

# Better Work Haiti: Garment Industry 1<sup>st</sup> Compliance Synthesis Report<sup>1</sup>

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October 2009 – December 2009  
Number of factory assessments in this report: 21

Country: Haiti  
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<sup>1</sup> Note that the current publication is not intended to serve as a report under the United States legislation, Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2008 (HOPE II).

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## Executive Summary

The present report illustrates the findings of the assessments carried out by Better Work Haiti between October and December 2009 in 21 factories employing a total of 22,172 workers, of the approximately 26,000 workers in the industry nationwide. The sample is characterized by factories employing an average of 1056 regular workers, 62% of whom are women.

The data collected illustrate compliance with labour standards according to eight clusters: four based on ILO core labour standards regarding child labour, forced labour, discrimination and freedom of association and collective bargaining, and four indicators of working conditions (compensation, contracts and human resources, occupational safety and health, and working time). Most non-compliance in the Haiti garment industry relates to the latter set of indicators of working conditions and not the core labour standards.

Regarding the core labour standards, there are no findings of non-compliance concerning child labour. Concerning forced labour, it was observed that workers in two factories were restricted from leaving the workplace. In one third of factories, non-compliance findings regarding discrimination were noted due to language used in recruitment materials. Nine factories were also cited as non-compliant within the freedom of association and collective bargaining cluster due to restricted access for union representatives to the workplace.

As noted, the main non-compliance findings in this report are concentrated in the clusters regarding working conditions related to the Haitian labour code. The analysis presented in Section II highlights the following key issues:

<b>Compliance Cluster</b>	<b>Compliance Point</b>
Compensation	Paid Leave
Working Time	Regular Hours
Working Hours	Overtime
Occupational Safety and Health	OSH Management Systems
Occupational Safety and Health	Chemicals and Hazardous Substances
Occupational Safety and Health	Worker Protection
Occupational Safety and Health	Health Services and First Aid
Occupational Safety and Health	Welfare Facilities
Occupational Safety and Health	Emergency Preparedness

This report does not include compliance findings on minimum wages or overtime wages. A review of the issues related to the minimum wage is discussed in Box 1 on page 16 in this report.

The current report constitutes Better Work Haiti's baseline report with aggregated compliance findings for all factories registered with the programme as of December 2009. It was initially scheduled for release in early 2010. The release of this report was delayed because of interruptions in the Better Work Haiti programme due to the earthquake that struck Haiti in January 2010. Note that the current report is not intended to meet the reporting requirements of the HOPE II legislation.<sup>2</sup> Better Work Haiti plans to issue HOPE II reports on a 6-monthly basis beginning in

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<sup>2</sup> Among other requirements, such reports must include: non-compliance findings by individual factories, time elapsed since first reporting of non-compliance, advisory services received, and improvements made at each factory.

October 2010. The non-compliance findings in the current report serve as the baseline for all subsequent reports under the HOPE II legislation.

Advisory services and remediation activities are underway. Current activities have included meetings between the Better Work Haiti Programme Manager and factory management at individual factories to discuss assessment findings, and develop and implement improvement plans. Further detail on factory-level activities is presented in Section III and an overview of next steps is presented in Section IV.

## Section I: Introduction and Methodology

### Introduction

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The Better Work Programme, a partnership between the International Labour Organization (ILO) and the International Finance Corporation (IFC), has worked in collaboration with local and international stakeholders to design Better Work Haiti. The programme was launched in January 2009, with a Programme Manager as of 1 July 2009. The goal of the programme is to expand decent work opportunities in the apparel sector. The project aims to improve competitiveness of the industry by improving compliance with Haitian labour law and the principles of the ILO Declaration on Fundamental Principles and Rights at Work.

Today in Haiti, there are 24 garment factories providing jobs to about 26,000 workers; this number accounts for approximately 8% of total formal-sector employment in the country. In 2008, Haiti represented 6% of garment exports received by the United States under preferential tariffs, and accounted for approximately 1% of clothes imported into the US.

The large majority of workers in garment factories are Haitian, with a limited number of foreign staff from the Philippines, Republic of Korea and the Dominican Republic mostly holding positions in quality control, supervision and management.

The garment sector mainly produces men's and women's apparel ranging from T-shirts, pants, uniforms, sportswear and formal wear to undergarments.

In October 2009 when Better Work Haiti began factory assessments, 21 factories had registered with the programme. At that time, a total of 23 garment factories were operating in the country and were members of the Haitian employers' association, l'Association Des Industries d'Haïti (an additional factory opened in November 2009, bringing the total to 24 garment factories nationwide). Most of the factories are situated in the three industrial parks close to the port and the airport in Port-au-Prince: two parks are located in the capital (Sonapi, Shodecosa) and one is located on the border with the Dominican Republic in Ouanaminthe. The remaining factories are situated in the surroundings of the industrial parks of Port-au-Prince.

The present report illustrates the findings of assessments carried out between October and December 2009 by Better Work Haiti in the 21 registered factories, employing a total of 22,172 workers of the approximately 26,000 workers in the industry. The sample is characterized by factories employing an average of 1,056 regular workers, 62% of whom are women (on average).

## Institutional Context

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By the early 1980s, the textile industry was a thriving economic activity in Haiti with more than 80 factories and close to 100,000 workers. However, in the mid-1980s, due to political instability and natural disasters in conjunction with strong Asian competition, the Haitian industry lost close to 70 factories and approximately 90,000 workers. The United States Congress passed the Haitian Hemispheric Opportunity through Partnership Encouragement (HOPE) Act in 2006. The HOPE law succeeded in creating an interest from American buyers to source from Haiti and therefore increased production and created jobs.

The HOPE II Act, approved by the US Congress in 2008 to support efforts to further expand the garment industry in Haiti, extended tariff preferences on textiles, apparel and other goods until 2018, and made participation conditional upon labour standards compliance.

In May 2009, former US President Bill Clinton was appointed by the United Nations as the Special Envoy for Haiti to encourage international private-sector investment in Haiti by elevating awareness of economic opportunities, stimulating international donor and NGO engagement, and working with Haitian officials to improve the economic climate. Following two meetings in Haiti organized by President Clinton and the Inter-American Development Bank to attract investors, the apparel industry was one of four economic sectors that were identified with high business potential for investors (the others being agribusiness, energy and tourism).

In 2010, following the devastating earthquake in Haiti in January, the US Congress passed the Haiti Economic Lift Program (HELP) Act of 2010, which further extended HOPE trade benefits, increased tariff preference levels and expanded duty-free treatment to additional textile and apparel products. Trade benefits granted to Haiti are more advantageous than any of those granted to other countries in the region. These agreements significantly increase the attractiveness of Haiti as an offshore export platform to the US market.

In Haiti, HOPE and HOPE II agreements are under the governance and management of a tripartite commission comprising three members of the Haitian government, three members of the private sector and three members of the workers' organizations. The HOPE Commission, which is supervised by a President and guided by an Executive Director and a consultant, meets regularly.

Better Work Haiti is advised by a tripartite Project Advisory Committee (PAC), which is a sub-committee of the HOPE Commission, and comprises representatives from the government (Ministry of Labour and Social Affairs), the private sector (l'Association des Industries d'Haiti) and the workers' organizations (Coordination Syndicale Haïtienne).

The PAC's specific functions are:

- to provide advice on project implementation;
- to provide advice on the technical aspects of activities and to discuss industry issues;
- to encourage the active participation of the constituents represented by PAC members in the activities of the project and to disseminate information;
- to comment and advise on the public reports on assessments;
- to advise how the project can best coordinate its work with other ministries and programmes;
- to advise on the viewpoints of the constituents represented by PAC members;

- to advise on the monitoring and evaluation strategy and process; and
- to undertake other functions as may be determined, to the extent any such additional functions are consistent with the project document.

After an initial period of meeting monthly, the PAC will transition to quarterly meetings by late 2010

The PAC is complemented by an annual buyers' forum, which provides for broad stakeholder consultation. Better Work Haiti meets and communicates regularly with buyer representatives.

## Better Work Methodology

Better Work carries out factory assessments to monitor compliance with international core labour standards and national labour law. Following an assessment, a detailed report is shared with the factory. An aggregated industry-level report is issued twice a year. Following an initial baseline report all factories that have received at least two compliance assessment visits will be named in the industry-level reports. In its factory and industry-level reports, Better Work highlights *non-compliance* findings. It reports these figures to help factories easily identify areas in need of improvement. Collecting and reporting these data over time will help factories demonstrate their commitment to improving working conditions.

Better Work organizes reporting into eight areas, or clusters, of labour standards. Four of the clusters are based on fundamental rights at work and four are based on national labour law relating to working conditions.

*Core labour standards:* Adopted in 1998, the ILO Declaration on Fundamental Principles and Rights at Work commits Member States to respect and promote principles and rights in four categories, whether or not they have ratified the relevant Conventions. These categories are: freedom of association and the effective recognition of the right to collective bargaining, the elimination of forced or compulsory labour, the abolition of child labour and the elimination of discrimination in respect of employment and occupation. The relevant ILO Conventions from which the 1998 Declaration derives—29, 87, 98, 105, 100, 111, 138, and 182—provide the framework for assessing non-compliance in the core labour standards clusters across all Better Work country programmes. Haiti has ratified all Conventions regulating these core labour standards.

*National labour law:* The four other clusters monitor compliance with standards primarily set by national law, so they vary from country to country. This set consists of compensation, contracts and human resources, occupational safety and health, and working time.

Each of the eight clusters is divided into its key components, known as “compliance points”. Each of these compliance points contains specific questions that may vary from country to country. The detailed list of compliance points appears in the table below.

	Compliance Clusters	Compliance Points
Core Labour Standards	1 Child Labour	1. Child Labourers 2. Worst Forms 3. Hazardous Work 4. Documentation
	2 Discrimination <sup>3</sup>	5. Race and Origin 6. Religion and Political Opinion 7. Gender
	3 Forced Labour	9. Coercion 10. Bonded Labour 11. Forced Labour and Overtime 12. Prison Labour

<sup>3</sup> In Better Work country-specific questionnaires, a compliance point “Other Grounds” may be included under the Discrimination cluster. This category is intended to assess specific discrimination issues that are covered in national labour law, and are considered to be aligned with the objectives of the relevant ILO conventions (100 and 111), but which are not explicitly named in the conventions, e.g., age, HIV/AIDS status, disability, etc. The questionnaire for Haiti does not include the “Other Grounds” compliance point because the Haitian labour law does not identify grounds for discrimination beyond those cited in Conventions 100 and 111.

	4	Freedom of Association and Collective Bargaining	13. Union Operations 14. Interference and Discrimination 15. Collective Bargaining 16. Strikes
Working Conditions	5	Compensation	17. Minimum wages 18. Overtime wages 19. Premium Pay 20. Method of Payment 21. Wage Information, Use and Deduction 22. Paid Leave 23. Social Security and Other Benefits
	6	Contracts and Human Resources	24. Employment Contracts 25. Contracting Procedures 26. Termination 27. Discipline and Disputes
	7	Occupational Safety and Health	28. OSH Management Systems 29. Chemicals and Hazardous Substances 30. Worker Protection 31. Working Environment 32. Health Services and First Aid 33. Welfare Facilities 34. Worker Accommodation 35. Emergency Preparedness
	8	Working Time	36. Regular Hours 37. Overtime 38. Leave

### Calculating Non-Compliance

With respect to methods for calculating non-compliance, there are two factory-level rates that are used to measure findings collected by Better Work enterprise advisors.

One rate, referred to as the “non-compliance rate”, consists of the number of compliance points found to be violated by the factory at a given time, *as a percentage of the total number of compliance points within a cluster*. A compliance point is found to be violated if even one question is found in non-compliance. The non-compliance rate is useful for Better Work to aggregate and compare data across countries, since it is not tied to country-specific checklist questions. The non-compliance rate pertains only to individual factory assessment reports and is not presented in this report.

The chart on page 10 displays the number of factories with any non-compliance findings within each compliance point. As described above, a factory will be found non-compliant if any of the checklist questions within the compliance point are found to be non-compliant. This non-compliance rate is a strict indicator. It is useful, however, in that findings can be compared across countries.

The second rate, referred to as the “non-compliance checklist rate”, provides the number of specific questions found to be violated by the factory at a given time, *as a percentage of the total number of questions within a compliance point*. These figures are presented in Section II: Non-Compliance Checklist Rates.

Because it is based on the individual questions, the checklist rate provides a finer level of detail. It is important to note that the Better Work questionnaires vary across countries as they are fully adapted to the national labour law. The total number of questions within each compliance point will likewise be different for each country. Therefore, unlike the non-compliance rate, the non-compliance checklist rate is **not** comparable across countries.

The following table provides an example of how both the non-compliance rate and non-compliance checklist rate are calculated for a particular compliance point.

<b>Q # Chemicals and Hazardous Substances Compliance Point</b>		
	Question	Compliant?
159	Are chemicals and hazardous substances properly labelled?	Yes
160	Are chemicals and hazardous substances properly stored?	No
161	Does the employer have chemical safety data sheets for the hazardous chemicals used in the workplace?	No
162	Does the employer keep an inventory of chemicals and hazardous substances used in the workplace?	Yes
163	Does the employer provide adequate washing facilities and cleansing materials in the event of exposure to hazardous chemicals?	No
164	Has the employer effectively trained workers who work with chemicals and hazardous substances?	No
165	Has the employer taken action to assess, monitor, prevent and limit workers' exposure to chemicals and hazardous substances?	No
<b>Checklist Non-Compliance Rate</b>		<b>5/7 = 71%</b>
<b>Non-Compliance Rate</b>		<b>100%</b>

## Limitations in the Assessment Process

The assessments carried out by Better Work follow a thorough checklist covering the above-mentioned labour standards. The detailed factory assessment reports are based solely on what was observed, investigated and analyzed during the performance of the actual assessment. Before the reports become official, factories are given five working days to provide feedback that may in some cases impact the final report language.

Certain issues remain very difficult to assess and verify independently. In particular, the following issues are especially relevant to the Haitian context.

First, it is difficult to identify sexual harassment in the workplace. Sexual harassment is difficult to determine for several reasons. Unwanted behaviours of a sexual nature may often not be perceived as sexual harassment by workers and therefore may not be reported. Also, cultural perceptions of sexuality may influence the way in which sexual harassment is identified. Furthermore, due to the sensitive nature of the issue, workers experiencing sexual harassment are often reluctant to report it due to fear of stigma or retaliation.

Second, there are limitations in the assessment of freedom of association. Compliance with the right to organize is not measured by the presence or absence of unions in the factory. Indeed, a worker may have the freedom of joining a union but may choose not to do so. In Haiti, however, the lack of access by trade unions to the factories may limit workers' exercise of freedom of association. Better Work Haiti is also aware of allegations of interference with and discrimination against workers wishing to create a union in garment factories. Better Work Haiti is committed to working together with stakeholders to develop a conducive environment for freedom of association.

Finally, particular challenges have been encountered in assessing the minimum wage, due to disputed interpretations of the minimum wage for piece-rate workers. This issue is discussed in detail in Box 1 on page 15.

## Section II: Findings

### Non-Compliance Rates

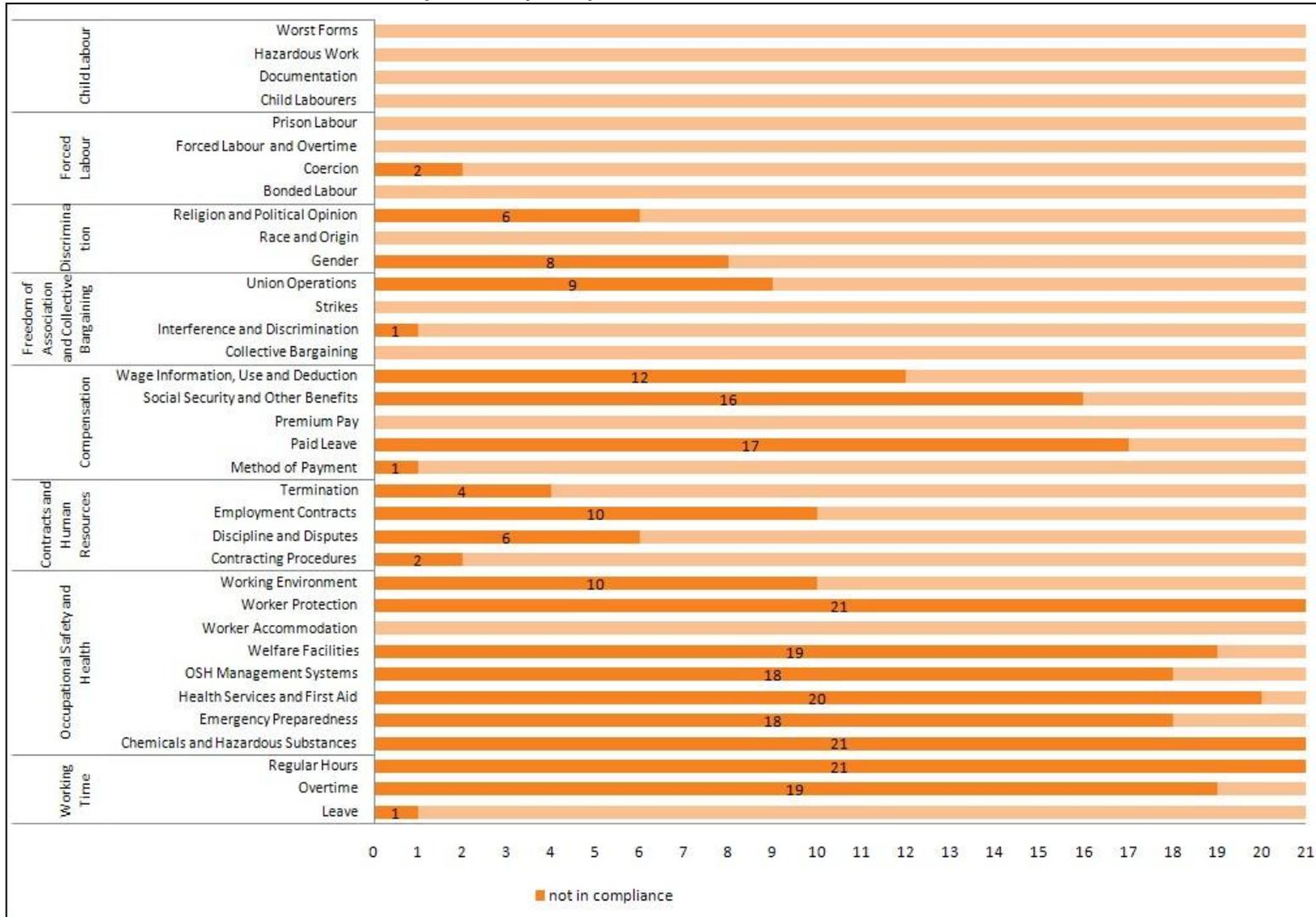
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**NB:** The individual factories' non-compliance rates, described above in the Methodology section, were used to develop the chart on the following page. As indicated above, Better Work recognizes that this is a severe calculation, and derives it solely for the purpose of cross-country comparison. Chart 1 is the only use of this indicator in the report. The non-compliance checklist rate is used for all other tables in this section. Chart 1 does not present, nor is it intended to present, a complete picture of labour standards compliance at participating factories in Haiti.

Concerning core labour standards, the following findings are observed in Chart 1. There are relatively few findings of non-compliance in the first two clusters, with no findings of non-compliance in the Child Labour cluster, and, two factories have non-compliance findings in the Coercion compliance point under the Forced Labour cluster. In the Discrimination cluster, there are six factories with non-compliance findings in Gender and eight in Religion and Political Opinion. Just under half of the factories had non-compliance findings in Union Operations, with only one finding of non-compliance in Interference and Discrimination.

With respect to working condition findings as presented in Chart 1, the clusters in which non-compliance is concentrated are Occupational Safety and Health (OSH) and Working Time. Within OSH, all factories have non-compliance findings in Worker Protection, Health Services and First Aid, and Chemicals and Hazardous Substances. Under the Working Time compliance point, non-compliance findings are noted for all factories in Regular Hours and for nineteen factories in Overtime.

**Chart 1: Number of Factories Not in Compliance, by Compliance Point**



## Non-Compliance Checklist Rates

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As detailed in the Methodology section, the non-compliance checklist rate represents the number of specific questions found to be violated by the factory as a percentage of the total number of questions within a compliance point. This section presents the average, across all Better Work Haiti factories, of non-compliance checklist rates for each cluster.

### 1. Core Labour Standards

<b>Child Labour</b>	<b>Participating industry average non-compliance checklist rate</b>
<b>Child Labourers</b>	<b>0%</b>
<b>Documentation</b>	<b>0%</b>
<b>Hazardous Work</b>	<b>0%</b>
<b>Worst Forms</b>	<b>0%</b>

<b>Discrimination</b>	<b>Participating industry average non-compliance checklist rate</b>
<b>Gender</b>	<b>4%</b>
<b>Race and Origin</b>	<b>0%</b>
<b>Religion and Political Opinion</b>	<b>4%</b>

The non-compliance findings in the Gender and the Religion and Political Opinion compliance points concern recruitment materials, such as job announcements or job application forms, referring to the applicant's gender or marital status and to the applicant's religion and political opinion.

One factory dismissed workers who were pregnant or on maternity leave.

<b>Forced Labour</b>	<b>Participating industry average non-compliance checklist rate</b>
<b>Bonded Labour</b>	<b>0%</b>
<b>Coercion</b>	<b>1%</b>
<b>Forced Labour and Overtime</b>	<b>0%</b>
<b>Prison Labour</b>	<b>0%</b>

The non-compliance finding in the Coercion compliance point is explained by two factories that did not allow workers to leave the workplace at all times, including overtime.

<b>Freedom of Association and Collective Bargaining</b>	<b>Participating industry average non-compliance checklist rate</b>
<b>Collective Bargaining</b>	<b>0%</b>
<b>Interference and Discrimination</b>	<b>0%</b>
<b>Strikes</b>	<b>0%</b>
<b>Union Operations</b>	<b>9%</b>

Although it does not appear in the table above (because the value is <1%), one factory was non-compliant on one question pertaining to the Interference and Discrimination compliance point, specifically with regard to workers being free to meet without management presence.

The Union Operations compliance point, where an average of 9% non-compliance is found, is examined in more detail in the following table.

***In focus: Union Operations***

<b><i>Checklist questions</i></b>	<b><i>Percentage of factories out of compliance:</i></b>
Can the union(s) freely form and join federations and confederations of their choice?	0%
Can workers freely form a union?	0%
Can workers freely join the union of their choice?	0%
Do union representatives have access to the workers in the workplace?	43%
Does the employer require workers to join a union?	0%
<b>Participating industry average</b>	<b>9%</b>

**2. Working Conditions**

**Compensation**

**Participating industry average non-compliance checklist rate**

Method of Payment	1%
Paid Leave	17%
Premium Pay	0%
Social Security and Other Benefits	36%
Wage Information, Use and Deduction	18%

Two compliance points that are normally covered in this section are not included in this report. These are Minimum Wage and Overtime Wages. For more information, see Box 1 on page 15.

**Contracts and Human Resources**

**Participating industry average non-compliance checklist rate**

Contracting Procedures	2%
Discipline and Disputes	7%
Employment Contracts	11%
Termination	3%

The non-compliance checklist rate of 11% in the Employment Contracts compliance point refers to the following specific issues: in 14% of the factories, not all persons performing work for the factory had a contract and workers did not understand the terms and conditions of employment, and in 29% of the factories, internal work rules did not comply with legal requirements.

**Occupational Safety and Health**

**Participating industry average non-compliance checklist rate**

Chemicals and Hazardous Substances	71%
Emergency Preparedness	52%
Health Services and First Aid	49%
OSH Management Systems	67%
Welfare Facilities	48%
Worker Accommodation	0%
Worker Protection	55%
Working Environment	14%

The 0% non-compliance finding in Worker Accommodation is explained by the lack of dormitories for workers. Non-applicable questions result in a 0% non-compliance finding.

The highest non-compliance findings, found in the Chemicals and Hazardous Substances, OSH Management Systems, Worker Protection and Emergency Preparedness compliance points, are explored in further detail in the tables below.

***In focus: Chemicals and Hazardous Substances***

<b><i>Checklist questions</i></b>	<b><i>Percentage of factories out of compliance:</i></b>
Are chemicals and hazardous substances properly labeled?	71%
Are chemicals and hazardous substances properly stored?	62%
Does the employer have chemical safety data sheets for the hazardous chemicals used in the workplace?	81%
Does the employer keep an inventory of chemicals and hazardous substances used in the workplace?	62%
Does the employer provide adequate washing facilities and cleansing materials in the event of exposure to hazardous chemicals?	81%
Has the employer effectively trained workers who work with chemicals and hazardous substances?	71%
Has the employer taken action to assess, monitor, prevent and limit workers' exposure to chemicals and hazardous substances?	67%
<b>Participating industry average</b>	<b>71%</b>

None of the factories in Haiti have textile production that involves dyes. The chemicals and hazardous substances reported in this compliance point mainly concern bleaches and spot cleaners.

***In focus: OSH Management Systems***

<b><i>Checklist questions</i></b>	<b><i>Percentage of factories out of compliance:</i></b>
Does the employer record work-related accidents and diseases and submit the record to OFATMA on a monthly basis?	62%
Does the employer require workers to comply with OSH requirements?	62%
Does the factory have a written OSH policy?	62%
Has the employer developed mechanisms to ensure cooperation between workers and management on OSH matters?	67%
Has the employer performed an assessment of general occupational safety and health issues in the factory?	81%
<b>Participating industry average</b>	<b>67%</b>

***In focus: Emergency Preparedness***

<b><i>Checklist questions</i></b>	<b><i>Percentage of factories out of compliance:</i></b>
Are emergency exits and escape routes clearly marked and posted in the workplace?	76%
Are the emergency exits accessible, unobstructed and unlocked during working hours, including overtime?	81%
Are there enough emergency exits?	67%
Does the employer conduct periodic emergency drills?	29%
Does the workplace have a fire detection and alarm system?	43%
Does the workplace have adequate fire-fighting equipment?	48%
Has the employer informed and prepared workers for possible emergencies in the workplace?	29%
Has the employer trained an appropriate number of workers to use the fire-fighting equipment?	48%

<b>Participating industry average</b>	<b>52%</b>
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The main questions found to be non-compliant in Emergency Preparedness are related to emergency exits being not clearly marked; being inaccessible, obstructed or locked; or being insufficient in number.

***In focus: Worker Protection***

<b><i>Checklist questions</i></b>	<b><i>Percentage of factories out of compliance:</i></b>
<b>Are appropriate safety warnings posted in the workplace?</b>	<b>52%</b>
<b>Are electrical wires, switches and plugs properly installed, grounded, and maintained?</b>	<b>67%</b>
<b>Are materials, tools, switches, and controls within easy reach of workers?</b>	<b>14%</b>
<b>Are proper guards installed and maintained on all dangerous moving parts of machines and equipment?</b>	<b>100%</b>
<b>Are standing workers properly accommodated?</b>	<b>95%</b>
<b>Are there sufficient measures in place to avoid heavy lifting by workers?</b>	<b>38%</b>
<b>Are workers effectively trained and encouraged to use the personal protective equipment that is provided?</b>	<b>76%</b>
<b>Are workers effectively trained to use machines and equipment safely?</b>	<b>67%</b>
<b>Are workers punished if they remove themselves from work situations that they believe present an imminent and serious danger to life or health?</b>	<b>0%</b>
<b>Do seated workers have suitable chairs?</b>	<b>33%</b>
<b>Does the employer provide workers with all necessary personal protective clothing and equipment?</b>	<b>67%</b>
<b>Participating industry average</b>	<b>55%</b>

## Working Time

**Participating industry average  
non-compliance checklist rate**

<b>Leave</b>	<b>1%</b>
<b>Overtime</b>	<b>59%</b>
<b>Regular Hours</b>	<b>34%</b>

The non-compliance findings on Overtime and Regular Hours are examined in greater detail in the tables below.

***In focus: Overtime***

<b><i>Checklist questions</i></b>	<b><i>Percentage of factories out of compliance:</i></b>
<b>Does the employer comply with limits on overtime hours worked?</b>	<b>71%</b>
<b>Does the employer obtain authorization from the Department of Labour before working on Sundays?</b>	<b>52%</b>
<b>Does the employer obtain authorization from the Department of Labour before working overtime?</b>	<b>67%</b>
<b>Does the employer permit overtime work only for reasons allowed by law?</b>	<b>86%</b>
<b>Is overtime work voluntary?</b>	<b>19%</b>
<b>Participating industry average</b>	<b>59%</b>

In 86% of factories, employers permitted overtime work for reasons beyond those allowed by law. More specifically, Article 97 of the Labour Code allows overtime: (i) in case of an actual or imminent accident, to perform urgent work to repair machines or tools, and to deal with force majeure, but only

to the extent necessary to avoid a significant disruption to normal operations; and (ii) to avoid a loss of perishable goods or products that cannot be left unfinished; and (iii) to handle unusual periods of surplus workload that cannot be addressed through other measures.

***In focus: Regular Hours***

<b><i>Checklist questions</i></b>	<b><i>Percentage of factories out of compliance:</i></b>
Do regular daily working hours exceed legal limits of 9 hours per day?	0%
Do regular weekly working hours exceed 48 hours?	0%
Does the employer comply with the 1 1/2 hours daily break periods?	19%
Does the employer give workers at least one day off per week?	14%
Does the employer keep working time records that reflect the hours actually worked?	76%
Does the employer provide required breastfeeding breaks?	95%
<b>Participating industry average</b>	<b>34%</b>

**Box 1: Minimum Wage and Overtime Wages in Haiti**

**Minimum Wage in Haiti**  
 After six years with no change in the legal minimum wage, a new minimum wage law entered into force on 1 October 2009, two weeks prior to the beginning of Better Work Haiti assessments, which significantly increasing the previous minimum wage of 70 gourdes (1.85 US\$ per day). The minimum wage law states: “As of October 1st, 2009 for export-oriented establishments and employing mostly their staff on piece rate, the salary paid for the production unit must be fixed so as to allow the worker to realize for 8 working hours per day at least 200 gourdes per day fixed in the first article of the present law; the reference minimum wage in these establishments being fixed at 125 gourdes.”

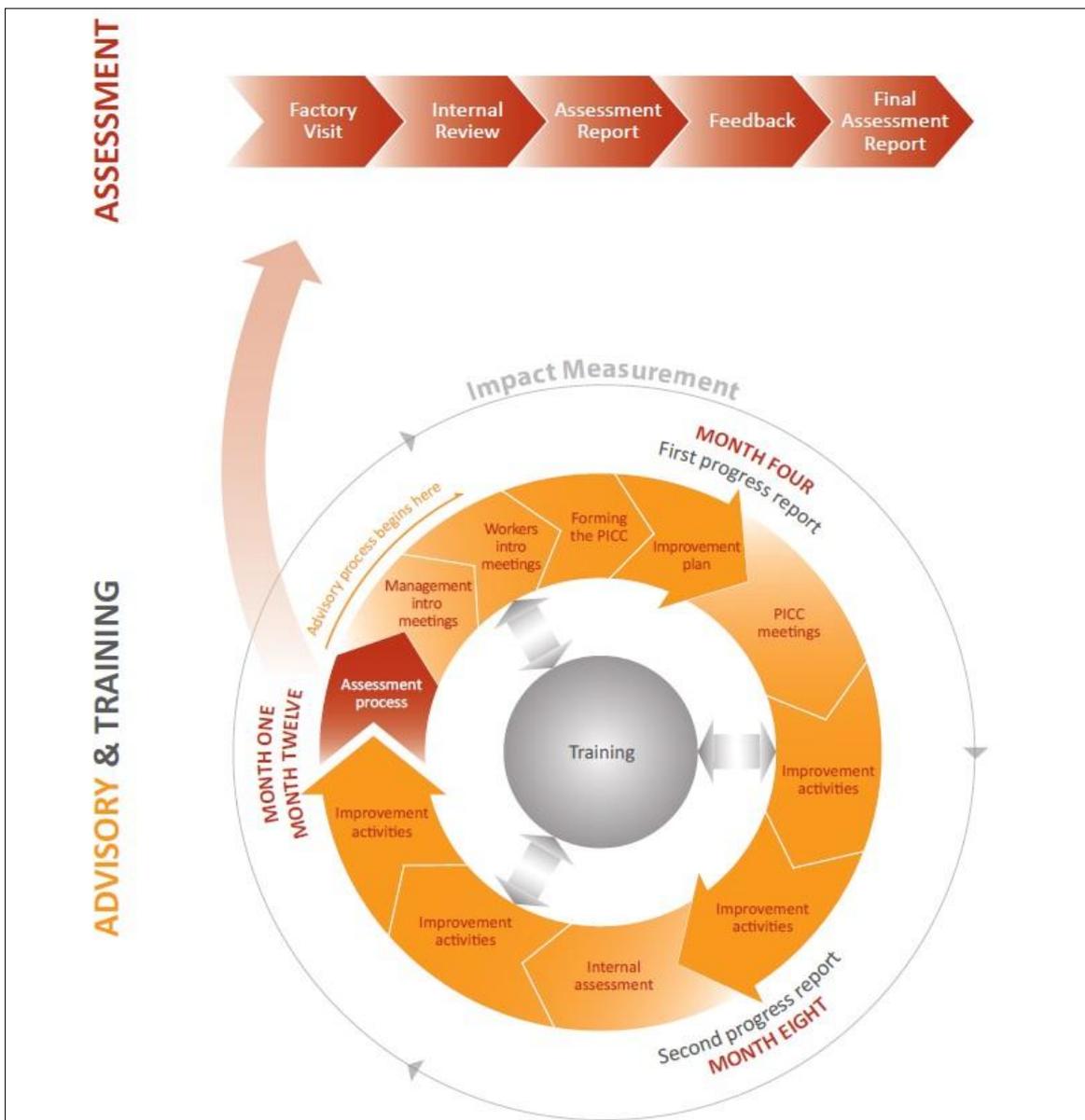
National stakeholders have interpreted these provisions to mean that the minimum wage equals 125 gourdes per day for ordinary hours. However, Better Work considers the minimum wage as stipulated at 200 gourdes per day for piece-rate workers, with the reference wage of 125 gourdes per day as referring to a minimum wage for those regular full-time workers paid daily not by the piece. As a result, Better Work conducted this first round of assessments on the basis of 200 gourdes for piece rate workers for 8 working hours. As there is disagreement about how to interpret this law, this report does not contain information on compliance with the minimum wage and overtime wages in Haiti. Information on this issue will be included in the next Synthesis Compliance Report.

## Section III: Factory Improvement Progress

The purpose of this section is to provide more detailed information on factories participating in the programme.

The next report, scheduled for October 2010, will follow the reporting requirements established by the HOPE II Act and will identify detailed non-compliance findings, as well as provide information on advisory services and improvement plans carried out in each factory. As the present document covers only data collected from first assessments, relevant detailed factory information concerning non-compliance is not reported at this time. The following section presents an overview of advisory services offered to date.

The graphic below illustrates the Better Work assessment, advisory and training process.



Better Work Haiti initiated advisory services in May 2010, meeting with the factory owners in the following factories to assist them in developing and implementing improvement plans:

DKDR HAITI S.A.	5 May
Modas Gloria Apparel Ht.	6 & 7 May
The Willbes Haitian	7 May
Magic Sewing Manufacturing S.A.	10 May
Fox River Caribe, Inc.	10 May
Pacific Sports Haiti	11 & 14 May
Sewing International S.A.	12 May
Palm Apparel S.A.	12 May
Interamerican Tailor S.A.	13 May
Interamerican Wovens S.A.	13 May
Genesis S.A.	13 May
Premium Apparel S.A.	13 May
One World Apparel S.A.	14 May

Initially, these meetings provided an opportunity to further discuss the findings and review the individual factory reports. While normally the process would begin with the formation of the Performance Improvement Consultative Committees (PICCs) in each factory, the implementation delays caused by the January earthquake postponed this step.

At this time, the Programme Manager has met with management teams from the factories indicated above to identify ten areas for improvement based on the findings reported. Initial areas addressed include Occupational Safety and Health, in particular Welfare Facilities and Health Services and First Aid, as these were universal areas of non-compliance for all factories and could have serious negative impact on all personnel if not addressed in a timely manner.

Additionally, the Programme Manager encouraged management in each factory to organize a meeting with 5–6 workers' representatives to involve them in the improvement process, ensuring that all departments (operations, quality control, packing, machine work, etc.) were represented. In a number of factories, established workers' committees already existed. At each factory's respective bipartite meeting, the ten areas of improvement previously identified by management in consultation with the Better Work Haiti Programme Manager were discussed in order to select five priority areas for immediate improvement. Following the identification of the five priority areas, it was expected that a lead person and a deadline for implementation would be established.

The improvement plans for the factories identified above, together with the lists of meeting attendees, were sent to the Programme Manager by 31 May. Factories have begun implementing the plans and are also being encouraged to begin to tackle other key areas of non-compliance.

Currently, the Programme Manager is reaching out to the remaining factories to begin their improvement process in a similar fashion.

Better Work Haiti will continue to engage with participating factories to support improvement processes. New Better Work enterprise advisors are being recruited and trained to support this process. Better Work Haiti plans for the team to be operational by the third quarter of 2010, at which time complete assessment, advisory and training service provision will commence.

## Section IV: Conclusions

Ensuring decent and productive employment is a key element of Haiti's post-earthquake reconstruction efforts. Better Work Haiti is committed to contributing to this objective through offering assessment, advisory, and training services to the garment industry. Working with the tripartite stakeholders, Better Work Haiti will be a key tool for building a new, socially compliant future for a thriving Haitian garment industry.

Six of the top ten non-compliance issues were found in the Occupational Safety and Health cluster. In light of the devastating earthquake of January 2010, the need for sound emergency preparedness is paramount. Therefore, the Better Work Haiti Programme Manager will continue to provide support to factory improvement plans and activities, concentrating efforts in the area of occupational safety and health.

Performance Improvement Consultative Committees comprising of an equal number of management staff and workers, and guided by a Better Work Haiti enterprise advisor, will be formed in the third quarter of 2010. These committees, which may be based on existing structures in the factories, are intended to oversee the development and implementation of the factory improvement plan.

With the expected recruitment of four enterprise advisors to the Better Work Haiti team, the broad range of advisory and training services—adapted to the compliance needs identified in individual factory assessments, and reflected in this synthesis report—will be provided to all participating Haitian factories. As Better Work Haiti advisory services mature at each factory, they will focus more on the introduction of effective systems to institutionalize compliance improvements.

## Annexes

### Annex A: Factories covered in this report

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- Aplus Garments S.A.
- CODEVI
- DKDR HAITI S.A.
- Fox River Caribe, Inc.
- Genesis S.A.
- Interamerican Tailor S.A.
- Interamerican Wovens S.A.
- Island Apparel S.A.
- Johan Company
- Magic Sewing Manufacturing S.A.
- Modas Gloria Apparel Ht
- Multiwear S.A.
- One World Apparel S.A.
- Pacific Sports Haiti S.A.
- Palm Apparel S.A.
- Premium Apparel S.A.
- Quick Response Manufacturing, S.A.
- Sewing International S.A.
- Team Manufacturing S.A.
- Textrade Manufacturing S.A.
- The Willbes Haitian S.A.