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THE INTERNATIONAL TRADERS OF HAITI: THE MADAM SARA

by

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The views expressed in this document are those of the author and do not necessarily reflect the views of the United Nations.

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## Preface

This document is based on a study executed in Haiti in January 1989 by the Consultant, Donna Plotkin. It responds to subregional concerns about the lack of data relating to women's economic contribution to development. This study is part of the project "The Establishment of a Data Base on Women's Participation in Social and Economic Change, Phase II" funded by the Government of the Netherlands.

The Women in Development Unit (WID) of the Subregional Headquarters for the Caribbean of the United Nations Economic Commission for Latin America and the Caribbean (UNECLAC), initiated activities on the subject of women traders in the Caribbean in 1984. The project is regarded as a priority area in the work programme, has been endorsed by the Member Governments of the Caribbean Development and Co-operation Committee (CDCC) at its eighth session held in 1984 and further supported at its ninth and tenth sessions held in Trinidad and Tobago in 1985 and 1987.

This document has been consolidated by the Consultant Monique Lagro. The photographs in the document were taken by the Consultant, Nancy Schneider.

For consistency all prices are quoted in United States dollars, the official exchange rate since 1919 being 5.00 Gourdes to US\$1.00. Throughout the document all United States currency that had to be purchased by the traders was obtained at a premium of 22 percent which reflected the parallel market rate at mid-January 1989.

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## INTRODUCTION

The role of Haitian women in Haiti's internal marketing system of food crops for domestic consumption and/or the distribution of consumer goods of urban or foreign origin has been well documented in the anthropological literature.<sup>1</sup> Several authors have maintained that in the context of Haiti's current agricultural and economic crises the internal marketing system, operated primarily by women, has become the backbone of the Haitian economy and is important for the country's survival.<sup>2</sup>

During the past two decades, the growing demand for low-cost consumer goods and food products in the nation's capital which has been expanding due to massive rural-urban migration, has given rise to a growing number of small-scale, independent informal-sector traders, known as Madam Sara<sup>3</sup>, who travel outside of Haiti in search of merchandise to resell in the capital and provincial towns. Little research, known to this author, has been done on this dynamic and diverse sector or on the impact of its trading activities on the Haitian economy.<sup>4</sup>

This report describes who these traders are, why they travel, their activity cycles, the conditions under which they labour, and the constraints they face in an attempt to earn a living. The trade of the Madam Sara will be situated in the context of the present conjuncture of social and political forces that affect and control the Haitian economy. It is particularly important to understand the relatively recent phenomena of the open trade in contraband and widespread fiscal fraud that has proliferated as a result of economic measures taken by the post-Duvalier military Government. Only in such a context can we appreciate the reasons for the growth of the small-scale international trade of the Madam Sara, and why it has been permitted or tolerated during the past

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<sup>1</sup> Locher, (1975); Mintz, (1959, 1961, 1964, 1971); Murray & Alvarez, (1975); Underwood, (1970).

<sup>2</sup> (Girault, 1984:177; Anglade, 1986:162).

<sup>3</sup> In Haiti, Madam Sara, is the name given to the category of female intermediary in the internal marketing system which travels back and forth between the towns and the countryside, assembling food crops she buys from peasant farmers and shipping them to the urban markets. These women also buy manufactured goods in the towns to distribute in the provinces. Madam Sara is also the name of a local bird that devastates rice fields and whines constantly when in search of food.

<sup>4</sup> In an unpublished paper, Claudette Werleigh (1985) describes several of the obstacles these women confront in carrying out their trade.

decade. In addition, the impact of this trade on the Haitian economy will be assessed.

While the report discusses the various elements of this diverse group of traders, the main focus is on a small group of small-scale traders who travel overland to the Dominican Republic and who belong to a union-based association of traders.

### Methodology

Research for this paper was undertaken between 9 January and 12 February 1989, primarily in Haiti's capital, Port-au-Prince. The research methodology included participant observation and formal and informal group and individual interviews with ten Madam Sara<sup>5</sup>. In addition, interviews were conducted with a variety of representatives of government and private voluntary organizations, development agencies, and unions, as well as with local social scientists and business people.<sup>6</sup> Several weekly newspapers and radio stations were also consulted.<sup>7</sup>

A highlight of the research was a three-day buying trip by bus to the Dominican Republic with a group of Madam Sara that was organized by the Association of Small Traders of Port-au-Prince (APECOP), a division of the Labour Union CATH/CLAT.<sup>8</sup>

The 10 female Madam Sara who were interviewed represented a variety of socio-economic backgrounds, and claimed to have trading capital from \$100 to \$4,000. They were identified through organizational contacts as well as through personal networks. Of this sample six were small-scale traders who traveled overland to the Dominican Republic and were members of the trader's association APECOP. Two were recipients of low-interest loans from an organization called Haitian Fund for Aid to Women (FHAF). One of these travelled regularly to the Dominican Republic and Panama and the other woman used to travel to Panama and Curaçao. Another trader, contacted through a travel agency, traveled to the Dominican Republic, Curaçao and Panama. The only woman of the sample who had a United States visa and who made regular trips to Miami and New York was someone met through personal contacts.

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<sup>5</sup> See APPENDIX II

<sup>6</sup> See APPENDIX I

<sup>7</sup> Newspapers included: Haiti en Marche, Haiti Progrès, Haiti Observateur, and Le Journal du Commerce.

<sup>8</sup> The Independent Federation of Haitian Workers affiliated with the Confederation of Latin American Workers is a Christian-based labour union.

## 1. THE HAITIAN ECONOMY

### 1.1 General economic situation

Haiti is the poorest country in the western hemisphere and is heavily dependent on foreign aid, with the United States as the principal donor. In 1985, 90 percent of Haiti's estimated 6 million population earned less than \$150, and less than 20 percent of full-time workers earned the official minimum wage of \$3 per day.<sup>9</sup> The World Bank and United States Agency for Information and Development (USAID) have estimated that of the 77 percent of the population that lives in the rural areas, 78 percent live at or below the absolute poverty level, compared with 55 percent of the urban population.<sup>10</sup>

In stark contrast, less than 0.3 percent of the population owns 40 percent of the nation's wealth and one percent receives 44 percent of national income but pays only 3.5 percent in taxes<sup>11</sup>. The high incomes of the privileged classes are derived from commerce, foreign trade, manufacturing, rents on farm property, construction, the professions, and some services.<sup>12</sup> The commercial and business sector, concentrated in Port-au-Prince, is dominated by some 4,000 merchant families of foreign origin believed to have incomes of more than \$90,000 per year.<sup>13</sup> The most profitable sectors have traditionally been the export of coffee and cacao and the import of consumer goods. Until recently, these families were the sole importers and distributors of food, building equipment and furniture, home appliances, luxury items, garments, health products, books, cars, etc.<sup>14</sup>

Since Duvalier's fall from power in February 1986, the Haitian economy has continued to stagnate. Real GDP growth was only 0.6 per cent in 1986; 0.1 per cent in 1987 and 0.8 per cent in 1988.<sup>15</sup> Social unrest following the change of regime has created uncertainty so that about 20,000 jobs were lost in the industrial

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<sup>9</sup> World Bank (1981:6) cited in Hooper (1987:32); Dupuy (1989:184).

<sup>10</sup> Prince (1975:43).

<sup>11</sup> Prince (1985:51).

<sup>12</sup> Tata (1982:71).

<sup>13</sup> World Bank Vol I (1978:61) cited in Tata (1982:71).

<sup>14</sup> Girault (1984:176).

<sup>15</sup> ECLAC. Economic Surveys.

sector due to the closing of state-owned industries and capital flight in the export assembly sector.<sup>16</sup>

Although an estimated 70 percent of the Haitian population works in agriculture, the contribution of this sector to the GDP was only 32 percent in 1986.<sup>17</sup> Haiti's agricultural sector has stagnated during the last decade due to a combination of factors including: increasing demographic pressure on a shrinking land base, rudimentary methods of cultivation, extreme parcelling of land, deforestation and soil erosion, combined with extremely unequal distribution of resources and income among classes.

During the past forty years these factors have led to declining agricultural yields, to a decline in both women's and men's employment in agriculture, to increasing rural poverty, and to an increasing rate of rural-urban migration. Between 1950 and 1985 the population of Port-au-Prince increased from about 100,000 to one million.<sup>18</sup> While in 1950, 4.6 percent of Haiti's total population lived in the capital, by 1982 this figure had increased to 14.2 percent of the population.<sup>19</sup>

The macro- and micro-level data for Haiti clearly indicate that rural migrants to Port-au-Prince are predominantly women, a trend that is consistent with migration literature on Latin America and the Caribbean.<sup>20</sup> The predominance of women in rural-urban migration can be best understood given their high activity rate, the limited rural employment opportunities available to them, and the fact that urban employment opportunities (i.e., small scale commerce, domestic service, and assembly industry work) are more attractive to women than to men.<sup>21</sup> One important result of this migration is the skewed sex ratio in the capital where women outnumber men by 30 percent, and where 40 percent of the households are headed by women.<sup>22</sup>

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<sup>16</sup> The Haiti Beat, Vol.3, No. 1, p.11

<sup>17</sup> Prince (1985:43); EIU (1987:29).

<sup>18</sup> Anglade (1986:129).

<sup>19</sup> Current estimates are that 17-18 percent of the population lived in the capital in 1984 (Girault, 1984:178).

<sup>20</sup> Plotkin (1984)

<sup>21</sup> Ahlers (1979).

<sup>22</sup> Plotkin (1984).



Macro-level data from the 1971 and 1982 national censuses point to a major trend in women's employment which reflects this migration: a decline in women's participation in agriculture and a corresponding increase in their participation in trade and manufacturing. The 1982 census revealed that in the metropolitan area, services (32 percent), trade (31 percent), and manufacturing (23 percent) accounted for 86 percent of female employment. Between 1971 and 1982 the number of women employed in the formal sector manufacturing industries in Port-au-Prince doubled from about 12,000 to 24,000, accounting for about half of the industrial labour force. For the country as a whole, the number of female traders increased from about 175,000 to 221,000, while the number of male traders increased from 19,058 to 64,731 during the same period.<sup>23</sup> The decline of women's contribution to trade from 90 to 78 percent during these 11 years illustrates the trend of men's increasing involvement in this sector, in which women have traditionally predominated.<sup>24</sup>

Due to Haiti's political instability since the fall of Duvalier from power in 1986, many of the factories in the assembly export sector have closed, leaving thousands of female factory workers unemployed. It appears that many of the overseas Madam Sara come from this sector of the population.

## 1.2 Industry

Due primarily to low agricultural productivity, Haiti's domestic market is characterized by extremely limited purchasing power and market size.<sup>25</sup> As a result of the low level of domestic demand for manufactured goods, two kinds of industrialization have evolved: monopoly or oligopoly production for the Haitian market, and manufacturing assembly industries for export, lured by cheap and docile labour and generous tax incentives.

Production for the domestic market, which is often based on obsolete technologies that produce shoddy goods, includes: cement and other building materials, cooking oils, paper and printing, leather and footwear, beer, soft drinks, pasta and other food products, cigarettes, matches, soap and detergent.<sup>26</sup> Inefficiency in the government and private monopolies, combined with high import

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<sup>23</sup> Plotkin (1984:12.)

<sup>24</sup> Plotkin (1984).

<sup>25</sup> The effective market size for most products is less than that of a middle-class North American city of 50,000 persons (Weinstein and Segal, 1984:94).

<sup>26</sup> Weinstein and Segal (1984:94); Prince (1985:48).

duties, resulted in high prices, an erratic supply of goods, and the resulting contraband.<sup>27</sup>

### 1.3 Commerce

Haiti's international trade is heavily in deficit and strongly oriented towards the United States, which supplies 64 percent of all Haiti's imports and which buys 84 percent of all of Haiti's exports. The trade deficit is exacerbated by declining exports of commodities due to the slow-down of agricultural production and a decrease of productivity, as well as to increased domestic consumption of coffee and sugar due to population growth. With the rapid growth of the assembly industries during the past two decades, manufactured goods, nearly all of which went to the United States, accounted for more than half of Haiti's exports<sup>28</sup>.

Haiti imports nearly twice as much as it exports in order to feed the country and to satisfy the tastes of the urban privileged classes.<sup>29</sup> The bulk of Haiti's import bills are for petroleum and food.

In recent years, despite aid flows from the United States of America, and \$125 million in official transfers and remittances from the more than 680,000 Haitians living overseas<sup>30</sup>, capital receipts have been inadequate to cover the current account deficit and so reserves have been run down. The resulting economic instability required the adoption of an International Monetary Fund programme which has included a commitment to reduce fiscal and external deficits by cutting public expenditure and reforming the tax structure. The military government has pledged to maintain strict control over public expenditure, to dismantle many state and private monopolies, to institute tax reform, and to liberalize trade regulations. Nevertheless, the parallel currency market and many forms of fiscal fraud and contraband continue.<sup>31</sup>

Until 1986, most imports were subject to an ad valorem duty or surcharge. However, in December 1988 new regulations were announced allowing the import of manufactured goods and raw materials either duty-free or with duty payable at 10-20 percent.

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<sup>27</sup> Prince (1985:48).

<sup>28</sup> EIU (1989).

<sup>29</sup> The 1988 deficit was US\$110 million, with imports of US\$290 million outstripping exports of US\$180 million (EIU, 1989).

<sup>30</sup> Dewind and Kinley (1986:6) cited in Dupuy (1989:184).

<sup>31</sup> Americas Watch (1989:110).

Food items continued to pay duty of up to 50 percent, and quota restrictions were maintained on food and some other domestically produced goods. While all imports call for permits from the Ministry of Commerce which are valid for three months, according to the Journal du Commerce, large volumes of imports are received under expired or fraudulent permits.<sup>32</sup>

#### 1.4 The parallel market

The Haitian currency, the gourde, is fixed at a rate of US\$1 = 5 gourdes. There is no exchange control, and United States dollar notes also circulate<sup>33</sup>. However, during the past decade, Haiti's decline in export earnings has resulted in the shortage of foreign currency, which in turn has contributed to the rise of a parallel market. Currently, the official fixed rate coexists with an informal floating exchange rate, which varies from 16 to 34 percent, with the higher rates often occurring in July and December, when many Haitians travel to the United States. The fixed rate is used for official payments, while the rate is used by such economic agents as the Madam Sara who do not have access to commercial banks. It is estimated that nearly 50 percent of all commercial transactions between Haiti and other countries are carried out at the informal floating exchange rate<sup>34</sup>.

#### 1.5 The need for food imports

Due to the concentration in the capital of the nation's population and the constant influx of migrants from the rural areas, the demand for food as well as consumer manufactures there has been increasing. Because food production has not kept pace with population growth, nearly one quarter of the country's food is now imported, accounting for 20 percent of total imports<sup>35</sup>.

Although Haiti has the capacity to meet its own needs for rice, vegetables and other cereals<sup>36</sup>, the importation of cheap foodstuffs from the United States in the form of food aid and "food

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<sup>32</sup> Allen (1988a:1; 1988b:1).

<sup>33</sup> Dollar amounts used in this report refer to Haitian dollars (5 gourde = \$1.) unless United States currency is indicated by US\$.

<sup>34</sup> Beaulieu (1988:8).

<sup>35</sup> Prince (1985:33); USAID (1987:46) cited in Hooper (1987:33).

<sup>36</sup> Hooper (1987:33).

for work" has led to considerable disruption of the rural economy, since much of the food ends up in the rural and urban markets due to the perennial problem of corruption in Haiti.<sup>37</sup> The flooding of the market with free or low cost staple foods has undercut the precarious market for local produce to the point where it is reducing the incentive for the peasant to grow these crops.

#### 1.6 The open market and contraband

During the past few years, the agricultural, industrial and legitimate commercial sectors have been further undermined by massive shipments of staple foods and consumer goods that are either imported through a system of institutionalized fiscal fraud or are openly illegally imported by members of the armed forces, the commercial elite, and informal-sector small-scale traders, the Madam Sara.<sup>38</sup> While under the Duvalier regime, the smuggling of primarily luxury consumer goods, "was practiced by a few high-level government officials and some well-connected members of the Haitian business community,"<sup>39</sup> Haiti's provincial ports were more or less closed to foreign trade. The tightly controlled importation of food products protected local agricultural production and industry but at increasing cost to the consumer. However, the military government that replaced Duvalier allowed the reopening of the provincial ports on a de facto basis without formal government approval, but with the support of local military authorities<sup>40</sup>.

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<sup>37</sup> CCC (1987:5).

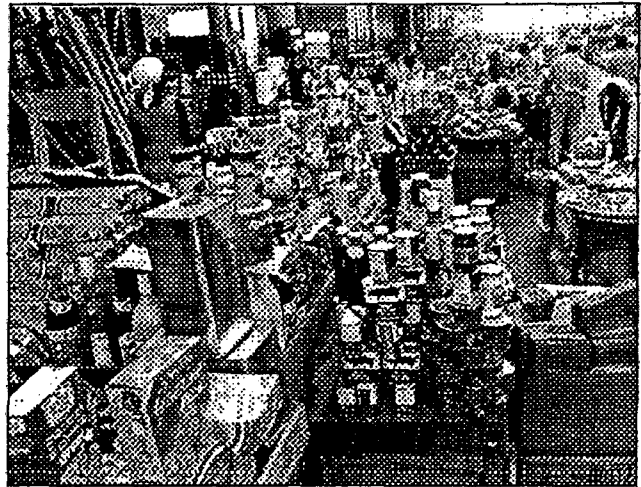
<sup>38</sup> A prominent member of the Haitian Chamber of Commerce, who was a wholesale distributor of food commodities, including those imported illegally, was careful to distinguish between fraud and contraband. Importers who practice fraud comply with various administrative and bureaucratic procedures and are often granted licenses, subsidies, and customs franchises in return for government support. However, they declare their imports at a lower value than their true value, or declare weights that are a fraction of the actual weights. In addition, they often employ fictitious names with no addresses, changing their names every few months to avoid paying various taxes and customs charges Allen (1988:1). Contraband, on the other hand, is the importation of goods outside of the formal commercial channels. Both fraud and contraband entail bribes and payoffs to various government and/or military agents and officials.

<sup>39</sup> Americas Watch (1989:110).

<sup>40</sup> Americas Watch (1989:110).

This situation has led to the "democratization" of contraband<sup>1</sup> in the form of an unrestricted flow of staple foods and consumer goods into Port-au-Prince by air, by sea, and by land (from the Dominican Republic), as well as into Haiti's provincial ports by sea. A new local economy has emerged, based on the open sale of contraband goods in the streets as well as the shops of Port-au-Prince and other towns.<sup>2</sup>

While the flow of contraband goods has had the effect of lowering the cost of certain basic products, (thereby easing economic pressure on the urban poor) and of creating tens of thousands of informal sector jobs in the capital and the port towns, it has had a disastrous effect on small Haitian farmers who cannot compete with the low-cost food imports. In addition, contraband has driven legitimate retailers and small-scale artisanal manufacturers out of business, has created new needs and tastes, and has impoverished the national treasury due to the import revenues foregone<sup>3</sup>.



*Food products brought in by Madam Sara on sale in the streets of Port-au-Prince.*

The most damaging contraband imports are of rice, flour, sugar, and cooking oil, the basic commodities in which Haiti has attempted to become self-sufficient. Other goods commonly imported include: beans, canned milk and juices, tomato paste, beer and malt, alcoholic beverages, meat, poultry, clothing, plastic shoes, detergents, soap, toothpaste, chairs, mattresses, radios, fans, bicycles, used cars, motorcycle tyres and auto parts.<sup>4</sup>

<sup>1</sup> While contraband usually refers to the illegal import of goods without the consent of government authorities, in Haiti senior government and military figures often consent to or even organize illegal imports.

<sup>2</sup> According to some estimates, contraband goods account for as much as half of all goods being sold on the street (McDermott, 1988:20).

<sup>3</sup> McDermott (1988:22).

<sup>4</sup> Americas Watch (1989:111).

An undetermined volume of contraband goods coming into Haiti is said to be purchased with funds earned in the drug traffic. The incredible construction boom in the port towns as well as in the capital, using contraband importations of cement and the growth of lottery offices in Cap Haitien over the past few years are also said to be due to the same source.

In November 1988, as a result of pressure from the industrialists and capitalists of Port-au-Prince, the Haitian government issued a decree against contraband which called for the closing of the provincial ports. The measures however precipitated protests in several port towns where these sectors of the population who benefit from the trade do not believe that an end to the trade will benefit the country, nor do they have any confidence that fiscal fraud will be stopped in the capital.<sup>45</sup>

#### 1.7 Impact of contraband on different sectors of the economy

Haiti's current economic circumstances and trade policies and the increased contraband that they have engendered have resulted in windfall profits to some large-scale importers and an increase in corruption. This situation has also resulted in the participation of non-elite sectors of the population in international illegal commerce. One result has been the creation of employment for thousands of otherwise un- or underemployed poor Haitians such as Madam Sara, street vendors, market intermediaries, stevedores, porters and vehicle drivers. At the same time, increases in cheap imports have temporarily resulted in lowered food prices for consumers. The cost of these benefits, however, has impacted on the peasant economy because producers cannot compete with the cheaper imports. Accordingly, dispossessed peasants have been migrating to the capital, where the living conditions of the poor are already marginal.<sup>46</sup>

The increase of cheap imports has had the effect of reducing the protection afforded to small-scale local (especially artisanal) industries which have suffered from the increased competition and have been forced to become more efficient, or go out of business. The open market has also posed a threat to private and government monopolies, the corrupt practices of which led to high consumer prices and thus the impetus for contraband. Several of these industries have either been closed (e.g. the edible oil refinery, SODEXAL, and the Darbonne sugar mill), or have been forced to reduce their profit margins (HASCO sugar mill). Thus, in the short run, urban consumers have benefitted from a temporary reduction in prices.

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<sup>45</sup> Dorange (1989:16).

<sup>46</sup> Dupuy (1989:191).

The increase in low-cost consumer goods has also forced shop keepers to lower their profit margins to sell contraband goods, or to close shop. In response to competition from cheap illegal imports that are sold everywhere in the streets, some shop owners have themselves begun to place orders with Madam Sara or to buy goods from street vendors in order to cover overhead costs and to make, what is for them, an acceptable margin of profit - one that maintains their relatively high standard of living.<sup>47</sup> By buying contraband goods, they have risked long-standing credit relations with "legitimate" suppliers or importers. In spite of the business they have lost due to contraband, some shop owners still realize a profit. As an electronics shop owner explained, many educated (elite) consumers continue to patronize the shops because they offer services (guarantees, reputable or authorized repair services, terms of credit) that street vendors cannot provide.

Another negative impact of the flooding of the country with low-cost imported food and goods is that a taste and demand for imported food is created where there formerly was none. For example, in January 1989 the streets of downtown Port-au-Prince were teeming with such imported food products as Kelloggs Corn Flakes, Kraft mayonnaise, Tang, Cream of Wheat, Danish Butter Cookies, Sun Maid raisins, sausages, and canned soft drinks, products that were previously sold only in the dozen or so supermarkets in Port-au-Prince and Petionville frequented by the middle-classes and the elite. These food products, some of which are of low nutritional value and are relatively costly, have become status symbols for the urban poor. Worse still, the requirements of many of the food products for refrigeration (e.g., sausages and other meat products, mayonnaise) are not respected by either vendors or customers due to lack of access to cold storage as well as to ignorance of the dangers of food poisoning due to spoilage.

Another negative impact of contraband is that the government loses revenue when importers declare only a fraction of the total value or weight of their imports, or declare nothing at all and pay bribes to airport and border customs employees. The Madam Sara are clearly not the cause of this situation, but rather they have adapted to opportunities presented by it and are themselves victims of it. The increase in their numbers and the high drop-out rate are testimony to the intense competition in this sector as well as to the lack of other economic alternatives. However, in comparison with the fraudulent trading operations of the large-scale importers, the total volume and value of goods that the Madam Sara bring into the country appears to be a mere fraction of the

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<sup>47</sup> It is alleged that owners of Versailles and Accra place orders (jewelry and perfume for the former and clothing for the latter) with Madam Sara who travel to Panama.

estimated \$100 million total value of contraband goods brought into Haiti in 1987.

#### 1.8 Sectors of the economy that benefit from trade of Madam Sara

There are several agencies, businesses and sectors in Haiti and abroad that benefit from the trading activities of the Madam Sara. In Haiti these include: money changers, moneylenders, travel agencies, airlines, vehicle importers, both owners and drivers (for taxi service and trade across the border); shop owners and thousands of street vendors and urban consumers. Beneficiaries in the host countries include: foreign banks, manufacturers, shop-owners, small hotel and restaurant owners, and shopping guides (boukon). In addition, immigration and customs officials, airport employees and military personnel in both Haiti and Dominican Republic take bribes of cash and/or goods to let the women pass the border with their merchandise. Vendors of fraudulent documents also profit handsomely from their sales of immigration stamps, commercial invoices, and visas to Madam Sara who try to pass them off as legitimate at the American Consulate in the hope of being issued a United States visa. The Haitian Government as well as foreign governments profit from the activities of the international Madam Sara by imposing taxes, expensive visas, and other fees every time they exit and/or enter the countries.

Several travel agencies in Port-au-Prince specialize in selling tickets to and obtaining passports and visas for the traders. The price of a passport obtained through an agency is relatively large: between \$100 and \$120. Although the traders could save about \$20 if they obtained these documents themselves from the appropriate government offices, they usually prefer to let the agencies provide this service for them for a fee. Many of the women are illiterate or barely literate and are intimidated by the time-consuming, bureaucratic procedures involved in obtaining these documents. In addition, many are unable or unwilling to take time off from factory jobs, retail selling, or family responsibilities. A passport is an important document for most Haitians to possess. It is a status symbol as well as a symbol of hope for a better life for oneself and children outside of Haiti.

#### 1.9 Haiti's trade relations with the Dominican Republic

Haiti's relations with the Dominican Republic have long been marked by caution and mutual suspicion. While the principal economic link between the two countries has been the annual legal and illegal supply of thousands of cane cutters to work on the



Dominican Republic's sugar plantations<sup>48</sup>, from 1971 to 1980 there was a sharp rise in legal and contraband trade between the two countries. However, in November 1983, the Haitian Government passed a measure prohibiting overland commercial exchanges with the Dominican Republic. Regardless of this measure, the lucrative trade in contraband continued across the border. The border was closed in February 1986 after Duvalier's fall, but reopened in March 1987.<sup>49</sup>

According to the Executive Director of the Dominican Republic Export Promotion Center (CEDOPEX), there is nothing inherently illegal about overland trade between the two countries. In cases where Madam Sara and other traders comply with official regulations, (i.e., deposit money in the Central Bank, and obtain export permits for the goods they take out of the country), their trade is legal. However, since most traders do not comply, their trade is "unofficial".<sup>50</sup>

Many of the manufactured goods that the Madam Sara take out of the country such as coffee, cacao, sugar, and tobacco, which may be exported by applying for permission from the appropriate agricultural export institutions, are taxable at the rate of 36 percent. Rice and beans and food aid commodities are not legally exportable to Haiti, and at certain times the export of products under Dominican subsidies (e.g., sugar, flour and flour by-products (pasta), tomato paste, and gasoline) is prohibited.

The illegal export of above-mentioned products puts a strain on the Dominican economy and while officials would like to see the trade normalized, efforts to control the illegal export of these products have had little effect on the trade. A proposal for a free trade zone, where Haitians can come to buy Dominican products legally, is presently under consideration.

From the Haitian point of view, the reopening of the border in 1987 was ostensibly for tourism and cultural exchanges but not for legal trade. A press release issued on 10 January 1989, by

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<sup>48</sup> EIU 1987 Country Profile, p. 25. From 1966 to 1971 both the Haitian and Dominican Republic Governments had an agreement which was not renewed, but both governments act as if it exists. The Haitian Government receives a payment for each migrant recruited to work in the Dominican Republic on state- and privately- owned sugar estates. The Dominicans benefit from low wages and poor working conditions, no labour organizations and no worker protection, which keeps sugar export costs down. The arrangements have proved lucrative for both governments.

<sup>49</sup> EIU (1987:25).

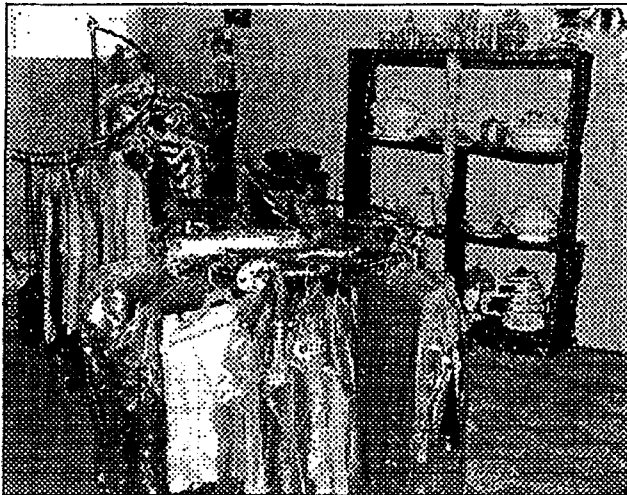
<sup>50</sup> Author's interview, May 5, 1989.

the General Administration of Customs of the Avril Government, reconfirmed that the 7 November 1983 measure prohibiting commercial exchanges by land over the Haitian-Dominican border had never been officially revoked and consequently remained in effect.<sup>1</sup> Although trade across the border is not legal, it is done openly and certain procedures have become institutionalized. Trade is tolerated by the Haitian Government because it provides essential goods, a shortage of which would create political tensions and because some influential persons are benefitting from it.

## 2. THE TRADERS

### 2.1 The phenomenon of the Madam Sara

In the present context of political and economic chaos, oppressive social relations, economic exploitation and grinding poverty, a dynamic and varied sector of women has found a niche in international commerce and has adapted to supply the growing demand in the capital and other towns for inexpensive, imported consumer goods and foodstuffs. The traders are involved in independently travelling, mostly to the Dominican Republic, Panama, Curaçao and Miami where they purchase light manufactured goods and food products and ship them back to Haiti to sell mostly in Port-au-Prince. They sell their goods either retail to consumers or wholesale to other intermediaries or shops. They sell from their homes, in the indoor and outdoor markets, outside of factories, as well as to shop owners. That these traders are able to conduct their activities with little or no formal education or business training, limited access to banks and formal credit, and virtually no government services or protection, and are willing to risk scarce savings is testimony to the dynamism and ambition of this sector as well as to the lack of more secure or profitable avenues of investment.



*Clothing, houseware and novelty items from Miami on sale in a private home. By selling merchandise in this manner, Madam Sara reduce business and administration overheads.*

<sup>1</sup> Ministère de l'Information et Coördination (1989:6).

The involvement of working and lower-middle class women in the importation and distribution of goods in Haiti is not an entirely new phenomenon, but one which has greatly expanded under the present conditions of the open market and the unrestricted flow of imports into the country.<sup>52</sup> Under the rule of the Duvaliers, the growth of an urban middle-class and a sector of low-level salaried government and private sector employees resulted in more women having disposable income to travel abroad. Those who were able to obtain United States visas, traveled once or several times a year to visit family members, to maintain visa status, as well as to buy consumer goods to bring back to Haiti to sell from their homes and offices. This trade enabled them to pay for their travelling expenses and to earn a small profit.

Another sector of women that has become involved in international trade on a part-time basis is comprised of workers in the assembly factories of Port-au-Prince and pieceworkers labouring at home. The growth of the assembly industries during the 1970s and early 1980s led to the creation of a relatively large, salaried, predominantly female labour force that appears to have turned to part-time trade as a means of supplementing meager earnings and of investing scarce savings.

## 2.2 Madam Sara as independent informal sector traders

In general, the overseas Madam Sara, as well as most small-scale Haitian entrepreneurs and internal market traders, operate in the so-called "informal sector." The formal economy is beyond their reach due to the costly fees and labyrinthine bureaucratic procedures required to officially establish themselves in trade. Many of them are illiterate, and most are unfamiliar with or intimidated by the paperwork required to obtain a commercial license.

In Haiti, as in other underdeveloped nations, the informal commercial sector is characterized by a lack of access to formal banking, credit and insurance institutions as well as to the juridical system and police protection. Most traders in this sector operate without licenses on the fringes of, or outside, the law and avoid paying taxes. Due to their ambiguous status as well as to widespread state corruption, the Madam Sara risk all their assets in every transaction, especially if the other party is more powerful than them. They also live with the constant threat of expropriation, since they lack the means of proving or protecting

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<sup>52</sup> Elite women, who own fashion, housewares and luxury item boutiques and travel to the United States or Europe several times per year, have also benefitted from the current situation of customs fraud, as can be seen in the proliferation of their shops in Petionville, a suburb of Port-au-Prince.

their ownership rights. Neither do they have recourse to a just legal system in the event that they have been cheated by customers or suppliers.<sup>53</sup>

During a group discussion with 15 small-scale traders who were members of the union-based traders organization, APECOP, several of the women revealed that the laws, regulations and requirements with which they would have to comply in order to be legitimately established business women were too costly in terms of time and scarce resources. Many of the women were not even aware of the bureaucratic requirements, no less how to go about complying with them. There was little incentive for them to either seek out information or to comply with the law, since they had no evidence or assurance that compliance would lead to any concrete benefits for them. The only system with which they were forced to comply, however reluctantly, is the system of bribes that has become more or less institutionalized, and applies to all traders regardless of whether or not they have official legitimacy.

A large-scale Madam Sara recounted that on one of her buying trips to the Dominican Republic with her cousin, although they had the necessary papers for 1,000 cases of beer that they had purchased legally, their entire cargo worth \$12,000 was confiscated at the border by Haitian customs officials who were not satisfied with the size of the bribe the women offered them. This illustrates the fact that whether or not they operate inside or outside the law, the traders risk all their assets in any and every transaction, particularly when the other party is more powerful than they are.

While the commercial activities of these Madam Sara lie outside of formal channels, many of the women nevertheless consider themselves heavily "taxed", since their operating expenses include not only the usual fees necessary to obtain passports and exit and entry visas, but routine bribes to immigration, customs, and military officials as well.

Most of the overseas Madam Sara appear to operate as independent agents and do not easily enter into partnerships with other traders. However, partnerships do exist, especially between close friends or relatives, spouses, and parents and children. In some cases, sisters or close relatives travel together by bus to the Dominican Republic to help each other through all phases of operations, sharing expenses and profits. In other cases, two women may pool their trading capital but travel separately, alternately sharing their combined capital so that each has the opportunity to travel. The advantage of this arrangement is that it allows each of the women to accumulate the requisite number of trips in her passport to obtain an American visa, whereas neither

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<sup>53</sup> International Health and Development (1989:12).

woman on her own would possess sufficient resources to travel regularly. In partnerships that exist between husband and wife, and parent and child, the man often travels and his wife or mother disposes of the merchandise in the internal market.

### 2.3 Madam Sara: A profile

Out of the 10 Madam Sara interviewed, nine had only begun to travel after Duvalier's departure in 1986, and most of them during the past two years. Nine of the women were active traders and one was temporarily on sabbatical from travelling. Six of them possessed modest sums of trading capital varying from \$300 to \$600, representing the bottom strata of the Madam Sara who travel overland to the Dominican Republic. The trading capital of the other four women (including the non-active one) ranged from \$700 to \$4,000. Three of these four women had traveled to Panama, two had been to Curaçao, and only one had been to Puerto Rico and Miami. Three of them had started their trade by either flying or traveling overland to the Dominican Republic.

Out of the 10 Madam Sara interviewed, nine were in their thirties and one was in her fifties. All were long-time residents of Port-au-Prince; although seven of them had been born in the provinces, none were recent migrants. Their academic preparation ranged from a fourth to an eleventh grade education, with four of the women having completed one or more years of secondary school. None of the women spoke more than a few basic words of any language other than Haitian Creole and some French.

Five of the 10 women lived with their mates (four with legally married husbands), while two were single, two were widowed, and one was abandoned. Of the five mates, one was also an international trader, one worked in the state hospital and was active in a local labour union, one drove a taxi, one worked in a factory, and one was unemployed. Of the four larger-scale Madam Sara three had mates who had a regular, steady source of income.



*A Madam Sara selling her stock in Petionville*

Five of the 10 women had lost factory jobs when either the firms closed or, as in the case of one woman, she was fired when her supervisor believed that her trading activities interfered with her job performance. Only three of the women claimed to have learned to trade as children and

had years of experience buying and selling in the internal marketing system before becoming international traders.

Eight of the women paid rents ranging from \$84 to \$400 per year, while two of the married women owned their own modest homes. While all the houses had electricity, none had indoor plumbing or running water. Household size ranged from 4 to 11 people, averaging 6.9. Eight of the women had at least one child living at home, with the average number of children 2.7. Nine of the ten women's households included siblings, mothers, or other adult relatives. Two of the women lived alone with either her children or her younger siblings.



*A Madam Sara at home with her children. Her commerce is the sole support of her family.*

All of the women were responsible for paying at least part of their children's school fees, which ranged from \$14 to \$94 per month. Aside from the hopes of being granted an American visa, most of the women claimed that they traveled in order to make money to pay for their children's school fees and supplies. One woman said that while her husband is responsible for paying rent, she was primarily responsible for paying for the children's education.

#### 2.4 The size of the trading population

Since most Madam Sara do not pay income taxes or apply for commercial licenses or import franchises, there are no accurate statistics on their numbers or on their volume of business.

While most Madam Sara who use commercial flights fly to Panama and Curaçao, a smaller number fly to the Dominican Republic, Miami, Venezuela, Puerto Rico, Aruba, Martinique and Guadeloupe. An undetermined number travel by bus to the Dominican Republic. Since the fall of Duvalier and the recent "democratization" of contraband, the number of Madam Sara trading with Panama and Curaçao seems to have increased significantly. The trade to Miami has declined somewhat, due to the tightening of requirements for visas and visa renewals. Since open trade across the border resumed in 1987, trade with the Dominican Republic takes place overland.

There are some indicators which permit rough estimates. Approximately 200 Haitian trucks and other vehicles cross pass the border to the Dominican Republic during three-day holiday weekends.<sup>54</sup> Since the trucks carry 25-30 passengers, the majority of whom are traders, one can estimate that there are roughly 5,000 traders on these occasions.<sup>55</sup> While the more successful full-time traders may travel from one to four times a month, the smaller, part-time traders travel less frequently.

Estimates of the Madam Sara who use the commercial airlines may be more reliable. Since 99 percent of passengers to Panama and the majority of passengers to Curaçao are traders, the total number of their trips can be obtained from airport passenger manifest lists. According to the Port-au-Prince International Airport records, in 1987 an undetermined number of different individuals flew 48,762 times to Curaçao and 57,985 times to Panama.<sup>56</sup> Since Madam Sara travel several times a year and often alternately to both countries, this indicates also that their number lies in the thousands. To determine the exact number of traders involved and the frequency of their travel would require the examination of lists of passenger's names.<sup>57</sup>

There are indications<sup>58</sup> that the proportion of male traders traveling by air has increased from 3 percent to 10 percent over the past several years. In many cases where husband and wife work together, the husband often travels and the wife is the one who goes to the airport customs house to negotiate duties and to pick

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<sup>54</sup> Author's interview on 28 January 1989 with an immigration official who has been working at the border at Malpasse since 1972.

<sup>55</sup> It is not known what the volume of traffic is across the border post at Ouanaminthe in the north of Haiti. It may be possible to obtain a more accurate perspective on the volume of overland trade by conducting surveys at the border posts and by contacting all of the agencies that arrange bus trips.

<sup>56</sup> Reported by Monique Lagro, WID/UNECLAC, from "Statistique de Trafic" reports. According to information provided to Lagro in 1987, the peak seasons for travel to Curacao appear to be in February and from September through November, and in February, April, May and September for travel to Panama.

<sup>57</sup> Another source of this information might be the ticket agencies that specialize in serving the Madam Sara.

<sup>58</sup> Author's interview, 19 January 1989.

up the merchandise, which she then disposes of in the internal market.

## 2.5 Social and economic situation of the Madam Sara

Although they occupy the lowest level agents in the hierarchy of international commercial agents, the Madam Sara represent the pinnacle of success to the tens of thousands of intermediaries trading in the internal marketing system. Most urban street vendors aspire to accumulating the requisite capital and skills to begin travelling abroad.

While the sector of international traders known as Madam Sara is characterized by diversity in terms of educational background and access to trading capital and credit, the largest segment of this sector appears to be made up of women with little formal education, small amounts of trading capital, and little access to formal credit or banking facilities. Members of the bottom strata are usually not full-time traders, but have, by necessity, other sources of income, and engage in trade as their circumstances permit.

The most poorly capitalized Madam Sara participate in two-way trade across the Haitian-Dominican border for little or no profit, as a form of savings to keep whatever little capital they have working, and to accumulate Dominican immigration stamps in the hope of one day obtaining a United States visa. Of the thousands of these small-scale traders, many possess less than \$500 in trading capital, which many of them consider the minimum necessary to invest in order to break even or make a profit. Many women borrow money at interest rates of up to 20 percent per month in order to continue trading.

Traders with larger sums of capital often commission an entire truck to carry their merchandise overland from the Dominican Republic, or else fly back to Haiti with their goods. However, after a year or two of travelling to the Dominican Republic, the more experienced and successful traders usually begin to fly to Panama and Curaçao, and less frequently to Caracas. They claim that the goods that they can buy in the duty-free zones (clothing, perfume, shoes, jewelry) yield them higher profits than the goods that they can currently buy in the Dominican Republic.



### 3. THE TRADE IN MANUFACTURED GOODS

#### 3.1 Modes of transport used and countries traded with by the Madam Sara

The Madam Sara usually travel on the same means of transport as their merchandise in an attempt to prevent loss, theft and damage. The exception in this are the Madam Sara who send their cargo back to Haiti by sea while they travel by air. Traders who are fortunate or wealthy enough to obtain a United States visa claim that one advantage to buying goods in Miami is that they can ship merchandise back by boat to one of Haiti's provincial ports, where they can avoid paying import duties. Some women also charter small ships for this purpose. The one woman in the sample who had a United States visa recently purchased used bicycles for \$40 each and paid \$5 each to have them shipped by sea in a contraband vessel to the provincial port of Miragoane, where they would be stored for her in a depot until she came to retrieve them.

According to an airport official in charge of baggage, the wealthiest traders who possess trading capital of \$50,000 or more can afford the \$8,000 to \$10,000 cost to charter an entire cargo hold of a plane to transport their goods back to Haiti.

Madam Sara who fly take regularly scheduled commercial flights. In January 1989, there were two weekly flights to Panama, leaving on Wednesday and Sunday, and four weekly flights to Curaçao leaving Tuesday, Wednesday, Friday and Sunday. In January 1989, round-trip airfares from Haiti were as follows: Dominican Republic, \$119; Puerto Rico, \$169; Curaçao, \$195; Miami, \$268; Panama, \$329; and Caracas, \$359.



*Madam Sara disembarking from a COPA flight from Panama. The baggage hold is filled with their merchandise.*

Some traders travel to several countries in just one business trip. Werleigh reported that from Curaçao some Madam Sara go from Curaçao to Aruba to buy tablecloths to sell in either Martinique or Guadeloupe. Others go to Caracas to buy jewelry, which they wear in order to avoid paying customs duties on their return to Haiti.<sup>1</sup>

<sup>1</sup> Werleigh (1985:6).

Madam Sara who fly to Panama and/or Curaçao may continue also to travel across the border to the Dominican Republic in order to liquidate goods purchased on buying trips elsewhere as well as to buy low-cost food products. Those fortunate enough to possess an American visa travel to Miami and less frequently in the last few years to Puerto Rico. Traders with United States visas usually suspend their travels elsewhere and travel exclusively to the United States in order to make as many trips as possible. In this way they improve their chances of renewing their visas or of improving their visa status.

The majority of Madam Sara who buy goods in the Dominican Republic travel overland by bus or converted truck in groups organized by commercial agencies or by a labour union-based trader's association (APECOP). The agencies hire vehicles and drivers, and send at least one organizer to travel with the traders to deal with authorities and to handle their passports. Passenger fares vary from \$50 to \$55, and include freight transport charges, but often not all loading or unloading charges. These organized trips are usually for three days, with a one- or two-night hotel stay that the traders pay for themselves.<sup>60</sup>

Overland traders with larger amounts of trading capital often hire a vehicle and driver, either alone or with one or two other traders who share the \$400 cost for a three-day trip.

A relatively successful Madam Sara who chartered a bus with her cousin for a buying trip to the Dominican Republic revealed that in recent years, since the border has been unofficially reopened to trade, travel conditions are relatively easy. When the border was "closed", the two women traveled clandestinely by boat and foot, sleeping in the underbrush, risking their health, liberty, and their lives in order to carry on their trade.

While small-scale trade between Haiti and the Dominican Republic has always existed to some degree, the openness with which it is currently carried out is a fairly recent phenomenon. The growth in intra-island trade during the past few years, by land as well as by air, has been fuelled by price differentials of certain consumer items and food products between the two countries, the devaluation of the Dominican peso and the relative strength of Haitian currency<sup>61</sup>, and the low cost of certain food products

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<sup>60</sup> See APPENDIX III for a narrative account by the author of such a trip.

<sup>61</sup> According to the Executive Director of the Dominican Republic Export Promotion Center (CEDOPEX), until 1983, the peso had parity with the United States dollar, although the parallel market was tolerated up to 20 percent. However, in 1984 the devaluation of the peso was made official. In 1987 there was again

subsidized by the Dominican Government. Recent improvements in roads<sup>62</sup>, telecommunications, banking, tourism and other contacts, the lifting of import restrictions in Haiti, border corruption, and the inability or unwillingness of either Government to police the 170 kilometer border, also facilitate the trade.

### 3.2 Airport and customs procedures

The airlines that service the Madam Sara allow them to ship from 40 to 60 pounds of goods without charge in addition to the two bags which they can carry with them onto the airplane. The women are charged for overweight at the rate of US\$1/lb., which can amount to 10 percent or more of their total purchases. To avoid paying overweight charges, Madam Sara often try to enlist the help of other passengers with little baggage.

According to an official of the Haitian American Service Company (HAMSERCO), which handles baggage for the flights from Panama, Curaçao, Venezuela and Puerto Rico, the Madam Sara receive special consideration from airport employees regarding customs regulations. Although they are officially allowed to leave the airport with only two suitcases or boxes, this is often not the case in practice. If a Madam Sara has only two or three boxes, she tends to give a small bribe which will enable her to remove them from the airport without having to pay customs duties at the customs house in another building. Those travelling with larger quantities of boxes may have to give larger bribes and/or to have personalized relationships with the employees in order to avoid having their boxes brought to the customs house for inspection. However, if the traders do not have the cash on hand to bribe the airport employees, it may well happen that their boxes are put into storage and the traders must then go through customs procedures in order to get them out. Many Madam Sara, as a result of poor planning, return to Haiti with little or no cash at hand for required purposes. One informant revealed that in some cases, Madam Sara forfeit merchandise at the customs house rather than pay what they feel are exorbitant duties.

To minimize the amount of customs duties and other costs in relation to their imported merchandise, Madam Sara employ a number of strategies. Since they are allowed to carry two bags out of the airport with them, they mix merchandise together with their

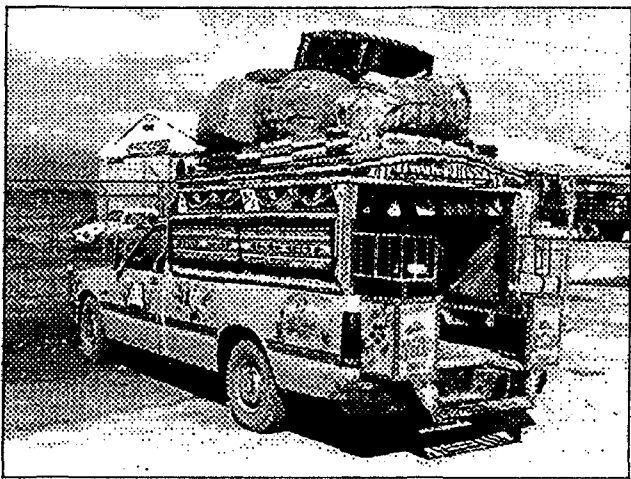
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an exchange control resulting in the floating of the peso. The rate of exchange is currently 6.35 pesos= US\$1.

<sup>62</sup> The Dominican Ambassador revealed that road-building is taking place to facilitate trade across the border and that there are plans to build an international airport on the border.

personal effects. They also have other traders carry bags through for them in return for some merchandise.

Most traders try to avoid dealing with the customs house for several reasons. Getting their merchandise out of customs is a time-consuming and frustrating process, sometimes requiring several visits. In addition, the traders can never be sure what they will have to pay to get them out, since, in the words of an airport official, "there is no structure for taxation." To make matters worse, traders reported that customs service workers often steal goods from incoming shipments and then try to resell to the traders who shipped them.



*A tap-tap loaded with merchandise retrieved from the airport customs house.*

Several women traders complained of the poor service on the COPA flight from Panama and of the poor condition of the planes. They were especially bitter about the frequent loss of their boxes or the delays in receiving them. Boxes are often not shipped on the same flight with the traders, who then have the added expense of having to make frequent trips to the airport to look for their merchandise that was shipped on a later flight. Another disadvantage of not travelling on the same flight as their merchandise is that the traders must then negotiate with the customs officials, who they claim are more greedy than the airport personnel.

The outright loss of boxes is even more of a calamity to the Madam Sara than late-arriving parcels, since insurance covers only half the value of the merchandise lost. To compensate for this policy, Madam Sara often devise claiming strategies. This is little consolation to most traders, since it often takes several months before a reimbursement cheque is issued, due to cumbersome bureaucratic procedures. Such delays can paralyze a trader's entire operation, since the rapid turnover of cash is crucial.

### 3.3 The quest for an American visa

The amount of a Madam Sara's trading capital largely determines how often and to what countries she travels as well as the quantity of goods she can buy. However, another important consideration enters into her decision-making: the quest for an American visa. Aside from her financial goals, a prime motivation for most Madam Sara to travel is the desire to improve the life

chances and social status of her children via education abroad.

Because an American visa symbolizes upward mobility, it is a form of collateral. Many Madam Sara claim that it confers privileges and material benefits as well as respect on its owners. As an example, they cite the fact that holders of American visas are likely to have more favourable credit relations in Haiti as well as with their suppliers abroad than those without a visa.

Unlike many Haitians who are reported willing to pay from \$2,000 to \$5,000 to purchase an American visa on the black market, the Madam Sara are usually unwilling to spend their hard-earned trading capital this way. Instead, they hope to acquire a visa through more legitimate means, that is, by building up credibility as a successful trader. In this way, they can continue to travel back and forth between Haiti and the United States, while earning a living, building up their trading capital, and improving their visa status so that their children can receive the right to travel with them. Their ultimate goal is to be able to send their children to a middle-class or elite school in the United States which will prepare them for high-paying employment opportunities. They see this route to class mobility as impossible in Haiti, given the present social, economic and political conditions.

According to all the Madam Sara of the sample, there were two legitimate routes to obtaining an American visa. One was to make a minimum of 12 buying trips to the Dominican Republic over a two year period. Until recently, the United States Consulate granted special visas to Puerto Rico to traders who fulfilled this requirement. After two years of travelling to Puerto Rico, a woman would then be eligible for a visa to travel to the United States mainland. The second route for Madam Sara of obtaining a visa, was to accumulate at least 17 trips to Curaçao and/or Panama as her experience and trading capital increased.

In the past year, however, fulfilling the requisite number of buying trips has not proven sufficient for being granted a visa. At one of their weekly meetings, several Madam Sara of the trader's association, APECOP, revealed their growing disappointment, frustration and anger over the repeated refusals they had recently received for their requests for an American visa at the United States Consulate. Although the women believed that the political instability of Haiti's post-Duvalier Governments was the prime cause for the change in the Consulate's policy, they resented not being told that the rules had changed or what the new rules were. They reported that when they presented their passports at the American Consulate, filled with the requisite number of entry stamps to the Dominican Republic, they were nevertheless refused a visa without explanation and were told to reapply after completing a number of additional buying trips within a given time period. The women were also angry at what they perceived as the lack of sensitivity or understanding of the harsh conditions and

constraints under which they lived and carried out their trade. They considered the requirement of the Consulate to have a savings account utterly absurd, since they view their trade as a form of savings, and would not want to tie up potential trading capital in a low-yielding account.

The eligibility requirements for obtaining an American B1 or B2 visa are presently more stringent than they were a few years ago.<sup>63</sup> In the past, traders who made 12 buying trips to the Dominican Republic, and who had 12 immigration stamps in their passports, were often eligible for a visa to Puerto Rico. But as two-thirds of the traders who were issued visas to Puerto Rico never returned to Haiti, the Consulate no longer issues these visas, which were technically not legal to begin with. Madam Sara who wish to travel to Puerto Rico must now qualify for a regular visa.

During the past few years, as more and more Haitians have been applying for visas on the basis of trading activities, a black market trade in false visas, receipts and other documents grew to the enormous profit of the document pedlars. As many of the fraudulent documents that the traders were presenting were obviously false, the American Consulate became aware of the practice and now requires more stringent proof of a bonafide trade, including credible bank passbooks, commercial invoices and immigration passport stamps as evidence that their trips are profitable or at least cover their operating expenses.

Another reason for the tightening of visa requirements has to do with the recently passed United States law against hiring undocumented workers. Many of the traders who formerly obtained five-year visas (which are no longer issued to them) would travel to the United States to work illegally until they accumulated enough money to buy merchandise and return to Haiti. Now that the Madam Sara have greater difficulty finding work in the United States, this strategy seems to be on the decline. Currently, the consulate issues only six-month or one-year visas and renews visa's less easily.

#### 3.4 Goods purchased in the Dominican Republic, Panama and Curaçao The Dominican Republic

The consumer goods that the Madam Sara purchase abroad vary by country and by season. Up until recently, traders used to purchase large quantities of sugar, tomato paste, flour, pasta, and rice in the Dominican Republic. However, after a large number of traders began to have these goods confiscated at the Dominican border, they reduced the quantities they purchased. However, in

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<sup>63</sup> Author's interview, January 19, 1989.

spite of the high risk of confiscation, traders continue to buy these items because their high selling price in Haiti yields high profits. Currently popular items purchased include beer, wine, malta, aluminum and plastic basins and housewares, laundry detergent, toilet paper, and wooden furniture. A more complete list of items purchased in the Dominican Republic appears in Table I.

Most of the small-scale traders buy their merchandise in the shops or markets of Santo Domingo with Dominican currency recently acquired with their Haitian gourdes. Only the large-scale traders, who can buy a truckload of goods, deposit United States currency in the Dominican Central Bank and apply for an export permit in the hope that their merchandise will not be confiscated at the border. The Madam Sara often pay for the services of a guide (boukon or raketè) in the Dominican Republic to take them to the stores and to help them negotiate prices. These guides are usually men, either Haitians living in the Dominican Republic or Dominicans who speak Haitian Creole. In addition to charging women a fee of about 50 pesos they are often also paid commissions by the stores. Several of the women in the sample complained that they are often cheated by these guides as well as the store owners, who take advantage of their lack of knowledge of the Spanish language and the insecurity it breeds.

Many of the traders who travel to the Dominican Republic also carry merchandise to sell to persons in the Dominican Republic as well as to resident Haitian traders.<sup>64</sup> These goods include inexpensive French perfumes from Panama, and underwear and clothing either imported from Panama or Curaçao, or assembled in the factories of the industrial free zone in Port-au-Prince. Other goods sold are mahogany wooden objects and carvings and baseballs produced in a Port-au-Prince factory for the United States market.

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<sup>64</sup> At present it is estimated that there are 200,000 Haitians in the Dominican Republic (Weinstein and Segal, 1984:113).

Table 1Prices sold goods bought in the Dominican Republic  
and sold in Port-au-Prince

Merchandise	Buy in D.R.	Sell in P-a-P	% Mark U
FAB detergent (sack)	19	20	5
MISTOLIN (case) disinfectant	11	12	8.3
Wine (case)	11	12.50	12
Beer (case)	14	16	12.5
Toilet soap (doz.)	6	7	14.3
Malt beverage (case)	8.40	10	16
MAGGI cubes (Case)	80	96	16.7
Sugar (100-lb bag)**	10	30	66.7
Tomato paste (case)**	40	80	50

Source: Prices reported by trader in Port-au-Prince,  
31 January 1989.

\* At this time Haitian gourdes were exchanged equally for Dominican pesos in the black market.

\*\* These goods are often confiscated by Dominicans at the border.

Panama and Curaçao

Madam Sara who travel to Panama purchase perfume, adult's and children's clothing and underwear, gold jewelry and shoes in the free zone of Colon. Some women go to Curaçao to sell wooden sculptures, rum and palm oil that they bring with them from Haiti and purchase tee-shirts, jeans and bed-sheets, as well as housewares such as wall clocks.

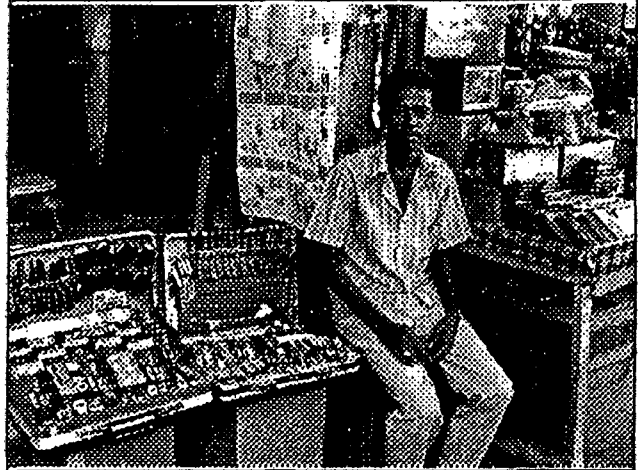
In the shops and factories of Puerto Rico, one of the traders interviewed purchased such items as hair straightener, soap, shoes, bed sheets, towels and curtains. On her travels to Miami she bought bicycles and purchased shoes from New York.

Madam Sara usually have a good idea of what they will buy on any given trip, as many do research in the street markets asking market vendors what is selling well and at what price. They usually buy a variety of items, mixing fast-selling items that have low profit margins with higher-yielding, more expensive, but



slower-selling items. When they can, they try to buy their stocks of goods at the lowest possible prices from warehouses or factories that liquidate their goods at the end of the season. Madam Sara also take orders from shop-owners as well as from other intermediaries and customers, especially when they can get cash advances.

Much of the merchandise that comes from Panama and Curaçao winds up in the street market in Port-au-Prince called mache kuwaso (Curaçao market) or the covered market a few blocks away called mache tèt bèf (cow's head market). Either the traders themselves sell their goods there and pay a stall tax, or they sell to others who do.



### 3.5 Sources of trading capital

Bank loans are not readily available to Madam Sara or other small businesswomen because the high collateral and other requirements (e.g., a title to land, a house, or other property), make it difficult for most of them to qualify. Banks are also unwilling to lend to these women because the relatively small amounts that the women request do not justify the high administrative costs of disbursing and monitoring the loans. The banks also operate under the misconception that women are particularly high credit risks. Another barrier to the use of formal credit by Madam Sara is the lengthy processing time required by formal institutions, whereas short-term working capital loans represent the major portion of their credit needs.

*A male street vendor on the main street in downtown Port-au-Prince. While most street vendors are women, men specialize in selling watches, cassettes and small appliances.*

Informal credit and a rapid circulation of money replace bank loans and credit facilities which are limited for most Madam Sara. Loans from family and friends are generally flexible and often carry no interest. Moneylenders and pawnshops are major sources of finance for recurring expenditures. They offer short-term loans which are flexible in terms of timing but with interest rates varying between 40 and 240 percent per year. These loans which are commonly between \$50 and \$300, are generally of short duration, ranging from one month to one year, and rarely require collateral.

To amass the resources necessary to enter into or to carry on trade, the 10 women traders of the sample called on a variety of resources. They solicited gifts of cash from family or spouses; took interest-free or relatively low-interest loans from family, friends, or employers; accumulated savings from factory jobs; took high-interest short-term loans from moneylenders; and took low-interest loans from the Fonds Haitien d'Aide à la Femme (FHAF), the only credit organization in Haiti that specializes in serving low-income small businesswomen and market vendors.

Much of the trading capital of the Madam Sara comes from personal savings and gifts or interest-free loans from friends and relatives. Three women claimed that they received gifts of cash from relatives: one from a husband (\$100), one from a father (\$200), and another from an uncle (\$500). Eight of the women of the sample claimed that at least part of their start-up capital came from savings. The woman in the sample in possession of a United States visa and who travelled to Miami was able to save a substantial amount of money during the four years that she worked in a television parts assembly plant. She claimed that she was earning \$7 per day by the time the factory closed in 1978. This was a relatively high wage considering the minimum wage is \$3 per day.

On her last trip to Miami one of the women borrowed \$500 from a friend at an interest rate of four percent per month in order to buy used bicycles to send back to Haiti by boat. Only the trader who recently was fired from her factory job claimed to borrow money at 20 percent per month. This same trader also received gifts of cash and food from her mother in the provinces in order to feed and pay school fees for her four siblings who lived with her.

Those who managed to keep their factory jobs sold their goods mostly on credit to other assembly workers outside the factory during lunch breaks and after work. While the traders usually expected payment after two weeks, they often had to wait longer, as contingency expenses often prevented customers from paying on time.

Informal savings groups of factory workers provided start-up trading capital for two of the women. In these groups, each of twelve members contributed \$25 every two weeks. Each member then received a turn to receive \$300, once every six months. Out of the 10 women, three did embroidery piecework either at home or in a factory and earned from \$2.25 to \$4 per day.

Two of the better capitalized women of the 10 were fortunate to have had the opportunity to borrow money from a formal

institution, FHAF, at a commercial rate of interest<sup>65</sup>. While both women ostensibly borrowed money to expand their internal market trade, one began her career as a Madam Sara by travelling to the Dominican Republic not long after she received her loan cheque for \$1,000 in 1986. Since she started travelling, she has made 10 trips to the Dominican Republic and two to Panama, and has also maintained her successful street trade of 11 years selling food products. The other woman claimed that she had stopped travelling in 1986, after having made only three trips to Panama and one trip to Curaçao, because most of her clients left Haiti with Duvalier. She presently buys fabric in Port-au-Prince and sells from her home as well as in the streets of one of the city's middle-class residential neighbourhoods.



*FHAF loan recipient with goods that she purchased on credit from a Madam Sara.*

Airport officials and airline ticket vendors who are familiar with the large-scale Madam Sara and their business operations, revealed that some of the more successful women have established credit of tens of thousands of dollars with their overseas suppliers. Traders of this scale often also have several sources of capital in order to buy in large volume and to realize high profits. They may even charter a plane or boat to transport their goods.

Some travel agencies that cater to the Madam Sara offer airline tickets on credit to reliable customers at an interest rate of 2 percent per month. The women usually pay after they have sold their merchandise.

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<sup>65</sup> Both women have repaid their first FHAF loans and contemplate taking a second loan.

### 3.6 Institutional sources of credit for small businesswomen



*One of the six training sessions that all FHAF applicants must attend. These sessions provide necessary skills and information to low-income women to improve their businesses. Madam Sara are among the beneficiaries.*

During the past decade, formal credit has been made available to small-scale entrepreneurs in Port-au-Prince through several non-profit organizations. Notable among these is the Fonds Haïtien d'Aide à la Femme (FHAF), which has been providing credit and managerial assistance to low-income businesswomen through the provision of commercial credit and management assistance since 1982. FHAF originally operated as a loan guarantee program based on the Women's World Banking model, in which a capital fund is used to guarantee commercial bank loans to women entrepreneurs. Since that agreement has expired, FHAF now operates a direct loan program where it makes direct

loans to women from funds it borrowed from the Inter-American Development Bank (\$250,000 at 1 percent interest) and the Haitian Development Foundation (HDF) (\$100,000 at 10 percent interest), and received as a grant from the European Economic Community (\$75,000). Since FHAF has been in existence it has served a total of 539 women living in the metropolitan area.

To be eligible for a loan from FHAF women need to have at least three years of experience in business or trade. Loans range from \$150 to \$1,000 and are usually of a 10-month duration. Interest rates are the same as commercial bank loans, 18 percent with a 1 percent surcharge. While no collateral is required as a guarantee, borrowers are required to have cosigners. A detailed evaluation of each applicant's business is done before approval for a loan is granted.

Loan applicants are required to attend a six-week training course that is held for two hours on six consecutive Sunday afternoons. The sessions were focused on the particular problems related to women market vendors. The sessions incorporate non-traditional learning/teaching methods aimed at an illiterate clientele and adapted to the Haitian culture. The author attended one such session given on the theme "Why do we trade?" Group theatre and role-playing was used to stimulate discussion which was channelled by a trainer into examining ways in which problems could be resolved through sound business management.

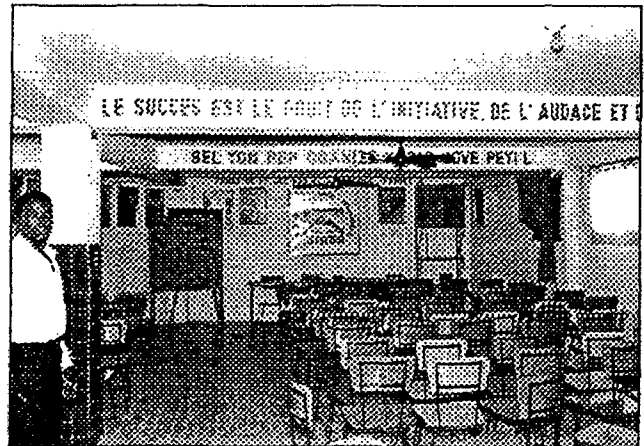
Interviews with representatives of FHAF revealed that loans are not granted to Madam Sara for their overseas trading operations because they are considered poor credit risks. They can, however, get a loan for internal market trade activities. FHAF is not willing to make loans to women who may use the money to purchase American visas or false documents to attain legal visas or who are likely to emigrate to the United States and default on their loans. FHAF is willing to finance only small businesses or trading activities that benefit the Haitian economy as a whole. Since FHAF considers the trade of the overseas Madam Sara as a form of contraband that encourages capital flight and undermines local industry and agriculture, it does not make loans to women for these activities.

Since FHAF has been making loans to women, it has a repayment rate of 87 percent, which disproves the belief of the banks that women are poor credit risks.

While FHAF provides individual women working in the non-formal economy with access to credit at reasonable market rates, the organization does nothing to foster group investment or co-operative enterprises. It thus perpetuates an individualistic capitalistic ideology based on competition and not co-operation.

### 3.7 Association of traders

There is only one traders association in Port-au-Prince known to this author: the Association of Small Traders of Port-au-Prince (APECOP) which is affiliated with CATH-CLAT a conservative, Christian-oriented labor union. This association, which was formed in 1986, presently lacks leadership from among the Madam Sara themselves. It is headed by a young, male president, who seems to lack an awareness of the problems of the Madam Sara.



*President of the union-based traders' association (APECOP) at union headquarters.*

At the present, APECOP provides no services other than organizing monthly buying trips to Santo Domingo.<sup>1</sup> As members of CATH/CLAT, Madam Sara also have access to the union's savings fund (caisse populaire), low cost health clinic and dispensary, and

<sup>1</sup> See Appendix III for an account of such a trip.

cafeteria. While APECOP had plans to open a community store to sell low-cost food and consumer goods, the project was never undertaken due to "political problems."

The major problems that the members-traders expressed, were related to their trade and included the high costs of using informal-market credit and of buying United States currency on the black market, their disappointment and anger at being refused visas at the United States Consulate, and the abuse that they suffer at the hands of the Dominican border officials and shopping guides. They seemed to take the other constraints and obstacles to their trade, including the poor leadership, for granted.

Because of their precarious status, and the lack of police protection, Madam Sara are often subject to numerous abuses and arbitrary violence both in Haiti and abroad by criminal elements including police, military and customs officials. The APECOP president and secretary have been vocal in condemning these abuses and in defending the rights of the Madam Sara, both through press releases in the Haitian newspapers and in a letter sent to President Balaguer of the Dominican Republic. In this letter, the APECOP leadership requested: remuneration to Madam Sara for merchandise that was unjustly taken by Dominican authorities at border posts, the protection, security and safe passage of the traders and their merchandise at the Dominican border, and of the revocation and judgement of the Dominican authorities who were responsible for the abuses.

In spite of the fact that they claim to be public advocates for the interests of the Madam Sara, it appears that the APECOP organizers have found a profitable way to exploit the Madam Sara, since they charge the same fares as the commercial agencies for buying trips to the Dominican Republic, provide the same service, and reap the same profits. One of the union organizers itemized the expenses of this trip which were ostensibly paid for by APECOP out of the receipts of the traders \$50 fares (see table 2).

Table 2

Itemized expenses of APECOP organizers for a trip  
to Santo Domingo from January 27-29, 1989

The fare of the truck and driver	400
The exit (\$19) and entry visas (\$27)* and the hotel charges (\$4) for the 6 organizers.	300
Twice for the Malpasse Haitian immigration and customs officials for working (\$20) and after 1:00 p.m.: \$40.	
To load the truck with goods in Santo Domingo	30
To customs inspector at Duverger	12
To immigration official at Jimani	4
To a guide who took the APECOP organizer through the maze of paperwork at the Port-au-Prince customs office.	5
To buy the necessary official customs forms	6
Bribes to customs bureaucrats to do their paperwork	5
Customs duties paid to the State	13
TOTAL	\$ 815

Source: Reported by Secretary of the Association of Small Traders (APECOP).

\* This includes the US\$12 entry visa, the US\$ 10 tax paid at the border, and the cost of purchasing United States currency at a rate of 22 percent.

It was not clear however, whether all these expenses which totaled \$815 were indeed paid out of cash receipts, and not out of additional monies solicited from the women above and beyond their \$50 fares. Because the traders were carrying a relatively large quantity of goods to sell in the Dominican Republic, an additional \$25 was solicited from them by the organizers to pay for bribes to Dominican customs officials and soldiers along the road. This amount was in addition to the bribes that individual women gave the Dominican customs officials while their bags were being checked. According to the organizers, 14 of the passengers had paid their fares the day of the trip, and another eight promised to pay one or two weeks later. Thus, while the receipts collected were only \$700, total receipts of all 22 paying passengers would be \$1,100.

The only advantage that the APECOP-organized trips offered the traders over a commercial agency was the hope of better treatment due to their union affiliation. However, because the organization provides a physical space for the women to have weekly meetings in which to discuss their problems and to share their

solutions, the potential exists for increased class and gender consciousness and for an autonomous organization of Madam Sara to evolve.

#### 4. EXPENDITURES AND REVENUES OF THE TRADE

##### 4.1 Introduction

In an attempt to assure themselves of some measure of security and to minimize their operating costs, most women attempt to establish personalized relationships with all the people who have power over them in terms of their trading activities or with whom they have business relations. Such people range from the travel agent who sells them tickets on credit and who may help them fill out visa applications or intervene on their behalf at the American Consulate, to the airport customs officials who may let them leave the airport with an extra parcel or two without paying "duties". The efforts of some traders to minimize their operating expenses do not preclude the exchange of sexual services for some advantage.

Because many of the women are barely literate and are not familiar with modern accounting procedures, they are rarely able to calculate the net profit of any particular buying trip. Those who do keep note of their expenses often neglect to record all of their costs or all their income. This is due to the fact that many traders employ a variety of strategies for disposing of goods, each entailing different time frames and rates of return. In addition, some traders also conduct retail trade in the markets of Port-au-Prince with goods that they purchase in the city from other traders.

##### 4.2 Costs of trading with the Dominican Republic

The initial cash outlay necessary to begin to carry out overland trade with the Dominican Republic is relatively high, due to the initial cost of obtaining a passport and to various expenses required for each trip: the purchase of United States currency, exit and entry visas, export permit (in some cases), transport fares for the truck and for taxis, hotel charges, taxi fares, food, truck loading and unloading charges, guide (boukon) fees, and bribes to border and customs officials and soldiers on both sides of the border, and most recently, additional customs duties at the Port-au-Prince customs house.

The estimated minimum cost per traveller for the first trip was \$269.88 and included the aforementioned expenses (see Table 3 for itemization of the expenses). Recurrent expenses on subsequent trips was a minimum of \$126, deducting \$100 for the cost of the passport, \$30 for the visa request fee, and \$2 for the visa of the Dominican Republic.



Both the Haitian and the Dominican Republic Governments treat the trade as a business by collecting taxes, expensive visas and other fees from those exiting Haiti and entering the Dominican Republic. Haitians are required to buy an exit visa for \$19 every time they leave Haiti. The Dominican Republic requires traders to purchase an entry visa with United States currency each time they enter the country. The first visa must be requested via telegraph, a service which costs the traveller US\$30. The first visa itself costs an additional US\$14, while subsequent visas cost \$12 each. At the border posts at Jimani and Dajabon, traders as well as other travellers are further taxed an additional US\$10 by immigration officials of the Dominican Republic. In addition to the official fees and charges, both customs and immigration officials and soldiers at the Haitian and Dominican Republic border posts, as well as Dominican Republic soldiers at check points along the road, exact payoffs from the buying trip organizers as well as from individual traders. Although the amount of money exacted by officials and soldiers is arbitrary, the system of bribes is standard procedure. Thus, trade over the border is highly speculative. Due to the ambiguous legal status of their trade, the traders risk having some or all of their merchandise confiscated both in Haiti and the Dominican Republic at the whim of the customs officials and the military personnel on duty. In addition, Madam Sara have been beaten and raped at the border, while others allegedly, proffer sexual services in lieu of cash bribes.

Table 3

Itemized expenses of a Madam Sara's first buying trip to Santo Domingo in January 1989 in Haitian dollars

Passport solicited through an agency	(100-120)
Haitian exit visa (laisser passer)	19
Telecommunications charge for first Dominican entry visa request	30*
Entry visa for first visa to Dominican Republic, US\$12 for subsequent visas (visa good for one visit)	14*
Tax paid to Dominican immigration at the border	10*
Premium paid to purchase US\$44 of above fees on black market	(9-14)
Transport fare (for passenger and freight)	50
Hotel rates per day/night	(3-4)
Food expenses per day	(3-6)
Fee for services of a guide ( <u>boukon</u> )	10
Taxi fare to transport goods from stores in Santo Domingo to hotel	(3-6)
Disembarkment fee in Port-au-Prince	(1-6)
Taxi fare to return home with merchandise in Port-au-Prince	(6-10)
US\$ Purchasing Cost	11.88
TOTAL	\$ 269.88

Source: Reported by members of APECOP during a weekly meeting, 1989.

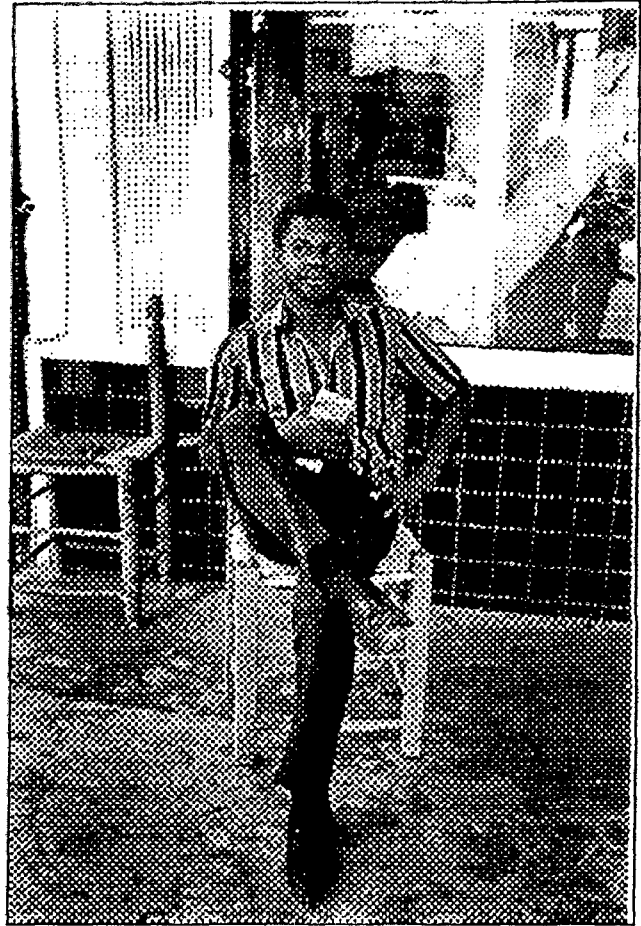
- \* The items identified with an asterisk require payment in United States currency which has to be purchased at a premium of 22 percent on the parallel market.

The Madam Sara buy American dollars on the street from male money changers who claim to resell the dollars for only 1 percent more than they buy them. The rates vary according to the shortage of dollars in the country. In December, some women claimed to pay up to 34 percent for dollars. In mid-January the rate had dropped down to 22 percent but began to climb again.

Like other exporters, Madam Sara require an export permit in order to legally pass the Dominican border into Haiti with Dominican goods. To obtain this permit, the women are required to deposit United States dollars in a Dominican bank up to the amount that they wish to purchase goods. When they receive certification from the Central Bank, a B-4 form is issued, which is then used in lieu of cash to purchase goods. After making their purchases, they

must bring the B-4 form and their commercial invoices to the CEDOPEX office in Santo Domingo to be issued an export permit.<sup>1</sup>

While the cost of the export permit is nominal, the cost in time and extra expense makes the purchase of the permit prohibitive to many Madam Sara. It often takes up to four days to get the bank certification and the export permit. Thus, the women who obtain export permits are obliged to spend additional cash on hotels and food. As most of the women who travel in agency-organized groups do not buy large enough quantities of goods to justify the time and expense of obtaining an export permit, they take their chances without one at the Dominican Republic border. Another reason for not applying for permits is that the organized trips are for three and not four days. Madam Sara who are left behind have the additional expense and difficulty of finding return transportation to Haiti with their goods. Thus, only the large scale traders who buy a truckload of goods apply for the permits in an attempt to facilitate passage at the border with Haiti.



*One of the many money-changers in downtown Port-au-Prince. Madam Sara buy their United States dollars from them in order to travel.*

#### 4.3 Profits of trading overland with the Dominican Republic

The profits of Madam Sara who purchase goods in Santo Domingo vary depending on the quantities and the markup value of goods purchased, the strength of Haitian currency in relation to the peso and the luck of the women at the border.

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<sup>1</sup> Author's interview with Executive Director of the Dominican Republic Export Promotion Center (CEDOPEX), 5 May 1989, New York.

For the most part, traders who travel on organized group trips usually have less than \$1,000 of trading capital to invest. In order to recoup their trading capital plus their overhead and travelling expenses for one trip (\$126), they would have to invest at least \$500 since gross profit margins for the items they buy are relatively low, varying between 5 and 67 percent.<sup>68</sup> While the amount of cash invested by the women of the sample on their last buying trip ranged from \$160 to \$900, the most common amounts were \$300 and \$500. Considering that each woman on a truck of 25 Madam Sara can only bring back a relatively small volume of goods due to limitations of space, it is difficult to understand how most of them make a profit or even break even.

In many cases, the profit margins of the small-scale traders appear to be lower than those of some Madam Sara who do not travel, but who sell imported food in the markets and streets of Port-au-Prince. The evaluator of the Fonds Haitien d'Aide à la Femme (FHAF), who assesses loan candidates' monthly expenses and receipts, reported<sup>69</sup> that, because of the high mark-up value of imported food products, internal market street vendors who invest \$500 buying at wholesale prices (and have \$120 monthly expenses,) can often sell the goods retail for \$840 a month. Thus, their net profit is \$100 a month, a margin of 26 percent. As can be seen in Table 3 profit margins range from 10 to 55 percent.

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<sup>68</sup> See Table 1. While gross profit margins vary from 5 to 67 percent, depending on the merchandise, the higher rates are for food items (sugar and tomato paste) that carry the highest risk of being confiscated at the border by Dominican authorities.

<sup>69</sup> Author's interview, January 16, 1989.

Table 4

March 1988 Wholesale and Retail Selling Prices  
of Imported Foods in Port-au-Prince in Haitian dollars

Item (Case)	# units/ case	PP/ case	SP/unit	% Profit
Corn Flakes	10	30	4	25
Non-fat milk	12 dz	12	1.40	28
Vegetable oil	6	20	4.50	26
Accent seasoning	3	4	3	55
Canned butter	4	(8-10)	(16-18)	47
Sobrino (chocolate powder)	1 dz	13	2	40
Luncheon meat	24	21	1.20	27
Alaska dry milk	6	43	8	10

Source: FHAF file of one of the loan recipients in the sample.

In spite of the many costs and risks that this trade entails, as well as the many constraints to it (e.g., increases in premiums paid for United States dollars in the parallel market, lack of insurance for merchandise, high interest loans, intense competition among traders, low profit margins, confiscation of goods, and bribes), thousands of small scale traders continue to travel for little or no profit, while many continue to trade at a loss, or so it appears, considering their meagre investments and their high overhead costs. The traders whom I interviewed claimed that there were no sources of productive investment other than external trade available to them, since competition among street vendors was already intense in the internal market. They claimed that this trade was nevertheless valuable to them because they were at least accumulating immigration stamps in their passports, which would hopefully permit them to someday obtain a visa to the United States.

Madam Sara with larger sums of trading capital can potentially realize substantial profits. However, they often also incur heavy losses. In an effort to protect their investments of relatively large sums, the larger-scale traders often obtain an export permit from the CEDOPEX office. However, as was already mentioned, compliance with these formalities does not always guarantee the safe passage of goods from one country to the other.

#### 4.4 Case 1: A Madam Sara trading overland with the Dominican Republic

Madelaine<sup>70</sup> seems to be typical of the larger-scale traders who engage in two-way trade across the border. She is from a lower middle-class background, has 12 years of schooling, and is divorced with five children of whom her husband has custody. Prior to beginning her trade across the border one year ago, she earned a salary as a supervisor for Mission Alpha, the now-defunct church-supported literacy program that was closed down by the military government. She was already mentioned as the woman who had \$12,000 worth of Dominican beer confiscated by Haitian customs agents in spite of her possession of an export permit. This confiscation came after she paid \$10 to Dominican soldiers at each of the three checkpoints, and \$40 to soldiers at the Duverger inspection station to unload and reload the truck.

On another trip, in which she shared transportation costs with four other women, she had hoped to sell seven dozen bottles of perfume worth \$1,000 as well as women's underwear that she bought in Port-au-Prince. As is typical, the women divided up their merchandise and distributed parcels among each other, to make it appear to the Dominican customs authorities that each had only a small quantity of any particular item. However, when they arrived at the border police station, she was not permitted to transport the perfume to the capital, in spite of the fact that Madelaine was given an official form at the Dominican border permitting her to carry it. She was forced to leave the perfume at the station until she returned a few days later although she gave the officer in charge two bottles of perfume.

Madelaine complained about the lack of security in the Dominican hotels where she usually stayed for \$4 a night. She claimed that on one occasion a Dominican Republic police officer forced his way into her hotel room and threatened to confiscate the merchandise that she brought from Haiti, unless she paid him off. She believed that the hotel clerks or owners often conspire with the police and with other criminal elements in order to steal from the Haitian traders.

In spite of the high risks and her many losses, she claimed that her trade is often quite profitable: by travelling two or three times a month she can sometimes earn up to \$600-700 per month. Since she had no other source of income, she intended to continue to trade across the border. However, according to the information that she provided for her last buying trip, her net profit was less than two percent. On her last trip to the

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<sup>70</sup> Interview with a trader who was a member of Solidarite fanm (SOFA), January 31, 1989.

Dominican Republic, she travelled with a friend with whom she shared the cost (\$400) of renting her cousin's truck. She bought: 100 cases of beer at \$14 each, 100 cases of wine at \$11 each, and sold them for \$16 each, \$12.50 each, respectively. Since she bought for a total of \$2,500 and sold for \$2,850, she grossed \$350 on this one trip. However, after expenses, (visas, \$47; transport charges, \$200; hotel and food costs \$24; bribes \$35; and loading and unloading charges), her net profit is less than \$40.<sup>71</sup> On the other hand, her cousin who owns the truck buys 100 cases of Maggi cubes for \$80 each and sells them for \$96 each, making a gross profit of \$1,600 on each trip.

#### 4.5 The costs and profits of Madam Sara trading overseas

Madam Sara who travel by air to Panama, Curaçao, and elsewhere have considerably larger overhead expenses than those who travel overland to the Dominican Republic. Such expenses include: airline tickets, airport taxes, exit visas, entry visas, expensive hotel rates, packing and shipping charges, air freight, overweight charges, airport tax, customs duties, bribes and taxi fares (see Table 5).

In order to recoup their trading capital and these expenses, they have to invest relatively large sums in the purchase of goods. The traders of the sample agreed that \$1,000 was the minimum amount of trading capital necessary to have a reasonably profitable trade and that \$3,000 was optimal.

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<sup>71</sup> The price of export permits are not included in the calculations as they were not known by the author.

Table 5

Itemized expenses of a Madam Sara's buying trip  
to Panama from 15-18 January 1989,  
reported by Mme. Ulrick

Airline ticket to Panama	326
Airport Tax	15
Haitian exit visa	15
Customs charges, bribes, fees	130
Taxi from airport to home	15
Entry visa to Panama	10*
Taxis to hotel and airport	10*
Hotel* (3 days @ \$21 day)	63
Food* (3 days @ \$4)	12
Round-trip bus to Colon	6*
Packing charges* (2 boxes @ \$4)	8
Transport to airport (2 boxes @ \$8.)	16*
Air freight overweight charges	414*
Airport tax from Panama	15*
US\$ Purchasing Costs	122
TOTAL	\$1177

\* The items identified with an asterisk require payment in United States currency which has to be purchased at a premium of 22 percent on the parallel market.

#### 4.6 Case 2: A Madam Sara trading overseas with Panama

On her latest buying trip to Panama, the widowed Mme. Ulrick, incurred travel and overhead expenses of \$1,177. As she purchased goods for an equivalent of \$3,753, her total expenditure was \$4,930. Her overhead costs constituted 24 percent of her total expenditures for this trip. The largest single overhead expense was the buying of the United States currency in the black market. If she were able to sell her merchandise for a total of \$6,146 as she had hoped, she would have had a net profit of \$1,216 on this trip, a profit of 19.7 percent.



Table 6

Purchase price (PP) of merchandise  
and expected selling price (SP)

Item	Quantity	PP	SP	% Markup
Cafe (Perfume)	10 doz.	\$360	500	28
Women's underwear	100 doz.	383	600	36.2
Boys shirts	12 doz.	251	480	47.7
Boys shirts	30 doz.	771	1,650	53.3
Plastic sandals	60 doz.	903	2,100	57
T shirts	6 doz.	120	240	50
shirts	12 doz.	288	576	50
US\$ Purchasing Costs		677		
	TOTAL	\$3,753	\$6,146	

Source: Calculated by author from interview and examination of Mme Ulrick's commercial invoices.

The transactions performed by Mme. Ulrick are very complex.<sup>84</sup> During the two years that she has been travelling, she has made 10 buying trips to the Dominican Republic and recently two to Panama. She decided to travel to Panama because she could no longer find the low-cost high-yield merchandise (e.g., shoes) that she used to buy in the Dominican Republic. In addition to her international trade, she has been selling imported food products on a street in Port-au-Prince for the past 11 years.



*A Madam Sara at home displaying children's clothes and shoes that she purchased in Panama.*

<sup>84</sup> In 1986 she was the beneficiary of a FIAF-guaranteed loan of \$1,000 which she ostensibly borrowed to finance her retail trade of food products on a busy street of Port-au-Prince.

Because she had unliquidated stock from her last buying trip to Panama stored in cartons in her house, she was planning a trip to the Dominican Republic where she hoped to sell it. In order to minimize the amount she would have to pay for bribes in cash or merchandise at the border, she planned to divide her stock into small parcels and distribute them to other traders to carry for her. To dispose of the merchandise that she had just purchased in Panama she planned to sell wholesale to other intermediaries either for cash or on credit. In the typical credit arrangement, she sells the merchandise at a slightly higher price than she would in a cash sale, and receives payment after two weeks.

#### 5. PROBLEMS OF THE MADAM SARA

Many of the problems of the Madam Sara are related to their ambiguous legal status as traders, and to the resultant lack of security it engenders, given the present conditions of widespread corruption in both private and government sectors and a political ambiance of arbitrary violence and repression. Even if formal legal status for the Madam Sara were made mandatory, and their access to the "formal economy" were facilitated, it is unlikely that the abuses they suffer (at the hands of customs officials, airlines, military personnel, etc.) in Haiti and abroad would cease without a radical change in the government's political and economic policies.

Aside from their problems related to lack of security and protection, the major problem of the Madam Sara is their limited access to capital and credit either for beginning their trading ventures, for on-going investment expenditures, or for expanding their trading activities. In addition, these women commonly lack skills in literacy and mathematics as well as in financial management and marketing. Thus, many maintain no accounting or other internal control systems.

In addition to these problems, most Madam Sara lack foreign language skills and knowledge of what is considered appropriate behavior in the countries to which they travel. This exacerbates culture shock and makes them vulnerable to ridicule and abuse abroad. Other problems they face include inadequate child care arrangements while they are traveling.

The problems faced by Madam Sara's may be listed as follows:

(a) Extremely limited access to commercial credit institutions for starting trade, for recurrent expenses, or for expansion of trade.

(b) Difficulty obtaining United States visas.

(c) The high premiums paid for United States currency in the parallel market considerably reduces the Madam Sara's spending power abroad.

(d) Lack of personal security: violence committed against them in the Dominican Republic and in Panama.

(e) Loss of merchandise:

- (i) cheated by stores and guides;
- (ii) confiscated by customs workers; and
- (iii) "lost" by airline

(f) High cost of bribes and customs duties.

(g) Lack of education and business training as well as governmental services.

## 6. CONCLUSIONS AND RECOMMENDATIONS

### 6.1 Conclusions

Due to the continual decline of agriculture and the number of jobs in the industrial sector, intense competition in the internal marketing systems, and the lack of other economic alternatives, the numbers of Madam Sara who become involved in overseas trade is likely to increase. While competition will lead to higher drop-out rates among the poorly capitalized traders, this sector will persist unless the present government takes steps to strictly enforce anti-contraband measures. If enforced, the government decree against contraband issued on 10 January 1989 will negatively affect not only the traders who ship their goods by boat from Miami, but also those who travel overland to the Dominican Republic and who fly on commercial flights. However, it is too soon to say whether the government will take serious measures to tighten customs procedures and if so, how this would affect the profit margins of the traders and thus the numbers who would be willing and able to engage in this trade.

While the Madam Sara do not constitute the most disadvantaged sector of urban women, they do comprise one of the most dynamic and resourceful sectors of Haiti's informal economy. Because of this fact, any technical or financial assistance made available to them should be focused on how their resources could be better channelled into activities that would not only be profitable to them, but would avoid reproducing the exploitative system in which they operate.

## 6.2 Recommendations

1. In light of the extreme shortage of employment opportunities for urban as well as rural Haitian women, there is a need to attempt to increase such opportunities.
2. Women's access to basic education and to vocational and technical training should be increased.
3. Urban as well as rural women should be encouraged and assisted to establish both producer's and traders' co-operatives and small businesses through group formation and collaboration, including the provision of savings and loan facilities.
4. Efforts should be made to encourage the formation of autonomous women's associations so that women can discuss their problems and find their own solutions.
5. Support should be given if requested to the various women's associations that already exist, e.g. (SOFA, KAY FANM) for activities related to enhancing the awareness of women, literacy and occupational training.
6. Support should be given to credit facilities such as FHAF in order to improve their outreach capabilities for loans to small businesswomen as well as for the provision of business management training. They should provide information training to help women become aware of how they can better invest their capital either as individuals or in cooperative ventures.
7. Support should be given to non-governmental organizations that provide services and training to women including foreign language workshops in which traders could learn English and Spanish technical terms and vocabulary related to their practical needs as traders and foreigners abroad and training in how to behave abroad in order to decrease the likelihood of ridicule, discrimination and abuse.
8. Airlines serving the Madam Sara should be encouraged to take measures to protect the property (baggage) of their passengers and to respect their needs for the timely shipment of their parcels as well as speedy reimbursements in the event of loss of baggage.
9. Trade across the Haitian-Dominican border should be given full official and legal status, and regulations and restrictions for imports and exports should be publicized by the Haitian media.
10. The systems of bribes taken by both Haitian and Dominican government employees at the border should be stopped.

11. The persons and property of the Madam Sara should be respected and protected by government officials and military personnel on both sides of the border.
12. Madam Sara should be provided with information regarding the eligibility requirements for obtaining United States visas. This should be done to discourage traders who continue to trade at a loss merely to accumulate immigration stamps in their passports.
13. Madam Sara should be encouraged and assisted to explore new avenues within Haiti to invest their capital as well as their enormous energy, creativity and vitality both collectively as well as individually.

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## APPENDIX I

Organizational representatives, professionals and  
business persons interviewed

Gerty Aimée, Director of Research and Development, Co-operation Haïtiano-néerlandaise (COHAN)

Gérald Allen, Director, Le Journal du Commerce

M. Alphonse, Catholic Relief Services (CRS)

Mireille Neptune Anglade, Economist

Guy Barbot, Evaluator, Fonds Haïtien d'Aide à la Femme (FHAF)

Jacques Bartoli, Physician

Kathy Bego, Catholic Relief Services

Suzy Castor, Historian, Centre de Recherche et Formation Economiques et Sociales pour le Developpement (CRESFED)

Glenn Corunway, Consul, American Consulate

Dominican Ambassador to Haiti

Michelle Douyon, Director, Fonds Haïtien d'Aide à la Femme (FHAF)

Edmund Dupuy, Haitian Chamber of Commerce

Luckner Etienne, Director of APECOP, CATH/CLAT

Mark Flamming, Director, Small Business Development Program, Mennonite Economic Development Associates (MEDA)

Dr. Jose Carlos Isaias, Secretary of State, Executive Director, Dominican Republic Export Promotion Center

M. Janvier, Haitian American Service Company (HAMASERCO)

Mme. Julienne, Fonds Haïtien d'Aide à la Femme (FHAF)

Maxime Landrin, Proprietor, National Tours and Travel Service

Eddy Martinez, Dominican Republic Export Promotion Center, (CEDOPEX), N.Y.

Gerald Pierre-Charles, Political Scientist, Centre de Recherche et Formation Economiques et Sociales pour le Developpement (CRESFED)

Elizabeth Silvera, Haitian Association of Voluntary Agencies (HAVA)

Jean Carmel Sylvain, Director of Credit, Haitian Development Foundation (HDF)

Ginette Taggart, Proprietor, Les Ateliers Taggart

Madelaine Val, member, Solidarite fanm (SOFA)

Claudette Werleigh, Sociologist

Georges Werleigh, Rural Economist

Père Yvon Joseph, Collège de Notre Dame

Clorinde Zéphir, Founder, Centre National et International de Documentation et d'Information des Femmes en Haïti (ENFOFANM)

## APPENDIX II

Variable list for Madam Sara questionnaire

1. Name
2. Address
3. Age
4. Place of birth
5. No. of years living in P-au-P
6. Previous residence
7. Amount rent
8. No. of people living in household
9. Relationship of household members to woman
11. No. of dependents in space
12. No. of dependents living elsewhere
16. Marital status
17. Sources of income of mate
21. Length of duration of union
22. No. of children she has
23. No. of children's fathers who help with child support
24. No. of children in school
28. Who pays for school fees
29. Total cost of school fees per month
30. Education of woman
31. Activities after she left school
33. Source of trading capital for first trip
34. Terms of loan
37. How much did she pay for passport
38. Destination of first trip
40. How did she get a visa
42. Mode of transportation
43. Transport fare
47. Rate at which she purchased United States dollars
48. Amount of money she had upon arriving in the Dominican Republic
49. Travelled with friend or used services of a guide
51. Guide's fee
52. Merchandise purchased on first trip
54. Amount of money spent on goods
56. No. of nights she stayed in hotel
57. Sold goods wholesale or retail
- 59a. Why did she sell wholesale
- 59b. Why did she sell retail
60. How many years has she been going to St. Domingue
61. How many trips has she made

## APPENDIX III

Author's account of a buying trip to Santo Domingo organized  
by the Association of Small Traders of Port-au-Prince,  
(APECOP), 27-29 January 1989.

The Friday 27 January 1989 trip to Santo Domingo that was organized by APECOP was supposed to leave Port-au-Prince at 10:00 a.m. However, due to a delay in obtaining Dominican visas for some of the women, the departure was postponed until 2:00 p.m.

Excluding the driver, his military companion in civilian dress, and myself, we numbered 27 people - 22 women and five men. Two of the women on this trip travelled with their husbands, who claimed that they wanted to see what the trip was like after having heard about the abusive treatment of the women by the Dominicans. Added incentives for the men included the opportunity to explore possibilities for their own potential trading ventures as well as the valuable immigration stamp that they received when they crossed the border. There was also a male trader on this trip, one who brought a large box filled with mahogany woodcarvings to sell in Santo Domingo.

Twelve of the passengers were members of APECOP, including three organizers: the President and Secretary of the organization, and a female trader who handled passports and solicited money from the other passengers for bribes.<sup>1</sup> Since the APECOP organizers had not filled the truck with their own members, they collaborated with a commercial agency on the rental of the truck and for the balance of the passengers. This agency also had three organizers, making a total of six organizers who did not pay the \$50 fare and who had their exit and entry visa fees paid for by the receipts of the other passengers.

For the 2½ day trip, APECOP commissioned our driver and his rented vehicle for \$400. The vehicle was a comfortless converted Mitsubishi CANTER pickup truck with open sides and back and two long wooden benches along the length of the body. Our driver and his brother, who was also driving a truck-full of Madam Sara to Santo Domingo, agreed to travel together to help each other in case of difficulty.

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<sup>1</sup> Ordinarily, only the Secretary and the female trader act as organizers. The President of APECOP told me after the trip that this was his first time travelling with the Madam Sara. He felt that he was obliged to go since he had invited me, the author, to come along.

We finally left Port-au-Prince at 2:30 p.m. after all the passengers had arrived and finished arranging themselves amid their overnight bags as well as the dozens of sacks and boxes stuffed with merchandise which many had brought along to sell in the markets of Santo Domingo. Merchandise included mahogany woodcarvings, children's shirts, tee shirts and underwear, embroidered tablecloths, plastic and canvas shoes. Six of the women who had merchandise on board agreed to pool their resources for the fund with which to bribe (fè roulman) the Dominican customs agents and soldiers at Jimani and along the road on the Dominican side of the border. A quarrel ensued when some of the traders with merchandise refused to contribute to this fund, claiming that they preferred to take their chances.

When we arrived at the border post at Malpasse some two hours later, the organizers presented our passports for exit stamps and paid off the customs and immigration officials at the rate of \$10 each.<sup>1</sup> During the hour that we waited for clearance to pass the border, the women prepared themselves for the customs inspection at the Dominican border post at Jimani. Two sisters, who had refused to contribute to the common bribe fund, had changed into loose-fitting clothes under which they had stuffed dozens of pairs of children's underwear and clothing. Other women separated their merchandise into small bundles and distributed them amongst one another.

When we arrived at Jimani at 5:00 p.m., the organizers brought our passports and our \$US 10 bills to the immigration officials for inspection and stamps. We were then herded into the customs pavilion, where an agent openly took bribes and goods from us as he rummaged through our belongings.<sup>2</sup> The two obviously overstuffed sisters, who had taken great pains to avoid paying bribes, were taken behind the scenes where, as they later explained, they begged for leniency on behalf of their fatherless children who had no one but them to depend on. In the meantime, our vehicle was thoroughly searched and merchandise that had been expertly hidden was seized. We took our losses in stride and braced ourselves for what the night was yet to bring. Within ten miles of the border post, we were stopped on three separate occasions by rifle-toting soldiers who menacingly ordered us to unload our belongings for their inspection. While the diplomacy of the union president, along with some cash and goods, were

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<sup>1</sup> The organizers explained that since border officials are required to work only until 1:00 p.m., the cash incentives are standard procedure for vehicles that arrive after that time.

<sup>2</sup> As an act of intimidation, the agent confiscated a small bag of mandarin oranges from me that I had brought along as a refreshment.

checkpoint, we were finally forced to unload and endure another inspection and further loss of goods, time, and money.

Then, minutes after we had reloaded our belongings and had gotten underway, a Haitian woman who had apparently been put out of another truck, and who was waiting on the side of the road, surreptitiously climbed, with her small traveling bag, into the back of our truck to the loud protests of the other passengers. After unsuccessfully trying to push her off the moving vehicle, one of the male passengers demanded to know what was in her bag. When she refused to let him inspect it, there were accusations of drug smuggling and a violent altercation ensued. Eventually the APECOP President, who was riding in the cab, was informed of this situation and the woman was put off the truck.

Our arrival in Santo Domingo was further delayed by at least an additional two hours when our driver's brother's vehicle overturned in the pouring rain as he manoeuvred to avoid a head-on collision with an oncoming vehicle. The soaked and badly shaken (but otherwise unharmed) passengers of the overturned vehicle piled into our truck with their belongings to wait for help. Finally, a passing jeep righted the truck, which suffered only minor damages, allowing us to proceed to the Dominican capital.

Covered in dust and exhausted, we finally arrived at a small hotel in Santo Domingo at 4:00 a.m. (3:00 a.m. Haitian time), 12½ hours after we had left Port-au-Prince. Although the hotel had rooms to accommodate us all at \$4 a piece, we were told that check-in time was not until 5:00 a.m. and that we would have to pay for an extra night if we wanted rooms before then. While half of us were willing to wait the extra hour until check-in time, the other half opted to go to a nearby hotel with a more reasonable policy.

After a few hours of sleep, we got up to go to the nearby street market, where the women sold their goods to Haitian as well as Dominican market men and women or changed their Haitian money to pesos. It was then that we got the news that a truck carrying clandestinely recruited Haitian cane workers fell off the road 35 kilometers from Santo Domingo, killing 47 of them the night before. During the rest of the day, the traders scurried around to different stores to make their purchases. Some went off with the help of Dominican guides (houkon)<sup>88</sup> who received 50 pesos or \$10 for their assistance.

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<sup>88</sup> Although the houkon have a reputation of collaborating with shop owners to cheat the women and of otherwise, finding ways to rob them, many of the Madam Sara find their help indispensable since they do not speak Spanish.

Later that afternoon, after the traders returned to the hotel with their goods, they began to load up the truck in preparation for the long ride back to Port-au-Prince. While the traders were carrying their goods from the hotel to the truck outside, they were closely surveyed by an unsavoury group of Dominicans which hovered menacingly close by. One of the male traders, who was helping the organizers supervise the loading process, was unable to avert a provocation from one of the Dominicans. They wound up in a tussle. The Dominican police arrived quickly on the scene, intending to take the trader to prison. It was only due to the diplomacy of the Spanish-speaking APECOP President, who had lived for many years in exile in Santo Domingo, that the man was released and we were able to set off for Haiti with our cargo that evening.

The cargo consisted of an undetermined quantity of the following goods.<sup>89</sup>

Household goods: wooden etageres, ceramic knick-knacks and curios photo albums, plastic pails, thermos, aluminum basins, food canteens, cups, plastic cups and dishes, toilet paper, powdered laundry detergent, household disinfectant (Mistolin).

Cosmetics and toiletries: shampoo, soap, toothpaste, creme rinse, hair grease, face cream, feminine hygiene product.

Jewelry: rings, earrings, bracelets.

Foodstuffs: powdered milk, energetic chocolate powder, spaghetti, Vino Tinto Campeau (wine), Presidente beer, Heineken beer, Malta India, saltines, maggi cubes, sugar, coconuts, vitamin syrup.

The trip back to Haiti was, for the most part, uneventful. We left Santo Domingo at 8:30 p.m. and arrived at 2:00 a.m. in the well-lit parking lot of a roadside restaurant/tourist shop, known as nan kinz, where we joined four other Haitian trucks filled with traders and their goods. We slept in the truck and on the pavement until 5:00 a.m., when we set off for the customs inspection station at Duverger.

Because our truck was the last to arrive at the Duverger customs yard that morning, we had to wait several hours for inspection and permission to leave. We were further delayed because several of the women who had purchased a 100-lb. bag of sugar had divided it into smaller parcels and had them hidden under the mountain of cargo on top of the truck. When the customs inspector asked if we were carrying sugar, both the driver and the organizers answered negatively. Not believing them, he climbed on top of the truck and poked around with a

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<sup>89</sup> The list was prepared from interviews and observations.

spiked tube until he found what he was looking for. When the inspector threatened to have the entire truck unloaded, the APECOP President again smoothed things over with words and a \$12 bribe.

We arrived back at the Malpasse border post at noon to find several other trucks ahead of us as well as a ruckus caused by a male trader who, it seems, had to forfeit an entire truckload cargo of malta due to his unco-operative behavior. During the long wait, while attempting to interview an immigration official, I overheard the request of a woman for permission to cross the border to bring food to her cousin who was in jail for smuggling drugs. When I questioned the official later about drug trade across the border, he referred me to the customs officials who were busy making money to answer my questions.

When we arrived at the police post in Croix des Bouquets, Haiti, for another inspection, some passengers got off the truck with whatever merchandise they could carry and waited on the road for local public transportation to take them to Port-au-Prince. The driver continued on to the open-air customs yard at the Port-au-Prince port, where he parked and left the truck loaded with merchandise until the next day, when the customs paperwork would be done. This was a new procedure that was a result of the recent (10 January 1989) government decree against contraband. Previous to the decree, the driver used to discharge the passengers and unload the truck on a city street.

Due to the new bureaucratic regulations, one of the APECOP organizers had to spend several hours the next day at the tax and customs offices to have forms typed and processed before the truck in the customs yard could be unloaded. As I followed her and a guide whom she paid on their labyrinthine route from office to office and building to building, I observed her (on her guide's advice) giving small bribes to various office workers to do their job on her behalf. When at last, these time-consuming and frustrating rounds were completed and the customs tax was remitted, the organizer had paid a total of \$29.<sup>90</sup> Only then was the truck driver<sup>91</sup> permitted to drive to a street where he could have the truck unloaded.

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<sup>90</sup> See Table 3 Page 36 for itemization of this sum.

<sup>91</sup> The driver of our truck revealed that he rented the truck from his brother for \$300, and charged the agency \$400 for the three-day trip. Out of this money he spent \$35 for gas, \$10 at the Dominican border, \$5 for a hotel room, and \$6 for food. Thus, his net profit for each trip was about \$44.



