



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

JUNE 2023



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► Key Findings

Since Better Work Haiti's operations began in 2009, garment manufacturers in the country and have faced several challenges to maintaining a stable and competitive industry. Most recently, these challenges have included the COVID-19 pandemic, deteriorating macroeconomic conditions, and severe political and governmental upheaval and disruption. 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. 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. This approach focuses on retaining workers by meeting their immediate needs rather than a more long-term and systematic approach to improving the working environment's broader conditions. A broad overview of compliance trends among a consistent set of factories enrolled in the program, which complements bi-annual compliance synthesis reports, shows some positive trends since 2009:

- **There have been increased training opportunities for workers:** There is a decrease in non-compliance across several areas training required by national law, including employers effectively training workers who work with chemicals and hazardous substances, proper use of personal protective equipment and machines, the provision of first aid training, and training on how to use firefighting equipment.
- **Workers have witnessed enhanced access to health services and first aid:** Better Work Haiti has shown an improvement in workers receiving health cards within the first 3 months of hiring, free health checks for workers who have been exposed to work-related hazards, employers addressing safety and health risks to pregnant or nursing workers, and increased provision of first-aid training to workers.
- **More stable employment contracts have been achieved:** While there is a need to make further improvements in contracting procedures, including terminations, there has been a decrease in non-compliance regarding the legal requirements for compensation, contracts, OSH and/or working time pertaining to non-production workers and/or sub-contracted workers, and an improvement in the compliance of contracts with the labor code, collective agreement, and internal work rules.
- **Mothers have been increasingly supported in the workplace:** Since 2009, improvements have been seen in employers providing breastfeeding breaks, paying workers correctly during breastfeeding breaks, and employers addressing safety and health risks to pregnant or nursing workers.



► Introduction

Since 2009, Better Work Haiti—a joint initiative of the International Labour Organization (ILO) and the International Finance Corporation (IFC), a member of the World Bank Group—has engaged workers, employers, the government, and multinational businesses to improve adherence to labor standards and improve competitiveness in the garment industry.

Better Work Haiti strives to create a sustainable garment industry that provides decent jobs to workers, enabling them, their families, and their communities to move out of poverty, empowering women, boosting national income, and improving social stability. Since 2009, the programme has covered all garment factories, and select other manufacturing factories, in Haiti exporting to the US market. The industry employs an estimated 65,000 workers and exported USD 434 million worth of products to the United States for the first five months of 2022. In February 2022, the government increased the daily minimum wage in the textile sector from 500 to 685 Gourdes (37%). Despite such an increase, given the high rate of inflation resulting from COVID-19 and socio-economic and political unrest, such an increase may be insufficient for workers to continue to meet basic needs, underscoring a major challenge for the industry going forward.

This brief is based on findings from compliance trends analysis across a range of working conditions in firms enrolled in the Better Work Haiti programme. While it demonstrates areas pointing to steady and sustained improvement, it also highlights where consistent challenges remain to ensure compliance.

Better Work Haiti publishes compliance synthesis on a biannual basis, providing snapshot for the previous six-month period of the compliance situation in enrolled factories. Given that the programme has

operated since 2009, it is possible to track the performance of a consistent set of issues within a similar group of factories over the course of their participation in the programme. Reporting these non-compliance trends can reveal more about the potential of lasting change in the sector. Better Work reports compliance trends at the level of the compliance question, rather than the more aggregated *Compliance Point level* in order to better understand how individual issues are evolving. The data used for this brief encompass a sample of Better Work Haiti factories with at least nine years of consecutive enrolment in Better Work in the period 2009-2022. The long-term commitment of this subset of factories allows for analysis of compliance trends for the entire time period of the programme. The findings in this brief focus on select areas where a significant pattern of change was evident from the dataset. As a result, discussion on some areas remains omitted from this brief, including areas such as Freedom of Association or discrimination - areas where establishing definitive evidence of non-compliance during a given compliance assessment can prove challenging, and thus limits discernible trends over time. The visual figures that follow report the percentage of factories in the sample assessed as non-compliant on a particular question from the program's Compliance Assessment Tool. A downward trend in non-compliance therefore represents a positive improvement in the working condition.

► Findings

In general, the areas of 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. Examples of each are presented below.

Areas of Progress

Training workers in safety and health matters at the workplace offers a clear example of concrete action employers can take within their scope of control to improve workplaces. **Better Work compliance data trend show workers are ultimately gaining more access to training to promote safe and healthy workplaces.** Figure 1 illustrates improvement (decrease) in the non-compliance rate from period from 2009 to 2022 in all areas of training.

Improved provision of training occurred in effectively training workers who work with chemicals and

hazardous substances, proper use of personal protective equipment and machines, the provision of first aid training, and training on how to use firefighting equipment, as illustrated in Figure 1. For example, whereas 47% of factories in the subsample studied were initially assessed at their first cycle as found non-compliant in effectively training workers who work with chemicals and hazardous substances, none were found non-compliant by their last assessment in the period. Importantly, this finding does not preclude factories failing to comply with other areas of occupational safety and health, including related to chemicals and hazardous substances. Gaps in occupational safety and health outcomes remains a major concern, with high rates of non-compliance in this broad area of working conditions consistently reported in Better Work Haiti's biannual synthesis report.

Nevertheless, improvement in training provision should not be discounted, as they can have important secondary impacts. Better Work's Supervisory Skills

FIGURE 1: PROVISION OF TRAINING BY FACTORIES

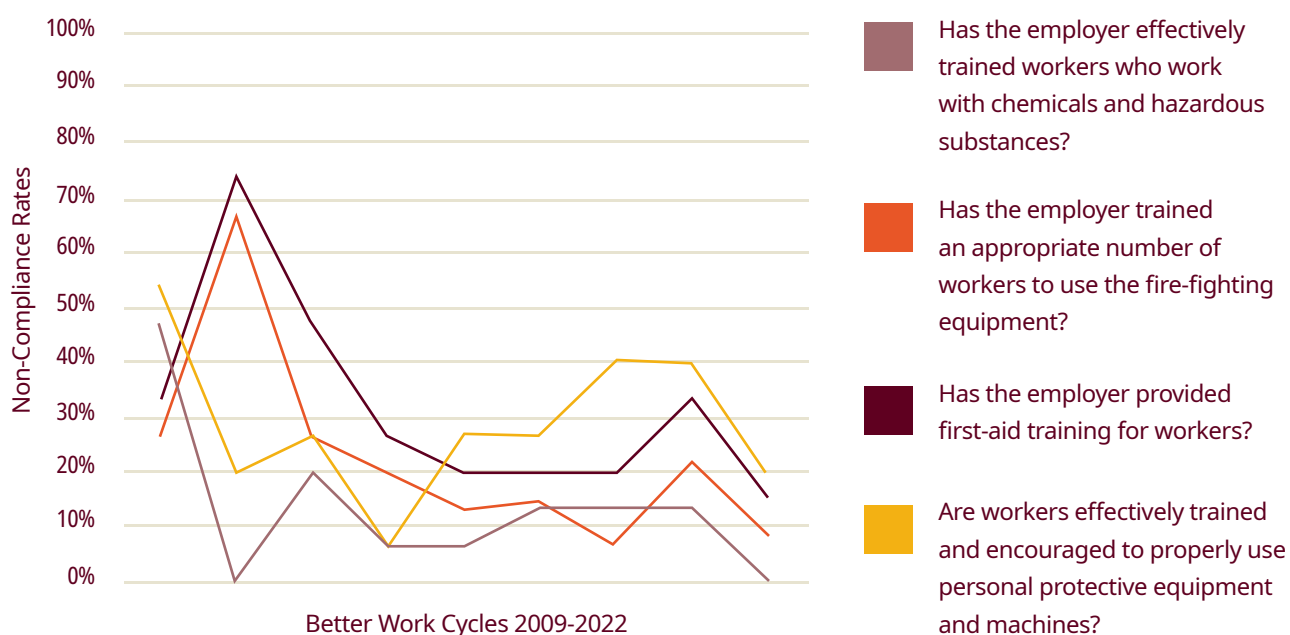
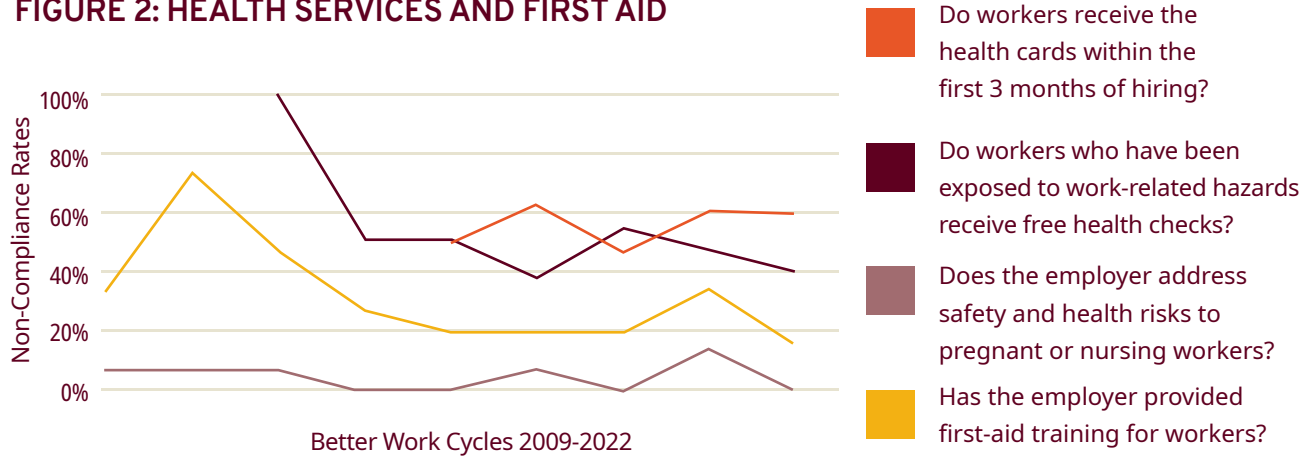


FIGURE 2: HEALTH SERVICES AND FIRST AID


Training module, including as implemented in Haiti, showcases one example of the impact that training at the factory-level can have. The SST program was subjected to in-depth impact evaluation research, which found that it contributed to lower turnover, improved empathy and perspective taking, and increased line productivity by up to 22 per cent.¹

Workers have gained better access to health services through the workplace. Better Work Haiti data show improvements in several key areas in relation to workers' health and access to first aid. There has been a marked improvement in workers receiving health cards within the first 3 months of hiring (from universal non-compliance to 60 per cent non-compliance), free health checks for workers who have been exposed to work-related hazards, employers addressing safety and health risks to pregnant or nursing workers, and increased provision of first-aid training to workers (Figure 2). Better Work's role has been to help interpret and advise firms on how to ensure they

comply with legal provision intended to improved the health of workers at the workplace.

Improvements in contract stability over time leads to better employment stability. While there is a need to make further improvements in contracting procedures including compensation for workers for unused paid annual leave when they resign or are terminated, **there has been a decrease in non-compliance regarding employment contracting arrangements.** Employment contracting arrangements have improved with more contracts complying with the labor code, collective agreement and internal work rules, and the internal work rules complying with legal requirements (Figure 3). There has also been a decrease in non-compliance (from 50 to 20 per cent) with legal requirements for compensation, contracts, occupational health, and safety and/or working time pertaining to non-production workers and/or sub-contracted workers, showing that the improvements are making conditions better for all types of workers.

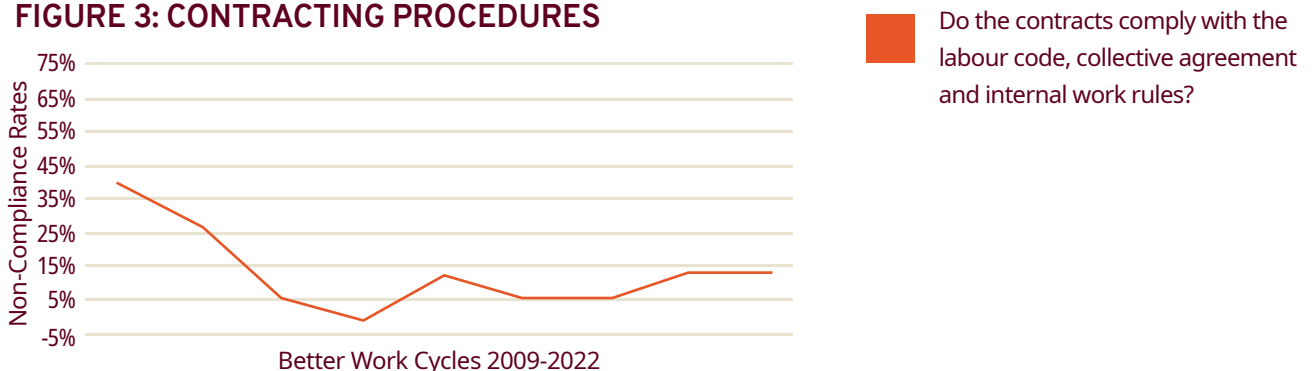
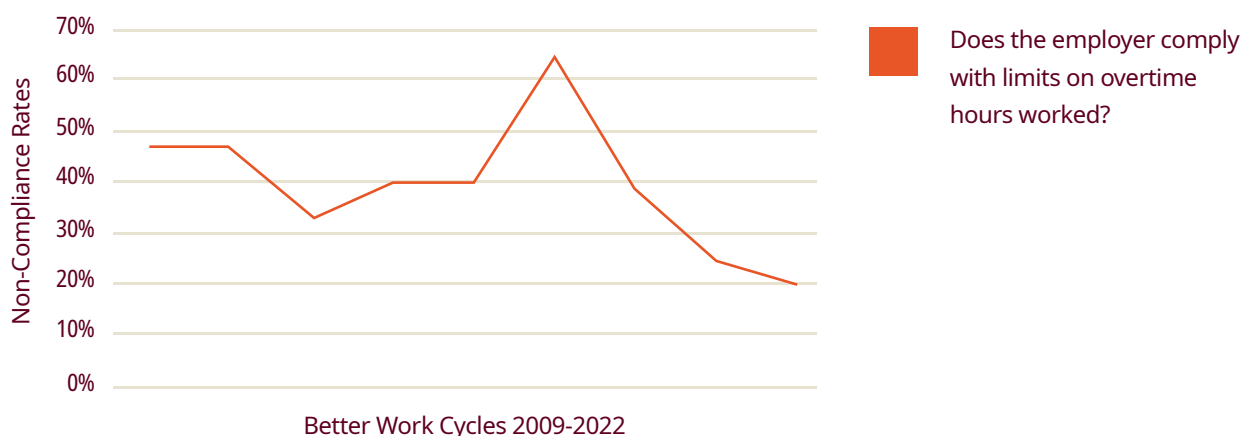
FIGURE 3: CONTRACTING PROCEDURES


FIGURE 4: LIMITS ON OVERTIME

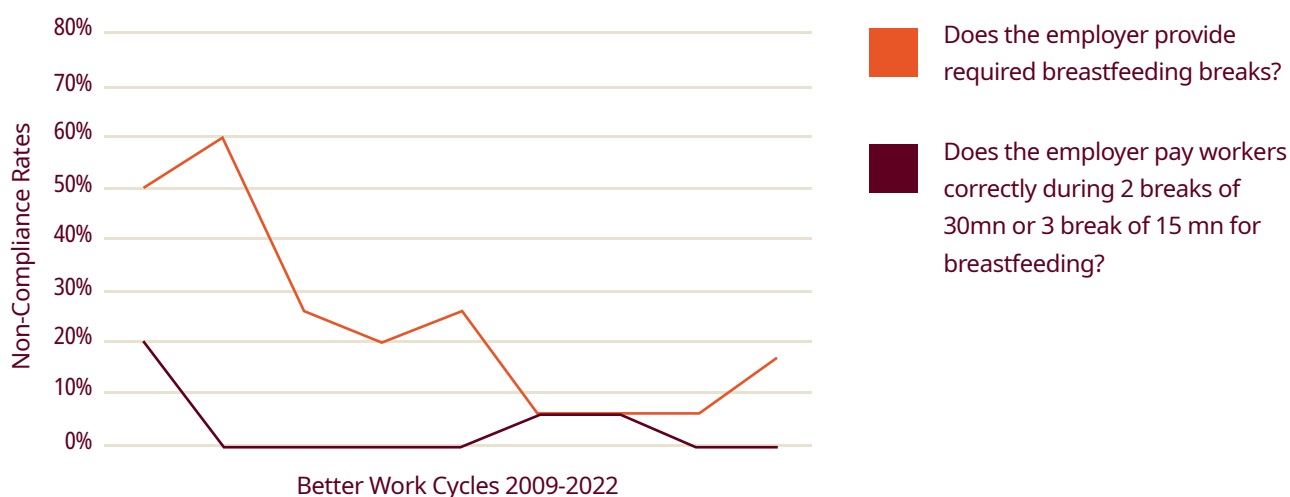


Excessive working time is a common occurrence in the global garment industry. **Factories enrolled in Better Work Haiti over the long term demonstrate positive improvement in curbing excessive overtime hours.** Non-compliance with limiting overtime hours within legal limits decreases by over half, from 47 per cent to 20 per cent non-compliant (Figure 4).

Responsiveness to health risks for pregnant or nursing workers and provision of breastfeeding breaks improves conditions for working mothers. Since 2009, improvements have been seen in employers meeting the needs of working mothers. This includes providing breastfeeding breaks, paying workers correctly

during breastfeeding breaks, and employers addressing safety and health risks to pregnant or nursing workers (Figure 5). Despite these improvements, there remains instances where eligible workers are still not being paid correctly for maternity leave in Haiti. The enforcement of maternity protection benefits can help close the gender pay gap and ensure that the workers most vulnerable to health risks and with the lowest bargaining power in the workplace, are protected and supported. In Haiti, when firms first enrolled in Better Work, women with children reported a considerably lower pay relative to other women, suggesting that incorrect payments of maternity benefits and other discriminatory practices are endemic and require specific measures.²

FIGURE 5: BREASTFEEDING BREAKS



► Persistent challenges and areas for future focus

Along with improvement in some key areas of working conditions, several points of non-compliance persist within the improved areas, and some areas of non-compliance remain stubbornly high. This includes areas related to workers' leave benefits, social security support, and occupational safety and health. These are important areas to improve, as there is further social and economic development potential when factories, and broader industry actors, move beyond the basic welfare requirements and towards cultivating a working environment and benefits structure, which enables longer-term worker-welfare and support.

FIGURE 6: SOCIAL SECURITY AND OTHER BENEFITS

FIGURE 6A

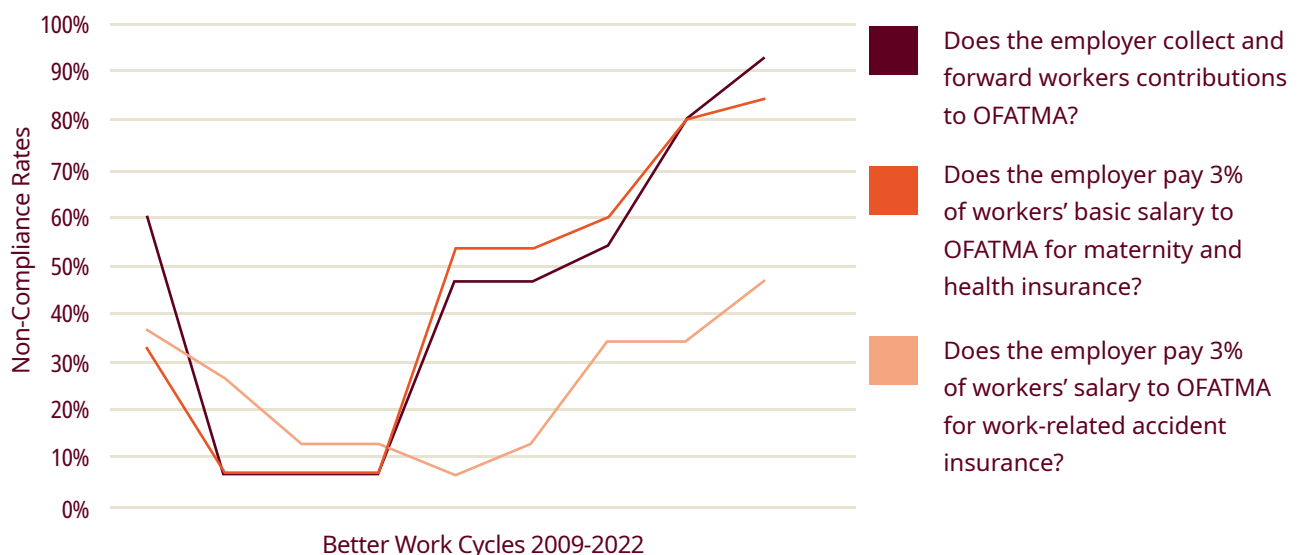
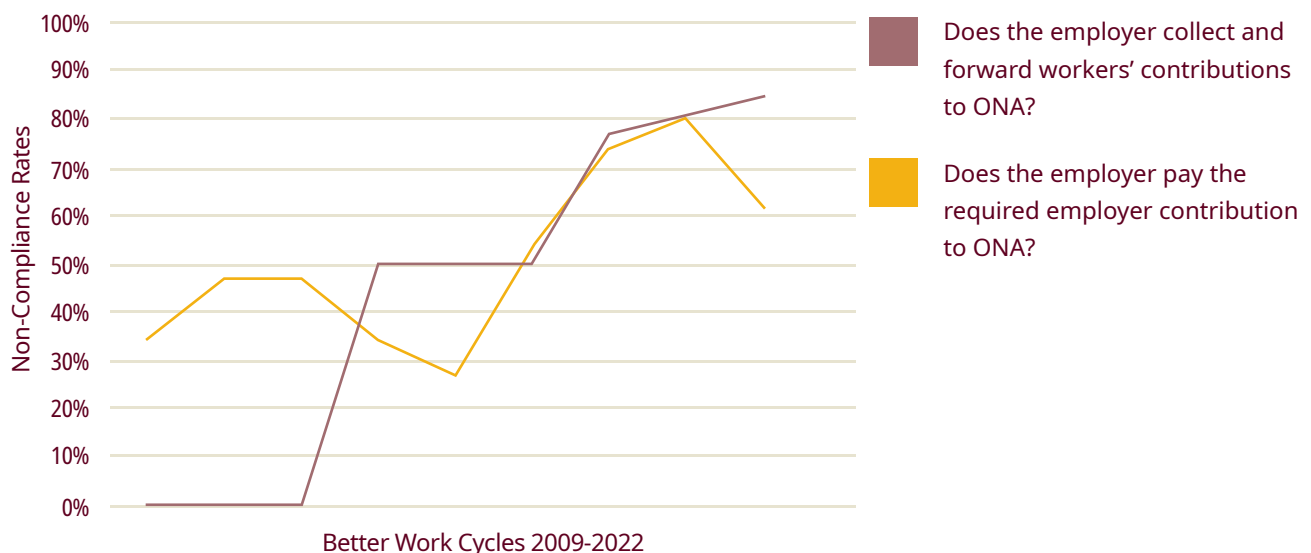


FIGURE 6B



The areas of leave entitlements and social security require attention to ensure the well-being of workers. Since 2009, factories have not shown improvements in paying eligible workers correctly for sick leave or in paying workers correctly for annual leave. Non-compliance has increased in both areas, in addition to not paying eligible workers correctly for maternity leave, showing a broad non-compliance in the provision of paid leave to workers. In addition to the decline in compliance with the provision of paid leave, employers have not improved in their fulfillment of social security requirements (Figure 6). There have been increases in non-compliance in the employer collecting the required social

insurance contribution to ONA and OFATMA from all workers, forwarding these contributions to ONA and OFATMA, paying the required employer contribution to ONA, paying 3% of workers' basic salary and sending the workers' pay slip to OFATMA for maternity and health insurance, as required by law. Although non-compliance rates are shown as increasing in these areas, Better Work staff have noted through their advisory services to factories a broader awareness and need to comply with social security regulations. Highlighting areas where the industry is currently failing to conform to the legal regulations assists in the process of continuous improvement that is the focus of the program's approach.

RESILIENCY AND HAITI'S GARMENT SECTOR

Basic security in Haiti has continued to deteriorate since 2022. Gangs control increasing amounts of territory, particularly in Port-au-Prince. This has seriously affected the basic functioning of economic activity in the country, including through disruptions in telecommunications, public transport, banking services, health services provision, and humanitarian and emergency relief operations.

The garment sector has not been 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.

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 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. Three firms reported their factories had been direct targets of acts of aggression in the past three months. On average, firms needed to cease operations in 11 instances in the same period. 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.

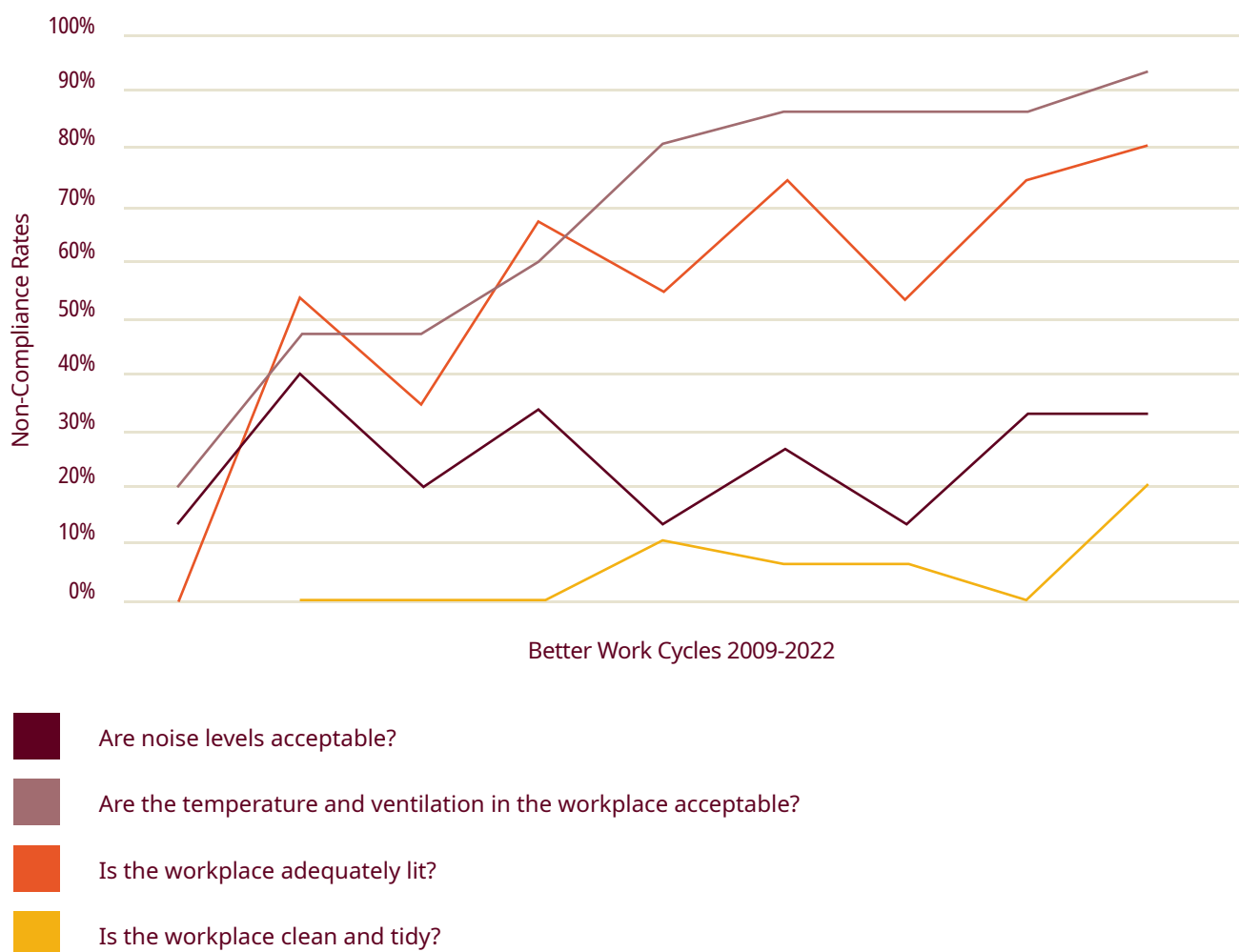
Throughout this period, Better Work Haiti has continued to engage with participating firms through its factory-level and industry convening services. The program has a unique role to highlight the present challenges and to convene stakeholders to address them in support of firms and the jobs they provide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

Increase in non-compliance in elements of working environments have transpired in the industry.

Areas with need for further improvement include occupational health and safety including chemicals, emergency preparedness, occupational safety and health management systems, worker protection, and working environment. Increases or steady non-compliance is also reflected in a lack of progress in emergency preparedness, with further improvements needed in the provision of an adequate number of emergency exits, fire detection and alarm system and fire-fighting equipment, marking and posting emergency exits and escape routes, storing flammable materials safely, safeguarding possible sources of ignition, ensuring emergency exits are accessible,

unobstructed and unlocked during working hours, including overtime, and conducting periodic emergency drills. These issues are consistently highlighted in Better Work Haiti's compliance synthesis reports. Turning to examining long-term trends, compliance questions within area of working environment is a key area of concern requiring improvement (Figure 7). Across all areas, there has been a deterioration in compliance of factories. These areas are key to worker welfare as they include ensuring that the noise levels, temperature, and ventilation are acceptable and that the workplace is adequately lit, clean, and tidy. These areas have the potential to impact worker health and welfare long-term, in addition to worker morale and factory output.

FIGURE 7: WORKING ENVIRONMENT





► Looking forward

Of the multiple areas examined in this brief, factories in Haiti's garment industry have appeared most successful in driving improvement in areas most immediately within the control of factories and most immediately affecting workers. Positive change is clear for limiting excessive working time, increased training, and enhanced access to health and first aid. In contrast, employers' offer of leave entitlements, social security benefits, and occupational health and safety features – issues with links to structural and industry-wide issues – continued to remain challenging to remediate and sustain in compliance. The analysis in this brief focused on long-term trends for factories that have consistently engaged with Better Work Haiti for at least nine annual

service cycles between the years of 2009 and 2022. Highlighting the areas of improvement and continued non-compliance among this subset of participating factories complements Better Work Haiti's biannual compliance synthesis reports to better understanding of the trends in the sector over the long-term. The results suggest that continued engagement with the program helps to ensure progress toward upholding national law and international standards at the level of the workplace, even within a difficult social, economic and security environment like in Haiti. The program and its partners see the lessons from this reflection of compliance trends as a moment to redouble efforts to improve working conditions and achieve a sustainable, thriving garment sector.



► END NOTES

- 1 Babbitt, L. (2016) "Supervisory Skills Training Impact Evaluation" Better Work Discussion Paper 22. Geneva: ILO-IFC
- 2 Djaya, D et al (2019) "An Impact Evaluation of Better Work from a Gender Perspective" Better Work Discussion Paper 30. Geneva: ILO-IFC

Better Work Haiti is supported by:

- ▶ United States (US Department of Labor, USDOL)

Funding is provided by the United States Department of Labor under cooperative agreement number IL-21187-10-75-K. 100 percentage of the total costs of the project or program is financed with Federal funds. This material does not necessarily reflect the views or policies of the United States Department of Labor, nor does mention of trade names, commercial products, or organizations imply endorsement by the United States Government.

Globally, the Better Work programme is supported by the following core development partners (in alphabetical order):

- ▶ Australia (Department of Foreign Affairs and Trade, DFAT)
- ▶ Denmark (Ministry of Foreign Affairs, Danida)
- ▶ European Commission (Department for International Partnerships, INTPA)
- ▶ Germany (Federal Ministry for Economic Cooperation and Development, BMZ)
- ▶ Netherlands (Ministry of Foreign Affairs, MFA)
- ▶ Switzerland (State Secretariat for Economic Affairs, SECO)
- ▶ United States (US Department of Labor, USDOL)