

# Newsletter



Mid-year **2023** | Highlights and insights from the Apparel Industry



Insight and Stories from the Apparel Industry

## Partnership and resilience to sustain the advancement of decent work



# Newsletter

Mid-year 2023 Highlights and insights from the Apparel Industry



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### ▶ Understanding the new provisions on the 3x8 Law

The new decree published on June 13, 2023 nullifies the 3\*8 law until the revision of the Labor Code is completed.

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## ▶ The Haitian Apparel Industry at a glance in 2023



**33**  
Factories



**7**  
Government partners



**22**  
Assessments conducted



**8**  
Industrial zones



**~42,500**  
Workers in registered factories



**11**  
Active union federations



**81**  
Advisory visits



**~1.1Bi**  
Exports in USD



**26**  
Training sessions



**14**  
Years of BW operations in Haiti



**26**  
Brands and retailers



**12**  
BW Staff in Haiti



## ► Program services and Industry updates

- The country continues to struggle politically and economically. The recent crises bring more challenges to the Government, businesses and the population’s well-being. Some factories faced operations disruptions for days and others for weeks. In 2022, 2 factories closed their doors permanently mainly for business reasons and 3 in 2023.
- The US government administration strongly supports the extension of the HOPE/HELP trade preferences program for Haiti. Stakeholders from Haiti and a group of US apparel and retail organizations such as the American Apparel and Footwear Association (AAFA), the United States Fashion Industry Association (USFIA), amongst others are urging US Congress for the “immediate and long-term” reauthorization of the HOPE/HELP Acts ahead of its expiry in 2025.
- Data collected by Better Work show that the sector has lost approximately 9,000 jobs, between factories that have been closed since the beginning of the year and factories that have reduced staff.
- Although the Haitian garment sector has shown a great degree of resilience throughout the years and in fact, the total value of good exported has revealed an increase of 14.5 % for the period ending August 2022.
- On the economic front, the value of the Haitian Gourdes compared to the US dollar continues to decrease. Workers often complain that their purchasing power has decreased significantly. In May 2023, they demonstrate in different parts of the metropolitan area for \$18 (HTG 1,500) daily minimum wage.

### ► Tragic incident at CODEVI

On June 15, 2023, a tragic incident occurred at CODEVI industrial zone where two workers (two men) lost their lives, and many others were injured physically as per a conflict between some workers and a security guard that escalated quickly to a regrettable violent scene. Stakeholders have appealed for calm to allow the authorities to carry out their investigations and establish responsibilities. CODEVI management have held several meetings and consultation with different branches in the Haitian government and have taken full charge of the deceased family members. Better Work Haiti has initiated high-level discussions with the constituents involved to explore strategies and training needed for an overall re-induction to ensure a mature industrial relation reign in the facility.

- Better Work Haiti continues operation with hybrid approach combining virtual and in-person activities and continues to enlist the support of MAST labor inspectors to deliver its services (assessments and, in some cases, advisory services).
- Better Work Haiti has been working closely with the other members of the CIO project to attract investment in the Haitian garment sector but also to maintain the gains that have been acquired during the past several years.
- Better Work Haiti published its 25th Biannual Compliance Synthesis Report under HOPE II Legislation. This report presents an overview of the non-compliance findings in 31 participating factories, which were assessed at least twice by December 2022. The highest non-compliance rates in the industry are in the Occupational Safety and Health (OSH) cluster, meaning that almost every factory had at least one violation in the cluster.

### ► Factories’ Non-compliance summary

<b>68%</b> exceed the daily or weekly working hours legal limit	<b>65%</b> do not have adequate firefighting equipment	<b>52%</b> have issues with employment contracts
<b>81%</b> have issues with annual salary supplement or bonus	<b>84%</b> have issues with properly labelling their chemical products	<b>10%</b> do not follow collective agreement provisions
<b>68%</b> have issue paying OFATMA for work-related accident insurance	<b>0%</b> have issues on method of minimum wage and overtime payment	<b>77%</b> fail to provide workers with all necessary Personal Protective Equipement

### ► Services reach

#### Advisories

In-person: **36**  
Virtual: **45**

#### Factory Trainings

In-person: **20**  
Virtual: **3**  
Female: **135** / Male: **350**

#### Assessments

In-person: **15**  
Hybrid: **7**

#### Workshops & industry seminars

In-person: **7**  
Virtual : **1**



► Stakeholders meeting to set priorities for 2023

Ouanaminthe, Zone Franche CODEVI February 2023

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On February 8 and 9, 2023, Better Work Haiti held a series of meetings with the program’s stakeholders (separately) to discuss each group’s concerns and key priorities in relation to the main challenges that affects the apparel industry. The conversations included also points regarding the Better Work Haiti program’s priority themes and foremost activities set out in Better Work Haiti’s 2022-2027 strategic phase, and the adoption of an updated memorandum of understanding for the PAC.

Through the discussions, stakeholders shared the similar thoughts on the issues identified as critical for the sector such as:

- The loss of jobs (some factories closing due to insecurity unrest and loss of orders);

- The difficulties raise by factories in the application of the law 3x8;
- The creation of a working group focusing on non-compliance listed in the BWH factory Improvement plan dashboard
- The creation of a business continuity plan (recovery/emergency plan) for the sector

The stakeholders’ meetings concluded with a signed memorandum of understanding by the representatives of the PAC outlining the role of each actor and joint actions to find practical and sustainable solutions to tackle the issues and focus on exploiting the current potentials of the garment industry.

► BWH supplier hosted the 2023 AAPN’s regional tour

BWH joined with CODEVI to highlight the dynamism and opportunities of the industrial zone share by the Dominican Republic and Haiti.

Two dozen Americas Apparel Producer’s Network (AAPN) attendees and 6 speakers and local hosts were on the 2023 AAPN CODEVI Haiti/Dominican Republic Regional & Tour, hosted by Grupo M on March 21 - 24. The itinerary included tours of the CODEVI industrial park three hours from Santiago DR, in Ouanaminthe Haiti, just across the border from Dabajon, DR hosting over 15 global tenants and US Brands.

Mr. Anibal Capellan is member of the Board of Directors of the AAPN and Mr. Joseph Blumberg, Managing Director Grupo M/CODEVI, hosted the event with a worthy agenda to highlight the dynamism and opportunities of the industrial zone share by the Dominican Republic and Haiti. Andrew Dreher of GC Moore wrote, “... The Central American/ Caribbean region as a whole has great potential”. Claudine François, Program Manager

of Better Work Haiti, brought the audience’s attention on labor conditions progresses and key recent initiatives in Haiti’s textile sector to support its development through investment, constructive partnership and business performance. The AAPN has promoted for years that “Closer is Clearer” promote networking among nearly 200 organizations across the apparel supply chain organized industrially worldwide, producing apparel for the US market, to reshape the sourcing infrastructure to make business in the USA and the Americas is easier, faster, safer, better and more stable. The AAPN has a significant network of diverse members that make up the apparel supply chain connecting suppliers, buyers and any other stakeholders looking for a more stable and flexible sourcing model.



## ► Stakeholders mobilize to pay workers nearly US \$1 million

Constituents joined to restore workers severance after a factory's closure due to business challenges.

Haiti's garment industry has suffered amid rising violence in the country, which has affected enterprises' operation and business relations, including shipments and sliding orders from North American brands, which the living-cost crisis has hit. In the most difficult situations, the factory happens to close its door. It was the case of Valdor apparel MFG Haiti S.A owned by a US-based company that made clothes for PVH's licensee Centric and several other brands, who closed its factory in Port-au-Prince in January 2022. In such circumstances, the impact on workers' families can be severe, affecting their capacity to pay housing rent, their children's schooling, and even fully afford their basic needs.

When workers were told that the factory was closing due to bankruptcy and a lack of orders, they immediately reported it to their respective union leaders. They began demonstrating at the factory for the sudden closure. They claim that they did not receive severance pay, as the law requires. Shortly after, BWH, jointly with the Ministry of Labor (MAST) representatives, the Labor Ombudsperson Office, the Unions Federation concerned, and the employers' associations (ADIH), engaged in productive dialogue to have clear guidance and determine the best actions to address this matter.

Post-intervention of this collaboration resulting PVH, one of several brand owners sourcing from the Valdor Apparel MFG Haiti SA factory in the Caribbean country, agreeing to pay the sum to cover missed severance pay, pension contributions directly to workers and the government pension

fund after involvement by the Worker Rights Consortium lobby group. It also helped trace and contact workers, calculate what each worker was owed, and inform workers about the distribution process of approximately \$830,000 USD.

The Association of Textile Workers' Unions for Re-importation (GOSTTRA) leadership heralds this as a victory for the factory workers and the entire Haitian labor movement. "What we learned from this experience is that if all the unions could work together, we would be better able to achieve our goals," they say in a written statement. Ms. Tulsi Narayanasamy, director of advocacy for WRC, quoted: "We're glad to see brands increasingly recognizing their obligations and paying workers, like PVH has done here. We have a long way to go, but every time a brand steps up to ensure garment workers receive what they were owed, it makes it harder for the next brand to refuse."

BetterWork Haiti holds strong relations with brands and partners sourcing in Haiti [through information sharing and regular discussions meeting] and encourages them to engage in supporting their suppliers' operations towards decent work. That includes pushing for better compensation, applying good purchasing practices, offering other initiatives such as skills development training and social programs to enhance workers' capacity and well-being, and special situation like that one that has so much impact on workers' life and serve as example for other brands.

Former woman worker at Valdor Manufacturing S.A

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## ► Compliance trends in Haiti's garment sector 2009-2022

A longitudinal analysis of select areas of Better Work Haiti's compliance data

Since Better Work Haiti's (BWH) operations began in 2009, garment manufacturers in the country and have faced several challenges to maintaining a stable and competitive industry. Despite these difficult circumstances, the industry and its stakeholders have continued to progress toward improved working conditions in workplaces while maintaining a viable and key industry for the country.

Better Work assesses workplace conditions of enrolled firms against international labor standards and national labor law, while simultaneously advising and training enrolled factories in how to improve compliance. Although the program's data show that non-compliance persists in several key areas, broad improvements have been made in areas key to employees' direct health, welfare, and wage structure. These areas of improvement are those most directly related to individual employees' day-to-day working conditions.

- There have been increased training opportunities for workers;
- Workers have witnessed enhanced access to health services and first aid;
- More stable employment contracts have been achieved;
- Mothers have been increasingly supported in the workplace

Compiling data over 13 years shows which areas of non-compliance have decreased, including in areas covering wage conditions, health services, and first aid and employment contracts. These trends suggest that factories enrolled in the program have taken a worker-centric approach

to workplace improvements. The finding of this brief show that broad improvement in Better Work-enrolled factories in Haiti are those most directly related to individual employees and their immediate working conditions, whereas systematic issues dealing with workplace and industry structures tend to be more resistant to improvement.

[Click here](#) to download the brief.



## ► Resiliency within Haiti's garment sector

Workers and factories experiences through the difficult local context



Basic security in Haiti has continued to deteriorate since 2022. Gangs control increasing amounts of territory, particularly in Port-au-Prince, affecting the basic functioning of economic activity in the country. The garment sector is not spared from this disruption. Workers find it difficult to commute to factories due to restrictions on their movement and fuel shortages and roadblocks affecting public transportation. Moreover, Better Work Haiti has received reports from enrolled factories of instances of workers being directly affected by dangerous conditions commuting to work.

However, despite this difficult environment, factories have continued to find ways to maintain their operations. In December 2022, Better Work conducted a rapid survey among a small number of participating factories to understand how they are coping with these severe disruptions and lack of certainty. Seven firms located in the west and northeast regions responded to a range of

questions regarding risk management protocols, measures to prevent and address issues of insecurity affecting workers, labor force retention, and production capacity and operating status. The lack of basic security to operate in the country led to a reported loss of production (particularly in August and September 2022), lack of easy access to raw materials, fuel shortages, and challenges related to worker morale, attendance and productivity.

Throughout this period, Better Work Haiti has continued to engage with participating firms through its factory-level and industry convening services. The program has a unique role to highlight the present challenges and to convene stakeholders to address them in support of firms and the jobs they provide to tens of thousands of workers in the country.

► **Social dialogue leads to projects in community**

At Caracol, one thousand and five hundred (1,500) workers benefited from financial and social support from factory projects to cope with economic challenges and improve their living conditions

MAS AKANSYEL S.A, a textile factory, began operations in the Industrial Park of Caracol and enrolled in Better Work in 2017. The establishment of the Bipartite Committee introduced a new dynamism in the management of the factory. This committee plays a crucial role for effective social dialogue between the factory’s management and workers. It helps these parties to engage in constructive discussions to address noncompliance issues and other working conditions concerns. At times the conversations go on various other questions such as workers complaints on the under-estimation of textile workers, the inadequacy of the minimum wage compared to the cost of living, their difficult living conditions in the community, etc. Since 2018, the management decided to implement projects based on communications and expectations expressed within the bipartite committee and from employees of the management staff.

Mr. Dinesh Tennakoon, manager at MAS AKANSYEL affirms that they rely on dialogue with workers for projects decisions, “We build on communications and relations with workers and our corporate social responsibility to develop projects to support better living conditions for workers and promote greater value of garment workers”.

Better Work delivers adequate training to the Bipartite Committee members to build their capacity to voice their concerns and better represent themselves. The regular meetings with management allow them to propose and discuss practical solutions to address current problems and future projects that can improve their well-being.

From 2018 to the end of 2022, conversations within the bipartite committee and the active unions inside the factory have led to multiple projects (20+) impacting around one thousand and five hundred (1,500) workers. These projects were implemented in areas such as agriculture, education, health, local connect, sports and were implemented by Haitian staff members in collaboration with people of the beneficiary community.



Wells installed served people in the communities © MASAKANSYEL



Project leaders visit farmers harvesting Papaya © MASAKANSYEL



Donation of fabric & thread cones to school to support sewing classes © MASAKANSYEL

The management realized that the leadership of Haitians allowed achieving great results, better collaboration, and response from the communities.

Among the flagship projects, Mr. Chanditha cited the following with most successful impact. “ Of the three most impactful projects, the first is the Community Farming project helped twenty-five (25) local farmers develop a sustainable livelihood for themselves and their families , the Refresh Ak MASAKANSYEL distributes reusable water bottles and lunch bags to over 1,300 women workers and six tube wells installed that allow more than 25,000 people in the surrounding to have access to the most basic sustenance, and finally the Clean and Improved Cooking helps 200 employees to benefit from a partnership to purchase electric and environmental cooking supplies where 93% of the people were using fuel-based or charcoal as their primary cooking.”

“Being able to communicate openly with management improves workers-management relations. To me, the farming project is outstanding by helping workers to save money on certain food expenses.” says Jeff Gonel, finance assistant for almost 5 years at MASAKANSYEL.

The factory management is inspired from the regular dialogue with workers and employees to develop and implement projects to support them and build closer relations with them. They testify that Better Work’s advisory service is a key component to guide them in the process of engaging and maintaining good communication and resolving issues with workers.

“The guidance and training received from Better Work helps us improve in compliance and workplace relations. Good communication and relations with workers are essential for these projects. We look forward to developing more projects beyond the factory for our workers and their communities”.

Better Work promotes social dialogue as an essential driver of Decent Work. We believe that facilitating communication and building trust between workers and management have been central to our work and success in improving compliance in factories. An effective social dialogue can extend or lead to positive collaboration beyond the scope of the workplace, bringing better relations and opportunities for the stakeholders.

## ► BWH empowers factories in CODEVI to tackle Occupational Safety and Health (OSH) issues

At Caracol, one thousand and five hundred (1,500) workers benefited from financial and social support from factory projects to cope with economic challenges and improve their living conditions

On April 2023, Better Work Haiti held an industry seminar for members of the OSH management system within the factories at CODEVI such as compliance and OSH managers, HR staff, and OSH committee members. This seminar aimed to build the capacity on OSH management systems as well as addressing key issues such as OSH Policies, hazard/risk management and control procedure, emergency preparedness, accident investigation and root cause analysis, among others.

Twenty-six participants, from the eleven different factories (in the CODEVI industrial zone) attended

this training to learn about PNCs on OSH and OSH management systems requirements to effectively conduct root cause analysis and develop action plan to address these issues.

Mr. Johanny Reyes, an OSH officer from BKI emphasizes key elements of OSH management. “I learned a lot about the importance of not having objects obstructing our hallway, the importance of signs, among others. I will constantly monitor and apply the knowledge acquired and the requirements in my professional and personal life”.



BWH Enterprise advisor review OSH PNCs with participants

© Better Work



Group of participants from 11 factories at CODEVI

© Better Work

The seminar introduced the five WHYS method as a proven powerful tool to conduct root cause analysis and solving a complex business issue. The participants were presented the latest BW data on compliance rates for each compliance points under OSH cluster and were divided into small groups to run practical exercises to identify the root causes of the 5 common NCs listed using the 5 WHYS method. It also created a space for participants to interactively share questions and experiences about specific challenges they encounter in their workplace and effective solutions applied.

Mr. Eliane Appolon from BrandM affirms that “this seminar brought me a lot of new knowledge. The 5 WHYS method is a useful key tool that will help us solve many issues at my factory”.

Other participants cited specific useful details captured during the training “I learned that the eyewash system must be located 10 meters from the workplace, the labels must be in the local language” said Mrs. Yadira Peralta from Everbright. “It is important for my factory to

establish adequate policies and procedures especially on management of chemical products. Hygiene and safety in the workplace must be a priority for everyone responsible in the OSH management.” Said Mrs. Saint Aime Daphnee from Superior Sourcing.

In the last part of the training, Better Work provided each factory with an OSH management analysis guideline that will allow them to review their internal OHS policy and develop an action plan to tackle the persistent non-compliances based on the observations made during the factory tour.

Better Work will follow up with factories on remediation efforts that they will carry out and progress achieved through the Improvement Plan. Six of the eleven factories shared a draft of the internal analysis and Better Work Haiti technical team plans to provide tailored assistance through advisory services to factories that struggle in implementing concrete solutions to address their issues.





### ► New online complaint reporting system

Stakeholders can now file their complaint through the Labor Ombudsperson office's online system.

With the support of Better Work Haiti, the Office of the Labor Ombudsperson for the textile sector (BMST) is introducing its digital Complaint Management Solution that aimed to improve its quality and performance in the industrial conflict handling process within the garment sector. The Office of the Labor Ombudsperson receives an average of a dozen in-person reported cases monthly on several issues such as contract disputes, working hours, payment to the social security system, and maternity leave payments, to name a few.

Stakeholders can now use the web-based application to report their complaint to the Labor

Ombudsperson office and track the case status after reception confirmation. The link to access the website is: [www.caseprocenter.com](http://www.caseprocenter.com), easy to use and is available in five languages.

This new system will improve the conflict handling operations, especially with distance reporting and tracking for parties and transparent centralized collaborative work within BMST, the Ministry of Labor and Social Affairs (MAST), Better Work Haiti, and other involved parties. This system resulted from a partnership between the BMST, MAST, and BWH conducted during the second quarter of 2022.

#### How it works in 3 steps?

Go to [www.caseprocenter.com](http://www.caseprocenter.com)

- Click on **Report**
- Fill out the form and submit
- You will receive a case confirmation email

### ► Understanding the new provisions on the 3x8 Law

The new decree published on June 13, 2023 nullifies the 3\*8 law until the revision of the Labor Code is completed.



Woman garment worker enjoy her lunch break © Better Work

On June 13, 2023, the Government of Haiti published a decree to recall the 3\*8 law regulating the workday for 24 hours, divided into three periods of eight hours; Loi Portant Organisation et Reglementation du Travail Sur la Duree de Vingt-Quatre (24) Heures Repartie en Trois (3) Tranches de Huit Heures, commonly referred to as the 3\*8 Law.

The law stated that the lunch break is an integral part of the eight-hour day and should be compensated. This new decree nullifies the 3\*8 law until the revision of the Labor Code is completed. The lunch break payment is no longer required. Moreover, this new decree reinstated a series of articles in the Labor Code that were eliminated with the implementation of the now nullified 3\*8 law.

As a result, Better Work Haiti will not include the payment of the lunch break in the calculation of the average daily salary.

### ► End violence and harassment in the world of work

Resources for raising awareness on ILO Convention 190/R206 against Sexual Harassment



Woman garment workers pose with strong message against harassment © Better Work

As part of our activities to build the capacity and knowledge of stakeholders in the textile sector on issues concerning gender-related challenges and issues, particularly Sexual Harassment, we share with you resources on Convention 190 and Recommendation 206 of the International Labor Organization (ILO) for continuous awareness-raising in order to fully understand these new global standards, relay the information to other actors and advocate with the authorities for its ratification, the objective of which is to put an end to violence and harassment in the world of work.

The best time to act is now. Rise up and move forward to end sexual harassment in the textile sector in Haiti.

[Click here to download resources](#)

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## ABOUT BETTER WORK

Better Work – a collaboration between the United Nation’s International Labour Organization (ILO) and the International Finance Corporation (IFC), a member of the World Bank Group - brings together all levels of the garment industry to improve working conditions and boost the competitiveness of apparel businesses.

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