in the capital, thereby leading to overpopulation; and capital increasing began to accumulated in the capital (Dubois, 2012 pp. 170, 238; Dupuy, 1989, p. 207).

After the ending of the occupation, Port-au-Prince continued to be the center of commercial activity in Haiti and the focus of public works projects (Weinstein and Segal, 1984 p. 29); Weinstein and Segal (1984) explain the reason for this; the authors note that Port-au-Prince further undermined various port sectors in Haiti by “the roads which diminished the importance of costal of coastal shipping and by differential customs policy making trade through Port-au- Prince cheaper “than elsewhere in the country (p. 29).” Therefore, the monopoly of commercial activity in Port-au- Prince necessitated that structural policies in public infrastructure be focused in the country’s capital immediately after the occupation of Haiti.

Success of Dominican Public Works

According to Calder (1984), the U.S. Marine’s public works project was quite successful when compared to other projects implemented during the periods of the country’s occupation (pp. 62-65). Tillman (2010) correctly argues that the underlying reason for the Marines implementing public works in the Dominican Republic was primarily to serve the interest of American sugar companies that had establish sugar plantations in the country and for promoting commercial activity of sugar production for export (p. 3).

In contrast to that of Haiti, Murphy (1991) suggests that American sugar interest found the Dominican Republic favorable to establish sugar plantations due to the country’s abundant, but more importantly, fertile lands (pp. 12-22). According to Murphy (1991) since the 1870s abundant and fertile land and, formidable for sugar production in the Dominican Republic, the second largest Caribbean country, began to attract sugar planters and investors for sugar production (p. 12).

In describing and contrasting the differences between the natural environment of Dominican Republic and that of Haiti in the 21th century, Diamond (2005) notes that the Dominican side of the island has wide valleys, plains, plateaus, and much thicker soils; in particular, the country's Cibao Valley has one of the richest agricultural areas in the world. In contrast, Diamond (2005) notes that Haiti's natural environment of flat land good for intensive agriculture cultivation is much smaller and the soils are thinner and less fertile and have a lower capacity for recovery (p. 339). Therefore, American sugar interest was attracted to the Dominican Republic natural environment and the capacity of Dominican lands to produce extensive levels of sugar production for export.

A year after the occupation of the Dominican Republic, American sugar companies established a strong foot holds in the Dominican Republic's economy. There were 22 sugar mills in operation in the country; amongst these 22, North American companies owned 12, and also dominated 81 percent of the land holdings and 82 % of total assets. By the end of the 20th century, North American corporations became the primary owners of land for sugar production and capital in the country, followed by Italian-Dominicans (Murphy, 1991, pp. 12, 19, 21-22; Tillman, 2010, p. 15).

Other Reasons for Public Works Success

Other important reason public works reform programs during the occupation of the Dominican Republic were relatively more effective than earlier efforts of the Dominican Republic for two reasons: (1) the Dominican public works programs had an incredible amount of available revenue generated towards public works programs; (2) and, in the case programs

lacked funding, the Marine government would take out loans to cover expenditures towards programs and also use foreign labor as a cheaper form of labor on public works projects.

During the occupation of the Dominican Republic from 1916 to 1924, favorable conditions for the demands for Dominican sugar in the world market, in turn generated increasing levels of government revenue; the revenue would later provide Marines sufficient revenue to implement public works programs. Economic change during World War I and the rise in the prices of sugar in the world market prior to the decline in sugar prices in the 1920s allowed for an increase in the price for Dominican sugar, which in turn, increased sums of government revenue from sugar export (Pons, 1998, p. 331-332, 325). In 1917 very little time and money was spent on public works and the military government official began public works projects in 1918; this late start for the Marines implementing public works allowed revenue to accumulate in the Dominican public works fund from 1916 to 1917 that would be used to towards public works (Calder, 1984, p. 50; King, 1928, p.98). The price of a hundred weight of sugar rose from \$5.50 in 1914 to \$22.50 in 1920. From the periods of 1917 to 1920, the U.S. Marines built roads, major highways, and a number of other public works projects (Pons, 1998, pp. 325-326, 331).

Secondly, Dominican public works was a success because Marines either took out loans for forces public work expenses or found alternative sources of labor. In 1921 due to increased production of sugar into the world market, the market glutted and the prices of sugar faced a major nose dive. The price of sugar fell from \$22.50 a hundred weights in May of 1921 to \$2.00 in September of the same year (Pons, 1998, p. 331). As sugar prices fell, the national revenue declined; the Dominican government revenue fell from \$253,115 in 1920 to \$62, 976 in

1921 (Calder, 1989, p. 47). In 1921, the marine's government obtained an emergency loan to in the amount of \$ 2.5 million dollars which was towards public works (Calder, 1984, p. 51). The following year the marine government took out \$6.7 million dollars in loans to continue construction of Public works (Pons, 1998, p. 332; Calder 1984, p. 52). In addition, Marines used Haitians as a cheaper form of labor (Murphy, 1991, p. 45).

Impacts of Public Works Project

By the end of the occupation a new high system were started and completed shortly after the occupation. These roads linked the capital with the three major regions in that Dominicans had once functioned as independent region (Pons, 1998, p. 336). The results of infrastructure was an increase of commercial activity and the entrance of new technology to emerge in the country; the use of automobiles which eventually replaced the use of horses and donkeys for transportation; and internal trade amongst once autonomous regions began to be stimulated and agricultural production increased significantly (Pons, 1998, p. 336).

From 1924 until 1930, subsequent Dominican governments continued to implement public works projects (Peguero, 2004, p. 62; Calder, 1984 p. 52). Hence, Jaramillo and Sancak (2007) are correct to suggest that structural measures pursued and infrastructure implemented by Dominican Republic occurred directly after the occupation of the country. The Dominican Republic continued investments public infrastructure in order to promote commercial activity for sugar production, which virtually became the sole source of the government's revenue. The revenue generated from sugar was in turn used to implement more public works projects in the

country, thus explaining the sources of structural policies pursued by the Dominican government after the Marine occupation.

Conclusion

In evaluating determining the differences of policies pursued between the Dominican Republic and Haiti, Jaramillo and Sancak (2007) are correct to suggest that disparities between the two countries and the difference in policies pursued implemented occurred directly after the U.S. occupations. In Haiti, the U.S. Marines implemented minimal level of public works, but creating substantial levels of public works in the Dominican Republic. The lack of American investment and commercial activity in agricultural production in Haiti did not necessitate that the Marines create public works. On the other hand, the establishment American investment in agricultural production for exports and commercial activity in the Dominican Republic necessitated that the Marines create public infrastructure to facilitate commercial activities.

The underlying reason for the difference in American investment was due to the difference in natural environmental conditions between the two countries, with the Dominican Republic have more favorable conditions for agricultural production than that of Haiti. The result of established sugar plantations and the government's increase in revenue from sugar production generated, Dominican Republic was able to generate ready to access revenue to be used by Marines towards public works; however, this was not the case in Haiti. In addition, subsequent Dominican governments after the U.S. occupation used revenues from sugar export to continue

to implement public works well into the 20th century. Thus, it is reasonable to conclude that the Dominican Republic outpaced Haiti immediately of the occupation in structural policies pursued.

I. Education

The difference in structural measures pursued, particularly reforms to the equality of education, and access to education between Hispaniola occurred immediately after the U.S. occupations of both countries. The source of the difference in both policies perused by the two countries and improvements to access to education occurred as a result of different policies pursued by Marines during the U.S. Occupations during the early 20th century. In the case of Dominican Republic, Marines made substantial reforms to the Dominican Republic's school system from primary to tertiary education and centralization the administration of the schools system. However, in the case of Haiti, Marines only made minimal reforms; Marines created farm and vocational schools but placed such schools under a different administration than that of Haiti's national government school system.

While it is easy to see how the Marines helped to propel the Dominican Republic education achievements, the blame doesn't not only fall on the Marines. While it easy to see how the Marines helped to propel the educational achievements of Dominicans, especially in comparison to that of Haiti, Haiti's exclusive economic and political institutions as preferred by sectors of the country's elites account for Haiti's continual inability to make significant improvements to access to education.

Elites have resisted improvements to access to education; changes to the countries education system; and extending access to education to the broader sectors of the Haiti society

all as mechanisms for elites to justify their exclusion of the popular sectors of the Haitian society from democratic governance. In addition, Haitian elites' preference for exclusive economic institutions blocks economic conditions necessary to necessitate improvements to education. Haitian elites have a tendency to invest primarily in the production of agricultural crops for export while remaining almost solely dependent on imported goods. These factors block the development of capital goods and that of consumer good production from the use of local available raw materials and other resources, and such sectors of the Haitian economy would necessitate the entrance of more advanced education in areas such as advance science technology and engineering knowledge, thereby improving the access to education for the broader sectors of the Haitian society.

Reform Efforts

The Marines began their reforms to Haiti's education system in late 1922 and officially ended education reform projects by 1932. As noted in the case study, such improvements began relatively later than reforms made to Haiti's education system. In comparison to Haiti, Marines began reforms in the Dominican Republic about one year after invading the country but seven years after invading Haiti (Pamphile, 2008, p. 75, 158-160; Angulo, 2010, p. 5).

Dubois (2012) argues that Marine had no intentions to reforms Haiti's education system but only began reforms late 1922 after President Harding won the presidency and after the U.S. Senate carried out an extensive investigation on abuses committed by Marines against the population of Hispaniola during the occupations of the Dominican Republic and Haiti (p. 276). According to Dubois (2012), increasing "criticism that the occupation was attracting in the

United States did place [U.S.] authorities under pressure to make good on the justifications they had for invading the country—that is, to prove that they were truly engaged in a project of improvements and uplift (p. 278).” Dubois (2012) argument seems valid considering Marines began reforms to Haiti’s education system after a major senate investigation that lasted from August 5, 1921 to 1922. In addition, after the investigations it was then that the U.S. Congress formally began making recommendations for improvements to Haiti’s school system (Dubois 2012, p. 276; Pampahile, 2008, pp. 60-61). Therefore, Marines initially had no intentions to improve Haiti’s education system but only did so to justify to the American people that the occupation of Haiti was warranted in order to direct the development path of the country.

The improvement to Haiti’s education system were mainly limited to the creation of a new bureaucracy, The Service Technique, which was separate from that which was controlled by the Haitian government; and to provide urban technical and farm schools for the broader sectors of Haiti’s rural inhabitants, and the creation of one agricultural institute (Dubois, 2012 p. 280; Pampahile, 2008, p. 159).

The Service Technique was given the responsibility to provide “higher agricultural education for the training of experts, researchers, workers, teachers of farm schools and farm advisers; rural farm schools which will teach the young people of the country the latest methods of farming; advice to adult farmers through farm advisers and by means of demonstration farms; direct aid to the farmers through animal clinics and demonstration in the control of disease of both plants and animals and in the control of injurious insects...Conducting experiments in all phases of agricultural activity...[,]vocational industrial education, including

the training of each for trade schools and the organization of industrial schools for boys and girls (Quotes in Phamphil, 2008, pp. 75-76, 82)”

Besides the creation of a new bureaucracy, a few technical schools and the creation of primary leveled farmed schools, extensive research from the works of Logan (1930) and Phamphile (2008) concludes that the Marines virtually left structural and institutional reforms to Haiti’s secondary to tertiary school and religious school systems untouched(Logan, 1930, 441-459; Phamphile, 2008 pp. 90-120, 159-160). For instance, prior to the Marines reforming Haiti’s education system, between 1912 to 1913, their existed 250 rural schools in the country (Logan , 1930, p. 432); In 1919, official figures demonstrates that Haiti had 387 elementary rural schools spread out within 14 districts and 21,960 students attended the schools during the time (Lebruyn, 1941, p. 282). Furthermore, three years before occupation ended the Haitian government took necessary steps operate the education services once offered by the Americans and during this time, a Haitian government report states that of the 361 rural schools visited, 89 had no seats for students, and 157 had only one to three beaches; 122 had neither desk nor tables for students to work on; 303 were virtually unusable, and 13 were beyond use (Lebyrun, 1941, p. 283).

Haiti’s Education Structure Remained Unreformed

Also, The creation of agricultural schools and the absence of a treaty between the U.S. and the Haitian government to reform the countries education system rustled in their being two rival schools system in Haiti during the occupation. There was one education system controlled by the Haitian government and the other control by Marines. Schools under the jurisdiction of Haiti’s national government were: private Roman Catholic schools and other religious schools

(which the Haitian government subsidized), and a few public vocational and commercial schools; both private and public schools remained under the administration of Haiti's Ministry of Public Education. On the other hand, the Service Technique school system was placed under the State Department of Agriculture and the Department of Agricultural Education, which established and supervised the rural farm schools; these schools were under the direct control of Marine officials in Haiti (Phamphil, 2008, p. 98 -102; Dubois, 2012 p. 282-283; Smith, 2009, p. 72).

According to Pamphile (2008), In September of 1931, while making no additional improvement to the country's education system, reorganized the Service Technique under the Department of Agriculture. Under the new organization, the rural farm schools and the national rural schools under separate departmental divisions were combined under one administration agency. By the of 1934, the administration included a special secondary farm school and 76 elementary farm schools; These estimates suggest that the Marines created no more than 80 rural farm schools (Phamphile, pp. 158-159). Thus, Phamphile (2008) concluded that after the unification of the into the Haiti's educations national education system, the "basic structure of the Haitian educational system...remained unchanged (p. 159)"

Other Reason for reform Marines Policy

Some might argue the failure of the Marine officials in Haiti to improve the country's access to education due to the lack of experts needs to make reform input necessary to meet the needs of the Haitian people; however, the U.S. Marines excluded both prominent Haitians and

others intending to give input towards education reforms intended to meet the immediate needs of the broader sectors of the Haitian society (Dubois, 2012 p. 281).

According to Pamphile (2008), the Marines administrative control of education for the broader sectors of the Haitian people Haiti virtually excluded Haitian officials from input to reform recommendations. Hence, Pamphile (2008) notes the exclusion of Haitian officials resulted in various sectors of the Haitian society rejecting the Marines education reform projects and that the reforms proved to be ill-adapted to meet the needs of the people (p. 164).”For instance, Dantes Bellegrade, serving as the minister of public instruction and education during the period of the occupation, offered Marines officials a set of reforms intended to meet the urgent issues facing the rural peasant society. These reforms included modern techniques for working agricultural lands and microcredit credit loans to assist farmers to able to purchase more effective technology. Yet, the Marine authorities rejected Bellegrade’s proposals (Bellegarde-Smith, 1985, pp. 63-66);

Also, Dr. W.T. Williams, an education expert at the time, gave input on reforms intended to meet the needs of various sectors of the Haitian society, and was also ignored. Dr. Washington reforms called for a balance curriculum that equally combined academic courses with vocational work, however, his recommendation were also ignored (Pamphile, 2008 pp. 71-73). The rejection of balance curriculum the Marines officials were in stark contrast to the reform policies to the Dominican Republic education system. The Marines officials for the Dominican Republic adopted reform policies that called for a balance curriculum combining academic courses and

vocational training, and that also included agricultural education (Baughman 1925, pp. 2323-2324; Calder 1984, p. 35).

According to Logan (1930), the unequal handed reforms as implement in Haiti and Dominican Republic made Haitians “particularly resentful because in the adjoining country of Santo Domingo, which essentially had the same problems as Haiti,” Marine officials of the Dominican Republic pursued a different policy than that of Haiti; instead, the Marine officials in Haiti pushed vocational training at the expense of academic education (p. 459).

Exclusive Institutions

The traditional Haitian upper classes have traditionally viewed themselves as the light-skinned, French speaking, aristocracy of the country. Haitian aristocrats have always kept the lower orders at a distance socially; they have also preferred a classical education which is aristocratic in nature to distinguish themselves from the broader sectors of the Haitian society (Nicholl, 1996, p. 150; Leybrun, 1941, p. 278; Nicholl, 1985, pp. 49, 208).

Elites have traditionally justified their ability to rule on the grounds of being the most educated. For instance, in 1938 while faced with a threat to his regimes political stability, Vincent dispensed with Haiti’s parliamentary democracy and declared his regime a dictatorship; Vincent justified his discussions on the grounds that the “education of the people has not attained the level which would permit them to choose a chief of state,” and the popular sectors of society had a “mentality so arrested that it hardly appears to be of this century...(Quoted in Smith p. 2009 p... 36);” Also, as early as the 1870s Haiti’s more Liberal party, which was elite based, extended democracy to a greater extent than that had existed prior in Haiti’s history, but did on

extent political participation to the popular sectors of society; this was justified on the grounds that “Government by Most Competent (Quoted in Dubois, 2012, p. 181, 198).” It is no wonder the U.S. Marines attempted to reform Haiti’s national education system as a way to “break down the socio-economic monopoly of the Haitian elites (Pamphile, 2008, p. 83)”

In addition, until 1986 all the laws in Haiti were in French which meant two things: (1) only a small sector of the Haitian society understood the national language of the country ;(2) since the country independence the broader sectors of society had not understood the laws they were govern under (Dubois, 2012 p. 7) .Therefore, Lebrun (1941) is correct in his conclusion that universal education would “cut the ground” of Haiti’s social structure (Lebrun, 1941, p. 278).

In addition to the use of classical education and French as being tools to keep the masses from being included in the democratic process, Haiti’s exclusive economic structure also helps to account for Haiti’s continual backwardness in access to educational in when compared the Latin American and the Caribbean.

Acemoglu and Robinson (2012) suggest that exclusive economic institutions create exclusive markets, which do not allow for the people to have the options to choose different vocations and hinders economic growth. The lack of an inclusive market, also blocks the way for new technology and scientific education needed to make improvement to such technology (pp. 76-77). Dupuy (1989) agrees with the authors that Haiti’s exclusive institutions are linked with improvement made to access to access to education.

According to Dupuy (1989), by investing primarily in the production of agricultural goods and later manufactured goods for export, the Haitian bourgeois has traditionally imported its capital and consumer goods from the center countries. As a consequence, there was blocked the emergence of the two sectors of production that contributed the most to the process of production that contribute the most to the process of production that contribution to development, namely consumer that capital goods and that of consumer good production. This was the result of using locally available or imported raw materials and other local resources. The lack of promotion and production of consumer capital goods and consumer good production, Haiti blocked the sectors in Haiti's economy needed to make it possible to apply modern scientific, technological, and engineering knowledge to the production process (Dupuy, 1989, pp. 85-142).

Therefore, Haiti's exclusive institutions help to account for the sources of the country's continual lack of access to education for the broader sectors of the Haitian society and the level of policies pursued in structural measures directly after the U.S. occupation in 1934. Haitian elites preference for exclusive political institution necessitate that the popular sectors of society be excluded from mass, democratic education. Also, Haitian elites' preference for exclusive economic institutions blocks the entrance of the economic sectors needed to make it possible to apply more technical and scientific education, thereby creating no incentive for government investment in more scientific and technological education. Therefore, Haiti's exclusive institution helps to explain Haiti persistent lack of access to education following the occupation.

The Dominican Republic

In 1917, the marine commission on education published for Dominican Republic published its code of education. “The foremost goal of the military government’s reformed education system was to...broaden and strengthen the elementary education.” The laws governed all levels of Dominican education, including the Catholic seminary and special and vocational training. The legal measures called for obligatory education between the ages of seven and fourteen and for access education to be free, and “mandated a primary education curriculum which appeared reasonably well suited to the Dominican urban rural and rural masses (Calder, 1989 p. 34, 35)” Calder (1984) points out that the measures adopted by the commission were “like earlier Dominican legislation (34, 35).”

Inclusion

The Marines included and the Dominicans were willing to give input in the planning and implementation of the countries’ education system. The marine minister of education, Rufus Lane, sought out the building of the school system by the grass roots efforts of citizens. Parent associations were formed and were directly involved in school construction, as teacher’s aids, and local program planning. The education programs were also giving effective administration leadership. Dominican Intellectual were included in given input towards the countries education (Calder, 1984 pp. 36, 62, 65)

In addition, there was created an agricultural college in Santo Domingo and agriculture schools created as well. Calder (1984) suggests that a failure of the Marines education reforms were the “absence of any study of agriculture (p. 35); however, this was not the case; in 1919 an agricultural college was created near the agricultural experiment station in Santo Domingo. Also,

in connection to schools for children there was practical working station for children in agricultural districts where children could be supervised while experimenting with plant crops. According to Baughman (1925), agricultural education was to designed to show "...Dominican people how to raise larger, better and more varied crops, the proceeds of which would accrue to the Dominicans themselves and not go in large measure to foreign corporations (pp. 2323-2324)."

The most notable aspect of the marine's policy was for instructions to be in Spanish. According to Calder (1984), the fact that the Marines required instructions to be in Spanish was in fact "a notable departure from U.S. colonial policy in Puerto Rico and the Philippines (Calder, 1989 p. 34, 35)." There were two reasons for the U.S. Marines' departure from U.S. colonial policies as administered in Puerto Rico and Philippines: (1) It was not the intention of U.S. policy to interfere "with the sovereignty of the republic" by forcing the "... the English language upon" the Dominican population; (2) and, an education in the Spanish language would allow for education to be "given to greater numbers in their own language by methods to which they were accustomed (Baughman, 1925, pp. 2314-2315)." Also, allowed for the centralization of the entire Dominican education system from under a government agency appointment by the central government; this included education from primary to the university level (Calder, 1989, p. 35).

In comparing the difference between access to education between the Dominican Republic and Haiti, reforms made to Dominican Republics were far more superior to that of Haiti due to the difference in policies implemented by Marines. However, difference of policies cannot alone explain the difference in education quality; Haiti's exclusive political and economic

institutions must also take the blame; Haiti elites exclude the masses from universal education in order to exclude the broader sectors from both threaten their socio-economic status and power to rule.

Other factors: Forced Human Capital Flight

The result of the Duvalier dictatorship created a huge exodus of Haiti's human capital. The tree decades of Duvalier repressive rule, Haiti started losing more citizens leaving the country than it ever had in history. This would become Haiti's second wave of capital flight. The first flight came as a consequence of the U.S. Occupation during the period of 1915-1934. Many amongst the first Haitian immigrant's wave in the 1960s came from Haiti's well-educated and elite classes (Stepick, 1998, 37). By 1960s, over 1 quarter of Haitian immigrants to the US were professionals. By the middle of the 1960s, observers estimated that 80% of Haiti's profession had left Haiti (Dubois, 2012, p. 353) In the 1980s, before the immigration of the poor class to South Florida, it has been estimated that 55.9 percent of all Haitians national wide have at least a high school degree and about 10 percent were college graduates (Stepick, 1998, 38).

In contrast, there was an absence of forced capital flight in the Dominican Republic case; this was because the Trujillo's regime restricted Dominicans from migrating outside of the country. The Trujillo emigration policies during his reign were a major factor the difference in emigration out flows. According to Grasmuck and Pessar (1991), in the book "Between Two Islands," emigrations was high restrictive during the Trujillo era because Trujillo feared emigrants causing political problems for him abroad. It would be until his until Trujillo's assassination that the outflow of emigrants would begin (Grasmuck and Pessar, 1991, p. 9).

II. Purchasing Power

The differences in purchasing power between Hispaniola, with Dominican Republic outpacing Haiti, may be explained by the perspectives of Hopkins and Wallenstein (2010) in what the author's term "commodity chain" Haiti extractive and exclusive economic institutions. The restructuring of the Dominican Republic's "commodity chain" by the Marines during the 1920s to include mainly Haitians as primary agricultural workers, and later restructuring of the "commodity chain" once more by nationalist president Trujillo who would help set the stage for Dominicans to dominate the industrial sectors of the sugar industry. Meanwhile, Haiti remained unindustrialized and the popular sectors of the Haitian society remained under the countries extractive political and economic institutions which continually chipped away the purchasing power of the broader sectors of the Haitian society.

Hopkins and Wallenstein (2000) use the term commodity chains

"...to underline a basic process of capitalism: that it involved linked production process that had always crossed multiple frontiers and that had analyses contained within them multiple modes of controlling labor... [A] close study of such chains would indicate how and why surplus-value was distributed amongst its appropriators, and hence explains how the system of 'unequal exchange' worked in practice... (Wallerstein and Hopkins, 2000, p. 221)"

The concept "commodity chain", according to the authors, refers to a network of labor and production processes whose end result is the production a given commodity, in this case sugar production. Division of labor in a given commodity chain may goes through

transformation as a result of period economic crises or stagnation. In the case of an economic crisis or stagnation a structural transformation may occur by the opening up of cheaper labor force, or as historical will present, the collected internal crisis created by internal developments.

In using the concept of the “commodity chain” to our upstanding of Dominican sugar into the world-capitalist economy, structural transformation of the labor force of the Dominican sugar industry to include Haitians as the most dominate labor in the sugar industry during the crisis of the 1920s being the first phase of a transformation of the sugar “commodity chain.” The next major restructuring of the sugar “commodity chain” was during the economic crises of the 1930s. As a result of the economic crisis and the exclusion of the Dominican labor from the sugar industry resulted in the response of fascist regime of Trujillo in the 1937 massacre of countless Haitians and would both create an internal crisis which would eventually force the sugar industry restructure the commodity chain to allow the Dominicans to dominate the industry sector of the industry.

First Phase:

The emergence of General Snowden in 1919 as the military governor in the Dominican and the economic down during the 1920s due the drop of the value of sugar in the world market create the need for sugar producers to find cheaper labor to cut back on the cost of sugar production. The entrance of Snowden marks the Marines shift from that not to use foreign labors in the Dominican Republic labor force for public works projects. In 1920, the Marines under the direction of Snowden and in cooperation with the multinational sugar industry made it official policy to begin using Haitians as a cheap form of labor than of Dominicans. During this year, it

was documented that an estimated 28, 258 Haitian were living in the Dominican Republic and the Marines would later offer 10,000 individual permits for Haitians to work for sugar corporations in the Dominican Republic. The migration of Haitians into the Dominican Republic not only resulted in providing the sugar companies cheaper labor, but also negatively impacted the Dominican economy by creating major unemployment (Matibag 2003, p. 139; Calder 1989 p. 35). The taking of Dominicans jobs triggered the rise in the sense of Dominican Nationalism and anti-Haitian sentiments.

Second Phase:

In response to Dominican unemployment and rising sense of nationalism surrounding labor, Trujillo enacted various labor legal measures to nationalize the country's labor forces. Trujillo enacted the 1932 immigration law that called for the expulsion and deportation of a number of mainly Haitians and other Afro-Caribbean out of the country (Pons, 1998 p. 361). Following the 1932 immigration law, Trujillo passed another law that called for nationalization of the sugar industry's labor force and the deportation of foreign labor, again mostly Haitian. The law demanded that 70 percent of the labor force was required to be held by Dominicans; however, the enactments failed to have a substantial impact on the composition of the labor force/ the failure opposition by the sugar industry and the U.S. Embassy, pressured Trujillo to modify his legislation shortly after its enactment.

After failing to nationalize the labor force through political maneuvering and legal measures, Trujillo would later resort to force (Murphy, 1991 p. 47; Matibag p. 145, 149; Peguero p. 112; Pons, 1998 p. 368). The Dominican army, with order from Trujillo slaughtered Haitian in

the borderlines of the country besides sugar workers because sugar corporations protected them (Matigpag, 2001 p. 145, 149; p. Pons, 1998 pp. 368).

The 1937 massacre resulted in the Haiti migration virtually ceasing and an opportunity of Trujillo fascist regime to open the way for economic development amongst Dominicans. While sugar planters and the agricultural estates came to an agreement with the Trujillo regime that Dominicans and non- Haitian Caribbean laborers would fill the industrial positions and Haitians would remain primary agricultural workers (Murphy 1991 p. 47); however, Trujillo thought dictated a law that required Afro-Caribbean, mainly Haitians, work to cut cane during the sugar cane harvested season and return after the season ended (Matibag, 2003 148).

Historian Richard Lee Turtis explains that Trujillo's intent was to bring the island into a "social, political, and economic, fold (Quoted in Sprague, 2012, p. 26). The year following the massacre, the Haitian president at the time and Trujillo signed an agreement that contained an article that obligated Haiti to allow for have a 'higher coefficient' of weapons amongst the Dominican population than to than that of the larger Haitians population (Matibag, 2003, p.148). The borderline would later be integrated into regions with linking frontier communities' capital to other cities and towns through the building of roads, administration, and communication systems. As result, Dominican peasants an opportunity for economic development (Peguro, 2004, p. 116; Pons, 1998, p. 370)

Trujillo also began fostering industrialization of the Dominican Republic. As a result of a lack of imports coming into the country as result of the Great Depressions of the 1930s, Trujillo embraced on industrializing plants for the production of both consumable and non-commutable

domestic goods (Pons, 1998, p. 362). With Haitians removed from the borderlands, a few years later, due to the opening of tens of thousands of land, Trujillo created colonization programs and would promote agricultural the production of agricultural in every sector, thereby making country self-sufficient. More importantly, the Dominican borderline eventually became integrated in the general production system of the country (Pons, 1998 pp. 367-370).

Haiti

In terms of Haiti's extractive institutions, Dupuy (1989) notes that in the 20th century the state has recruited peasants for performs "corvee" labor when needed to build and maintain in urban parts of the country public infrastructure such roads and water ways. Any peasants either not able to pay taxes and/or refusing to perform "corvee" labor was either fined or imprisoned. In order to avoid peasants would have to pay fee for every day they would be required to work (Dupuy, 1989, p. 104).

Furthermore, the government has traditionally neither paid the rural chiefs nor the rural police obligated to implement peasant recruitment for "corvee" labor but allowed both groups to additional fees from peasants and both groups would later be required to divide amongst the state and themselves. Dupuy (1989) documents that such fees included: license fees to bring livestock or other domestic animals to market, crop damage fees caused by animals belonging to someone else, "complaint" and "judgment" fees for the arbitration of disputes amongst individuals, inspection and confirmation fees paid to verify damages done to one's crop, a fee for banding livestock, and a fee for writing out contract between parties (Dupuy, 1989, p. 104).

The government extractive institutions also followed Haitians as far as the Dominicans. Haitian workers attempted to work in the Dominican Republic for the purpose of gaining a livelihood were obligated to pay government contractors \$5-\$10 for the privilege work in the Dominican Republic between the periods of 1957-1963. The Dominican planters would later pay Haitian governmental contractors an additional \$15 per head and the Haitian government half the workers' wages in U.S. dollars. Workers' wages for the labors were later placed into special accounts to later be used for private use by Haitian officials. In 1981, the fee climbed to \$187 and about 16,000 legal migrant workers would allow the Haitian government to accumulate about \$3 million into accounts that would eventually directly profit Duvalier and his associates (Fass, 1998, p. 50; Matibag, 2003, p. 144). Therefore, Haiti's low levels of Haitians purchasing power are due to the various Haiti's political institutions extracts resources from the broader sectors of the Haitian society.

Also, exclusive economic institutions, and lack of industrialization also explains the societies' level of purchasing power. Weinstein and Segal (1984) explain that there have existed two types of industrialization in Haiti: "monopoly or oligopoly production for the Haitian market, and export industries lured by cheap and docile labor and general tax incentives." Most of the countries manufacturing enterprises had been accumulated in Port-au-Prince, Haiti and monopolized by the Haitian bourgeois of French companies. These enterprises produced consumable and non-consumable goods using obsolete technologies. Furthermore, Haitian elites have a preference for imported goods which creates a lack of incentive for investment in industrialization with integrated sectors of production (p. 94).

In comparing the Hispaniola, the difference in purchasing power can be explained by difference in industrialization and the crisis created by Trujillo. In the Dominican case, the massacre of Haitian in the borderline areas served to purpose: (1) to industrialize the borderline regions once occupied by Haitian and to bring the region in the economic fold of the country; (2) allow Trujillo to gain enough leverage to demand the Dominican sugar to national the labor and all Dominican Republic to Dominate the labor force. From then, Trujillo continued to industrialize the country and open up industrializes jobs for Dominicans. Meanwhile, Haiti remained unindustrialized and subject under extractive and exclusive institutions, thereby negatively impact the purchasing power of the broader sectors of the Haitian society.

III. Political Instability

The most direct cause of political instability in Haiti was due to direct pressure from the military on leaders of the more popular branches of government. The underlying reasons are due to: (1) the response of popular movements from below to Haiti's exclusive institutions and Haiti's traditional elites attempt to maintain power over the state and the maintenance of such institutions. The role of race/color and ideologies will be given special attention; (2) another important sources of Haiti's instability is due to the inability the more popular branches of government to restructure the Haitian military to correspond to the political, ideological, and socio-economic interest of the more popular branches of government.

Internal rivalries alone cannot explain the continued political instability of post occupation Haiti. Haiti's internal rivalries fell under the context of the U.S. anti-communist campaign and the anti-communist campaign the island of Hispaniola under its radar, as it did in

Latin America. However, identifying communist threats in Haiti was a bit more difficult for the U.S due to the Haitian society's strong focus on race, color, and class consciousness. In light of Washington's inability to identify communist threats in Haiti due to Haiti's particular social context, opposing forces in Haiti competed for power and used the pretense of communist threats in order to win over U.S. sanction for inflicting brutality upon opposition groups. The Dominican Republic's political and military history will be used as a point of comparison to establish the relationship between internal and external determinates and political stability.

The chapter will be divided in the following order: the period between the ending of the U.S. occupation of Haiti to 1946—the dominance of Haiti's mulatto elites over key military and government positions, and exaggeration of Haiti's exclusive institution as a result. The period from 1946 to 1950—the emergence of popular movements from below to challenge Haiti's exclusive institutions and the dominance of the mulatto upper class over the state. The period from 1950 to 1956—the reemergence of traditional elites over the state, but through indirect military institution rather the direct; in addition, a spasmodic attempt of popular movement from below to take control of the state and attempt by dominate groups to maintain power. The period marking the brutal rule of François—the weakening of the traditional military institution, the restructuring of the military to reflect the political, ideological, and socio-economic interest of the Duvalier regime, and the weakening of all sectors of the Haitian society, thereby creating one of Haiti's longest dictatorships and period of political stability.

1940-1946

As previously mentioned in the case study, during the occupation of Haiti, Marines placed light-skinned members of upper class in key military and government positions. It has been suggested that the Marines placed light-skinned upper class Haitians over key state positions primarily on the basis of racial prejudice (Metz, 2001 pp. 284-285); however, this is incorrect. Similar to the case of Haiti, Marines also restructured the racial composition of key military and government positions in the Dominican Republic. During this time, Marines removed white upper-class Dominicans from key military and government positions and replaced them with members of the light-skinned middle class. While Purego (2004) does mention that Marines policy favored light skinned mulatto over blacks, he also mentions that Marines removed whites from key positions over the state and replaced them with mulatto members of the Dominican society because upper class members of the white class, being nationalist, were opposed to the occupation (Peguero, 2004, pp. 36-39).

Similarly, Dubois (2012) mentions that the Marines placed the mulatto upper class in key positions because this class was least opposed to the occupation than those making up the black middle and lower classes (pp. 217, 278). Therefore, it is safe to conclude that the Marines' primary purpose of restructuring both key military and government positions in Dominican and Haiti was primarily for strategic reasons. In the case of Haiti, it just so happened that light skinned mulatto upper class corresponded with those who supported the occupation more than other groups in the Haitian society; nevertheless, the consequence of U.S. policy exaggerated Haiti's exclusive institutions by placing a minority group with narrow interests over the Haitian state.

According to Smith (2009), a popular movement directly opposed to the regime of Lescot (1941-1946) was ordered by the president to be suppressed by the military. Attacks made on protestors by the military engineered increasing level of protest and also created an invitation for others to join in a major opportunity to reform the state. The movement would also be joined by various labor unions workers; also, journalist, and other professionals calling for the formation of political parties and democratic participation all joined in the movement (Smith 2009 pp. 79-80).

Faced with a crisis, Lescot responded by making stronger demands on military to unleash violence upon protestors. However, head military leaders at the time, included Paul Magloire, a military leader who would later emerge as the leader of military coup of 1950, refused the presidents demand. The refusal of military leaders to Lescot's demands for more violence was based on the fear that the popular movement from below could not be suppressed by more violence. Faced with a mounting crisis, the military forced the resignation of Lescot in 1946 (Smith 2009 p. 81; Dubois 2012 p. 314-315).

Smith's (2009) historical analysis cuts through the popular notion held by the large body of literature that argue that the developments leading up the political instability of Haiti in 1946 was simple a continuation of political conflict surrounding color and race (Nicholls, 1985 p. 220; Dupuy, 1989, p. 143); For instance, according to Dupuy (1989), after "the occupation and the resumption of political control by Haitians, an intense conflict emerged between factions of" the milat bourgeoisie and black "middle class to control the state (p. 143)." Smith (2009) suggests that the confusion by some of the literature that argues that the revolution of 1946 was a

continuation of old rivalries is based on a failure to account for developments leading up to the administration of Estime, a black nationalist.

After the removal of Lescot from power, the main left winged groups to form political parties and vie for the power over political office were communist and black nationalist. However, communist parties were weak in political support and were unable to take office due to a lack of political support from the working class; this lack of support for communists parties by the urban working class was due to the fact that such parties were predominately composed of sectors of the young milat-upper class, and urban working class was predominately black and distrustful of members of the mulatto upper class. Instead, workers joined labor unions lead by Black Nationalist leaders belonging to Haiti's middle class (Smith, 2009).

Smith (2009) further explains that both Marxist and the Haitian military were not able to take over the government because: (1) Washington would not support a Marxist movement for fear of a communist takeover; (2) and, Washington was also not ready to support a military dictatorship as desired by top Haitian military officials (Smith, 2009, pp. 81-83, 90-94). Dubois (2012) adds to the discussion by explaining that, "...the leftist parties didn't gain political power directly..." however, they were content to have at least been able to "shape the policies of the candidate who was ultimately elected by the parliament to succeed Lescot: Dumarsais Estime, a teacher" at one of Haiti's colleges (Dubois, 2009, p. 315). Therefore, the Black Nationalist takeover of the Haitian government was not a continuation of old rivalries, but was rather due to an opportunity created by Washington and also the broader sectors of the Haitian society demanding for the democratization of the country; Washington was not willing at the time to

support a military government in Haiti and refused to accept a communist rule; also, the broader sectors of the Haitian society refused to give political support to communist parties, thereby opening the way for the black nationalist middle class to take over the Haitian government.

1946-1950

During his administration, the Estimé's government implemented a number of reforms. One of the first of Estimé's reforms was to reform a few members holding key military positions with those of the black middle class; a number of liberal reforms, such as bringing lower sectors of the Haiti society into the public sector, increasing daily minimum wage, and proposed the nation's first social security laws (Metz pp. pp. 285-286; Sprague, 2012, p. 27; Smith, 2009 p.72).

In addition, Estimé enacted reforms that would both replace the Breton priest and foreign religious instructors with more indigenous priests and instructors. In response to the replacement of Breton priest, Catholic officials in Haiti reported to Washington that Estimé's government was supported by international communist organizations and that the removal of such priests by the president was his government's first step towards forming a communist state (Smith, 2009 p.117).

Also, those of Haitian expatriates that opposed Estimé's government, and later fled to the Dominican Republic, were being supported by Trujillo's regime in labeling Estimé's government as communist. For instance, Haitian expatriates of the mulatto upper class living in the Dominican Republic during this period, published throughout the Latin American region in

Dominican papers and in pamphlets in the Spanish language calling Estime's Black Nationalist regime "the most dangerous Bolshevick cell the Antilles... (Quoted in Smith, p. 2009 142)..."

Estime's reform policies also encroached on the exclusive economic institutions of the country's elites. Estime's reforms clamped down the black market controlled by business elites by enacting regulations, namely on cooking oil, basic food items, soap, and fabrics, all of which benefit commercial elites through resale of such commodities; furthermore, Estime proposed the country's first income tax in 1948. Faced with both isolation as a result of being excluded from political power in Estime's regime, and seeing their exclusive economic institutions threatened, the military bourgeois made concerted efforts to topple Estime's regime (Smith, 2009, pp. 118-199). By the time Estime realized the eminent threats to the political stability of his regime, it became too late.

Dupuy (1989) is correct that Estime's greatest mistake was that he did not "restructure the army...politically to ensure his control over it and to enlist it in the defense of the objectives of his class (p. 153)." During the period of his presidency, Estime allowed for a coalition government which included members of the military elite class attempting to retake the government; and while Estime did uproot a number of leading members of the military supporting the proceeding regime in key positions, he didn't go far enough in removing military leaders that created a challenge to the direction and stability of his government (Smith, 2009; Dupuy 1989, pp. 143-154). Thus, Estime's overthrow was due to his inability to restructure the military institution to correspond with the political, ideological, and socio-economic interests of the more popular branches of government.

The Mistake of Both Dumarsais Estime and Juan Bosch

Similar the case of Estime, the overthrow of Juan Bosh also highlights the perspective that the underlying cause of political stability is due to (1) the response of popular movements from below to exclusive political institutions and traditional elites attempt to maintain power over the state and the maintenance of such institutions; (2) the inability the more popular branches of government to restructure the Haitian military to correspond to the political, ideological, and socio-economic interest of the more popular branches of government.

After the death of Trujillo in 1961, energies from popular movement from below began to increase. The movement demanded the overthrow of what remained of Trujillo's regime; the departure and exile of Trujillo's family for the country; and, the democratization of the Dominican state. The demand of the movement for the democratization of the country materialized in December 20, 1962 with the election the of Juan Bosch, who winning the presidential election with more than 60 percent of the popular votes, and making Bosch the Dominican Republic's first democratically elected president (Etzioni, 1968, pp. 299-306; Pons, 1998, p. 386).

This case of Bosch parallels to that of Estime's for a number of reasons: (1) like Estime, while in power Bosch pursued various liberal and populist reforms; for instance, agrarian reforms; (2) like Estime, in response to Bosch's policies members of the traditional elites and extreme rightist groups, particularly the Catholic Church, high ranked military officers, and business leaders labeled Bosch's regime communist (Pons, 1998, p. 380-384, 386); (3) like in

Estime in the case, Dominican historian, Mayo Pons (1998) correctly concludes that communism "was erroneously associated with the Bosch government (p. 385).

And like Estime, Washington would later transmit their displeasure with the Bosch's regime to the military on the basis of the regime was associated with communism. In September 25, 1963, Bosch was overthrown by a direct intervention from the Dominican military that the overthrow was supported by "important merchants, industrialist, landowners, and members of the minor political parties and the Catholic Church (Pons, 1998 385).

Lastly, in describing Bosh inability to restructure the military to correspond with the interest of his government, Etzionzi (1968) explains that:

"Bosch's downfall was caused, more than anything else, by the fact that he left the military forces largely intact and tried to win the cooperation of the social-economic groups whose interests were threatened by his planned reforms...[H]e alienated the upper caste, a highly integrated social strata of "good families" who trace their ancestors to the Spaniards. These powerful and affluent families- the landlords and businessmen- look down on the "second-class" (mixed-blood) and "third-class" citizens, who are disparagingly referred to as "niggers." The upper caste had supported Trujillo and benefited from his rule. Bosch built his party, the Dominican Revolutionary party, on the second and third groups. Accustomed to being in power, the upper caste was alienated, but neither they nor their traditional ally, the army, was rendered harmless. Etzionzi (1968) concludes with by saying that "the failure to disband the armed forces and set up a

new militia with a higher ratio of members, and especially of officers of the second and third groups was vital (p. 303)."

1950 to 1956

Estime was overthrown in 1956 by high ranked members of the military led by Paul Magloire. A high ranked military officer representing the interest of the upper class, Magloire, both popular amongst light and dark skinned members of the military, and also supported financially by member of the milat bourgeois (Smith, 2009 pp. 135-137; 147- 150). According to Smith (2012), the established milat bourgeoisie was not willing to accept anyone other than Paul Magloire to become the county's next leader (Smith 2010 p. 151)." Thus, the period from 1950 to 1956 marks the emergence of the traditional elites, but this time not through direct rule but indirect rule through the military institutions.

Magloire

The period of marking Magloire's rule during this period was the U.S. support of dictatorships as a means the threat of a communist takeover in the Latin American region. The expansion and globalization of anti-communism during the 1950s and the support of U.S. support of military rule opened up an opportunity for mulatto upper –class to use the military to settle past disputes with left winged rivals (Smith, 2009 p. 154). Under Magloire, there were instituted shows of force and waves of violence against both Marxist youth and Black Nationalist leaders (Smith pp. 155-157).

Meanwhile, lack of political outlets to express the demands for civil liberties and the worsening of the economy and intensified popular demands for democratization of Haiti. Fatton (2002) makes an important point in saying, “[a] substantive concept of democracy requires a participatory structure of governance where rulers are fully accountable to citizens and where the economic sphere comes under popular control (p. 7). In 1955, labor leaders demanding for improvement to the economy through the government reaching out to the U.S. for a loan, but were both silenced and excluded from input on the nature of the economy (Smith, 2009 p. 167).

According to Smith (2009), the repressive nature of Magloire regimes and the deterioration of the economy were felt by all sectors of the Haitian society. For this purpose, members of the bureaucracy and low ranking military officers grew discontent to Magloire’s response to the worsening of the Haitian economy (Smith, 2009 pp. 169 -168). As popular movements for reforms in Haiti’s exclusive political institutions climaxed, it was then that lower ranking military officials supportive of Black Nationalist leaders demanding the resignation of Magloire with Washington’s approval. In December 6, 1957, Magloire was overthrown, and later, Fignole would be established as provisional president in order to satisfy popular unrest (Smith, 2009 pp. 171-179).

Thus, similar to the 1946 revolution, the ousting out of Magloire was due to a popular demand for democracy and challenges to Haiti’s exclusive institutions as set by elites. All sectors of society demanded that both the market and the political process be subject to the demands of various competing forces; however, when the state rejected all forms of outlets to express popular demand, it was then that the military structure, which was not sufficiently structured to

correspond to Magloire regime, thus leading to took the overthrow of Magloir my lower ranking members of the military with U.S. support, for fear of a communist overrule.

As a means to satisfy the demands for democracy and popular unrest, Daniel Fignole began was elected providential president, but this position was short lived; Fignole was overthrown three weeks after taking office by the military. The military overthrow of Fignole was both supported by Haiti's tradition elites who feared Fignoles liberal policies during his time in office threatened their exclusive and political institutions, and by the U.S. in fear that Fignole's liberal reforms seemingly represented a potential for a communist takeover (Sprague, 2012 p. 28-29, 122-125; Smith 2009, 179 – 181).

1957-1971

After taking power in 1957, Duvalier immediately began either purging or subjecting just about all sectors of the Haitian society to his brutal rule (Sprague, 2012 p. 32). Duvalier purged foreign Catholic bishops and priest that apposed his regime and replaced them with indigenous bishops and priest (Dubois, 2012 p. 333); the traditional mulatto elites were purged from popular branches of government and replaced with those black leaders reflecting the interest of Duvalier regime (Dupuy, 1989 p. 208; Ives, 2002 pp. 187-191) According to Nicholl (1985), the traditional mulatto elites lost much of their political power during the dictatorship of Francois Duvalier and accepted a low profile but still controlled most of the country's wealth (p. 33); however, under Duvalier this group, which once used business strikes to succor their interest, were order to keep their business open, and in case business were closed, Duvalier's

paramilitary group were order to break open the door of such business and allow them to be looted. And rather than depend financially on this group during the first term of His dictatorship, Duvalier appealed to Haiti's wealth Syrian- Lebanese community for financial support and elevated member of this community to key government position for the first in Haitian history (Nicholl, 1996, p. 217-218). Civil society was repressed underground during the rule of Francois Duvalier. For instance, unlike protest leading to the overthrow of Magloire and Lescot, workers unions, journalist, and student organizations refrained from direct attacks against the Duvalier regime (Nicholl, 1996, p. 218-219; Dupuy, 1989 p. 159; Fatton, 1999). Thus, Duvalier was able to naturalize any real potential for a popular movement to inspire his overthrow, thereby partially accounting for the sources of Duvalier's ability to remain in power longer than any other Haitian leader before him.

Duvalier Would Not Make the Same Mistake

Duvalier naturalized any threat to his regime by restore the military. On of Duvalier first acts while in power were to purge the military leadership. According to Nicholl (1996), the early years of the Duvalier regime saw a substantial decline in the political power of the army, which was brought under the power of Duvalier dictatorship (p. 216). Duvalier then promoted young black middle class men to new officer positions (Dupuy, 1989, p. 160). According to Dupuy (1989), Esteime fatal mistake of not restructuring the structure and composition of the military on “on ideologically and politically to ensure his control over it and to enlist it in the defense of the objectives of his class” wound not be repeated by Duvalier. Instead, Duvalier “used a strategy of divide and conquer skillfully and successful against” any threat of opposition (p. 153).

In addition to changing the composition of the of Haiti's traditional military to correspond with the interest of his regime, Duvalier created a paramilitary organization to balance that power of that of the traditional military and reflect more perfectly the socio-economic, political, and ideological interest of his regime. Dupuy (1989) argues that the replacing of "the hierarchy of the military with black middle class officers was not sufficient to guarantee Duvalier's absolute power (Dupuy 1989, p. 208; Metz, 2001, pp. 463-464)." Hence the reason Duvalier established the leaders of his newly created paramilitary force with a "class of medium-sized land owners" (Nicholls, 1985 p. 184) According to Journalist, Kim Ives (2004), Duvalier was amongst this class and his paramilitary force was the manifestation of his class interest (p. 197). Thus, Duvalier was able to restructure the military institution to correspond with the interest of his socio-economic, political, and ideological interest, thereby allow Duvalier the ability to maintain political stability during his rule.

Therefore, political stability during the rule of Francois Duvalier was due to: (1) weakening traditional elites ability to retake the state since the establishment the overthrow of Magloir; (2) the weakening and the counterbalance of the military in order to prevent it from creating any opposition to his government; (3) and, the restructuring of the military and the creation of a paramilitary organization that mainly reflected the ideological, political, and socio-economic interest government. As a result, Francois Duvalier was able to rule Haiti as the longest dictatorship in Haiti's history until the present.

The Dominican Case

During the occupation, the Marines created a substantial blow to the country's traditional

military leaders and ruling elites, thereby creating conditions for but little, if any, threats of political stability. Unlike Haiti, the Marines did not place a minority group of upper-class members of the Dominican society over the state and military institution; instead, Marines placed the sectors of society making reflecting the socio-economic class of the majority of the country's majority (Puerto, 2004, p. 34) According to Peguero (2004), "since no upper class Dominican joined" the Dominican military the Marines "enlisted men from the middle and lower class...[a]t the time of the occupation 85 % of Dominican population were either mulatto or black" but mostly mulatto; this would mean that a majority of the members member of the military were composed on the same racial, color, and ethnic group, and more importantly, likely the same political and ideological interest, thereby creating harmony between the more popular branches of government and the military institution (Peguero, 2004pp. 36-39). Trujillo, Dominican Republic's longest ruler also came from this sector of the Dominican society.

In addition, According Betances (1995), the U.S. moratorium allowed the dictators to government revenues sufficient to fund the Dominican military and stabilize his regime. As a result, Trujillo was able to consolidate power and subordinate "all social classes" and groups under his political and military power, thereby creating conditions for political stability and the absence of any major threat to his regime from all sectors of the Dominican society (Betances, 1991 p. 37).

Conclusion

In contribution to the literature, it would appear that exclusive institution engineered the political instability in the case that: (1) popular movement from below gain the energies to

challenge such exclusive institutions. (2) traditional elites are not weakened sufficiently to reduce their ability to challenge any threat to their to exclusive institutions (3) the more popular branches of government are not able to align the composition and structure of the military institution to correspond to the political, ideological, and socio-economic interest of the more popular branches of government. When these conditions exist, the military institution is likely to exert direct pressure on the leaders of the more popular branches of governed, thereby generation political instability. Internal rivalries and institutions cannot alone explain political stability. Political stability also depends of the interaction of rival groups and institution with external determinates.

The underlying reasons are Haiti's instability was to: (1) the response of popular movements from below to Haiti's exclusive institutions and Haiti's traditional elites attempt to maintain power over the state. The role of race/color and ideologies will be given special attention; (2) another important sources of Haiti's instability is due to the inability the more popular branches of government to restructure the Haitian military to correspond to the socio-economic interest both the more popular branches of government and popular sectors of the Haitian society. After these conditions were met, the military institution exerted direct pressure on the leaders of the more popular branches of government.

In contrast, (1) Dominican the dictatorial leaders, Trujillo, was able to suppress popular movement from below until his assassination; (2) The occupation forces had significantly weakened traditional Dominican elites and created an absence of any significant threat by traditional Dominican elites to rival for political power over the state; (3) The occupying force

also restricted of the Dominican military to correspond to the political, ideological, and socio-economic interest of the more popular branches of government. As a consequence, Dominican Republic's political stability was due to the absence of pressure from the military to overthrow leaders of the state.

Internal rivalries alone cannot explain the continued political instability of post occupation Haiti. Haiti's internal rivalries fell under the context of the U.S. anti-communist campaign and the anti-communist campaign the island of Hispaniola under its radar, as it did in Latin America. However, in Haiti issues identifying communist threat was a bit more difficult for the U.S due to the Haitian society's strong focus on race, color, and class consciousness which was wrongly label as communist; in light of the errors of the U.S., opposing forces in Haiti competing for power used the pretense of communist threats in order to win over U.S. sanction in order to justify inflicting brutality upon opposition groups; the case of Dominican president Juan Bosch and Haiti's president Estime illustrated this point.

Conclusion

Culture

Various literature attempts to account for the sources of the difference in development paths between the Dominican Republic. Amongst the well-known is Harrison's cultural-based argument that Haitian Vodun and slave experience are sources of the difference of development paths Dominican Republic and Haiti fail to account for the difference in human develop paths

between the two countries. However, it does not appear that Haiti was in charge of its own development path immediately after the country's independence because Haiti was subject to a long history of external debt and interferences. Haitian's extensive work history, it is incorrect to label Haitians as passive to labor; Haitians appear to have been subject to a long history of forced labor, the lack of sufficient wages necessary to provide subsistence. Haitians do not appear to have a rhythm of life lack a concern with punctuality; Harrison ignore that fact the Haitians have far less waged labor opportunities' than that of the Dominican Republic. In addition, there is evidence to suggest both Dominicans and Haitian have adopted more than one rhythms of life concerned with time in relations to both their societies. It does not appear that Haitians have a culture resistance to punctuality due to Haitians lack of employment and ability to hold more than cultural attitude concerned with time. Furthermore, it does not appear that sorcery, magic, and witchcraft resist human development objectives such as the rule of law, promotion of social capital, because both societies appear to adhere to more than one religion simultaneously and it appear Dominican Republic outpaced Haiti after the occupations of both during the early party of the 20th century.

Dubois (2012) cites both internal and external social forces as having been the sources of Haiti's underdevelopment. At times internal and external social forces are held to interact in a manner that exaggerates the human development potential of the broader sectors of the Haitian society (p. 5). In his historical analysis attempt to explain the underdevelopment of Haiti, Dubois (2012) cites Haiti's debt history, institutions, the impacts of the occupation, and Haiti's human capital flight as being the most modern sources for Haiti's underdevelopment. The differences in debt histories between the Dominican Republic and Haiti, with Haiti have a longer debt history,

is likely to being a sources of the difference of ready government revenue for reforms pursued by Marines. In drawing a comparison between Dominican Republic and Haiti, it appears the interaction between external and the Dominican society had more positive impacts on the Dominican Republic's development path.

While it is not clear as to which Dominican Republic has extractive institutions, it would appear that Haiti's extractive political institutions are less likely to redistribute government revenue to the Haitian society than that of the Dominican Republic. The differences in debt histories between the Dominican Republic and Haiti, with Dominican Republic exhibiting a far less debt history, is likely to being a source of the difference in policies pursued by the U.S. Marines during the occupations of both countries; it appears that the impaction of the Marines occupation had far more positive impact on the Dominican society that that of Haiti's; Marines created conditions that allowed for more social mobility in the Dominican society than that of Haiti's. Although Dubois (2012) lacks evidence to link U.S. support of dictators in Haiti with the Haiti's loss of human capital, Haiti faced more human capital flight during Haiti dictatorial era than Dominican Republic did.

Political institutions is to be important in determining whether a country is poor or prosperous, however Acemlgu and Robinson (2012) perspective fails to account for external determinates relation between external and internal determines in a countries development; Despite the important contributions from Acemlgu and Robinson's (2012) perspective, the perspective is reductionist on the side of internal determines; The Dominican state was not the main source of the country's political and economic institutions; but, U.S. policy in the

Dominican Republic appear to have been the main source of improvements to country's institutional quality, thereby positively impacting Dominican republic development path. While inclusive political institutions do not appear to be linked to the development of the Dominican Republic, exclusive and extractive institutions are helpful in account for Haiti's resistant development path; however, this theory lacks the ability to fully account for the development path of Haiti. The perspective lacks both a more in-debt analysis necessary to account the relationships between role of race, color, class, and ethnicity in the Haitian society; and, the relationship between external determinates and institutions quality.

Policy Matters

In evaluating determining the differences of policies pursued between the Dominican Republic and Haiti, Jaramillo and Sancak (2007) are correct to suggest that disparities between the two countries and the difference in policies purse implemented occurred directly after the U.S. occupations.

My analysis for determining the differences in human development paths and policies pursued between Hispaniola will draw primarily from the theoretical perspective of Acemglu and Robinson (2012) and my own analysis. I will argue that differences in institutions only partly explains the difference in development between Dominican Republic and Haiti, with Haiti have more exclusive and extractive institutions; Important to my analysis is the internal relations between class, color, and race. While institutional and internal social determinates are important, I will argue the difference in policies implement by the U.S. Marines during the occupation during both countries occupation in the 20th century was more important in determine the

difference in human development paths and polities pursued by each countries' government immediately after the U.S. occupation.

Public Infrastructure Implemented and Structural Policies Pursued

In evaluating the various sources of the differences of policies pursued between the Dominican Republic and Haiti, I argue that disparities between the two countries and the difference in policies pursued implemented occurred directly after the U.S. occupations. In Haiti, the U.S. Marines implemented minimal level of public works, but creating substantial levels of public works in the Dominican Republic. The lack of American investment and commercial activity in agricultural production in Haiti did not necessitate that the Marines create public. On the other hand, the establishment American investment in agricultural production for exports and commercial activity in the Dominican Republic necessitated that the Marines create public infrastructure to facilitate commercial activities.

The underlying reason for the difference in American investment was due to the difference in environmental conditions between the two countries, with the Dominican Republic have more favorable conditions for agricultural production than that of Haiti. The result of establishment of sugar plantations and the government revenue sugar production generated, Dominican Republic was able to generate ready to access revenue to be used by Marines towards public works; however, this was not the case in Haiti. In addition, subsequent Dominican governments after the U.S. occupation used revenues from sugar export to continue to implement public works well into the 20th century. Thus, it is reasonable to conclude that the Dominican Republic outpaced Haiti immediately of the occupation in structural policies pursued.

After the ending of the occupation, Port-au-Prince continued to be the center of commercial activity in Haiti and the focus of public works projects (Weinstein and Segal, 1984 p. 29); Weinstein and Segal (1984) explain the reason for this; the authors note that Port-au-Prince further undermined various port sectors in Haiti by “the roads which diminished the importance of costal of coastal shipping and by differential customs policy making trade through Port-au- Prince cheaper “than elsewhere in the country (p. 29). Therefore, the monopoly of commercial activity in Port-au- Prince necessitated that structural policies in public fracture be focused in the country’s capital immediately after the occupation of Haiti. However, more research needs to be conducted to determine the source of Port-au- Prince continual domination of commercial activity in Haiti.

Similarly, structural measures pursued and infrastructure implemented by Dominican Republic occurred directly after the occupation of the country. However, unlike Haiti the Dominican Republic continued investments public infrastructure in order to promote commercial activity for sugar production, which virtually became the sole source of the government’s revenue. The revenue generated from sugar was in turn used to implement more public works projects in the country, thus explaining the sources of structural policies pursued by the Dominican government after the Marine occupation.

Access to Education

In comparing the difference between access to education between the Dominican Republic and Haiti, reforms made to Dominican Republics were far more superior to that of Haiti due to the difference in policies implemented by Marines. However, difference of policies

cannot alone explain the difference in education quality; Haiti's exclusive political and economic institutions must also take the blame; Haiti elites exclude the masses from universal education in order to exclude the broader sectors from both threaten their socio-economic status and power to rule.

Haiti's exclusive institutions help to account for the sources of the country's continual lack of access to education for the broader sectors of the Haitian society and the level of policies pursued in structural measures directly after the U.S. occupation in 1934. Haitian elites preference for exclusive political institution necessitate that the popular sectors of society be excluded from mass, and democratic education. Also, Haitian elites' preference for exclusive economic institutions blocks the entrance of the economic sectors needed to make it possible to apply more technical and scientific education, thereby creating no incentive for government investment in more scientific and technological education. Therefore, Haiti's exclusive institution helps to explain Haiti persistent lack of access to education following the occupation.

In terms of the difference in level of purchasing power between Hispaniola, difference in purchasing power can be explained by difference in industrialization and the crisis created by Trujillo. In the Dominican case, the massacre of Haitian in the borderline areas served to purpose: (1) to industrialize the borderline regions once occupied by Haitian and to bring the region in the economic fold of the country; (2) allow Trujillo to gain enough leverage to demand the Dominican sugar to national the labor and all Dominican Republic to Dominate the labor force. From then, Trujillo continued to industrialize the country and open up industrializes jobs for Dominicans. Meanwhile, Haiti remained unindustrialized and subject under extractive and

exclusive institutions, thereby negatively impact the purchasing power of the broader sectors of the Haitian society.

Political Instability

In contribution to the literature, it would appear that exclusive institution engineered the political instability in the case that: (1) popular movement from below gain the energies to challenge such exclusive institutions. (2) traditional elites are not weakened sufficiently to reduce their ability to challenge any threat to their to exclusive institutions (3) the more popular branches of government are not able to align the composition and structure of the military institution to correspond to the political, ideological, and socio-economic interest of the more popular branches of government. When these conditions exist, there military institution is likely to exert direct pressure on the leaders of the more popular branches of governed, thereby generation political instability. Internal rivalries and institutions cannot alone explain political stability. Political stability also depends of the interaction of rival groups and institution with external determinates.

In the case of Haiti, the sources of Haiti's instability was to: (1) the response of popular movements from below to Haiti's exclusive institutions and Haiti's traditional elites attempt to maintain power over the state. The role of race/color and ideologies will be given special attention; (2) another important sources of Haiti's instability is due to the inability the more popular branches of government to restructure the Haitian military to correspond to the socio-economic interest both the more popular branches of government and popular sectors of the

Haitian society. After these conditions were met, the military institution exerted direct pressure on the leaders of the more popular branches of government.

In contrast, (1) Dominican the dictatorial leaders, Trujillo, was able to suppress popular movement from below until the assassination; (1) The occupation forces had significantly weakened traditional Dominican elites and created an absence of any significant threat by traditional Dominican elites to rival for political power over the state; (2) The occupying force also restructured the Dominican military to correspond to the political, ideological, and socio-economic interest of the more popular branches of government, and did not place a minority group over key military and government positions with narrow interest, as done in Haiti. As a consequence, Dominican Republic's political stability was due to the absence of pressure from the military to overthrow leaders of the state.

Internal rivalries alone cannot explain the continued political instability of post occupation Haiti. Haiti's internal rivalries fell under the context of the U.S. anti-communist campaign and the anti-communist campaign the island of Hispaniola under its radar, as it did in Latin America. However, in Haiti issues identifying communist threat was a bit more difficult for the U.S due to the Haitian society's strong focus on race, color, and class consciousness which was wrongly label as communist; in light of the errors of the U.S., opposing forces in Haiti competing for power used the pretense of communist threats in order to win over U.S. sanction in order to justify inflicting brutality upon opposition groups; the case of Dominican president Juan Bosch and Haiti's president Estime illustrated this point.

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