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## To Help Haiti, End Foreign Aid

*For Haitians, just about every conceivable aid scheme beyond immediate humanitarian relief will lead to more poverty, more corruption and less institutional capacity.*



By BRET STEPHENS

It's been a week since Port-au-Prince was destroyed by an earthquake. In the days ahead, Haitians will undergo another trauma as rescue efforts struggle, and often fail, to keep pace with unfolding emergencies. After that—and most disastrously of all—will be the arrival of the soldiers of do-goodness, each with his brilliant plan to save Haitians from themselves.

"Haiti needs a new version of the Marshall Plan—now," writes Andres Oppenheimer in the Miami Herald, by way of complaining that the hundreds of millions currently being pledged are miserly. Economist Jeffrey Sachs proposes to spend between \$10 and \$15 billion dollars on a five-year development program. "The obvious way for Washington to cover this new funding," he writes, "is by introducing special taxes on Wall Street bonuses." In a New York Times op-ed, former presidents Bill Clinton and George W. Bush profess to want to help Haiti "become its best." Some job they did of that when they were actually in office.



Associated Press

Kindness comes to Haiti, but too much kindness can kill.

All this works to salve the consciences of people whose dimly benign intention is to "do something." It's a potential bonanza for the misery professionals of aid agencies and NGOs, never mind that their livelihoods depend on the very poverty whose end they claim to seek. And it allows the Jeff Sachses of the world to preen as latter-day saints.

For actual Haitians, however, just about every conceivable aid scheme beyond immediate humanitarian relief will lead to more poverty, more corruption and less institutional capacity. It will benefit the well-connected at the expense of the truly needy, divert resources from where they are needed most, and crowd out local enterprise. And it will foster the very culture of dependence the country so desperately needs to break.

How do I know this? It helps to read a 2006 report from the National Academy of Public Administration, usefully titled "Why Foreign Aid to Haiti Failed." The report summarizes a mass of documents from various aid agencies describing their lengthy records of non-accomplishment in the country.

Here, for example, is the World Bank—now about to throw another \$100 million at Haiti—on what it achieved in the country between 1986 and 2002: "The outcome of World Bank assistance programs is rated unsatisfactory

(if not highly so), the institutional development impact, negligible, and the sustainability of the few benefits that have accrued, unlikely."

Why was that? The Bank noted that "Haiti has dysfunctional budgetary, financial or procurement systems, making financial and aid management impossible." It observed that "the government did not exhibit ownership by taking the initiative for formulating and implementing [its] assistance program." Tellingly, it also acknowledged the "total mismatch between levels of foreign aid and government capacity to absorb it," another way of saying that the more foreign donors spent on Haiti, the more the funds went astray.

But this still fails to get at the real problem of aid to Haiti, which has less to do with Haiti than it does with the effects of aid itself. "The countries that have collected the most development aid are also the ones that are in the worst shape," James Shikwati, a Kenyan economist, told Der Spiegel in 2005. "For God's sake, please just stop."

Take something as seemingly straightforward as food aid. "At some point," Mr. Shikwati explains, "this corn ends up in the harbor of Mombasa. A portion of the corn often goes directly into the hands of unscrupulous politicians who then pass it on to their own tribe to boost their next election campaign. Another portion of the shipment ends up on the black market where the corn is dumped at extremely low prices. Local farmers may as well put down their hoes right away; no one can compete with the U.N.'s World Food Program."

Mr. Sachs has blasted these arguments as "shockingly misguided." Then again, Mr. Shikwati and others like Kenya's John Githongo and Zambia's Dambisa Moyo have had the benefit of seeing first hand how the aid industry wrecked their countries. That the industry typically does so in connivance with the same local governments that have led their people to ruin only serves to help keep those elites in power, perpetuating the toxic circle of dependence and misrule that's been the bane of countries like Haiti for generations.

A better approach recognizes the real humanity of Haitians by treating them—once the immediate and essential tasks of rescue are over—as people capable of making responsible choices. Haiti has some of the weakest property protections in the world, as well as some of the most burdensome business regulations. In 2007, it received 10 times as much in aid (\$701 million) as it did in foreign investment.

Reversing those figures is a task for Haitians alone, which the outside world can help by desisting from trying to kill them with kindness. Anything short of that and the hell that has now been visited on this sad country will come to seem like merely its first circle.

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