

Haiti's Apparel Factories: Wage Theft, Sexual Harassment, and Poor Safety and Sanitation Standards

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Several new reports released in the past two weeks by the Workers Rights Consortium (WRC), Gender Action, and Better Work Haiti examine working conditions in Haiti's garment factories and find that most workers are not being paid the wages they are legally owed, even as they are subject to unsafe and unsanitary working conditions, sexual harassment, and other abusive treatment.

A <u>new report</u> [PDF] released this week by the WRC, an organization that monitors working conditions in apparel factories producing products sold in the U.S. market, finds that most Haitian garment workers are subject to wage theft. The *New York Times'* Randal Archibold and Steven Greenhouse <u>reported</u> this week that

[t]he report ...focused on 5 of Haiti's 24 garment factories and found that "the majority of Haitian garment workers are being denied nearly a third of the wages they are legally due as a result of the factories' theft of their income."

The group said that the factories deprive workers of higher wages they are entitled to under law by setting difficult-to-meet production quotas and neglecting to pay overtime.

The WRC report states:

Tacitly complicit in this theft of wages are the major North American apparel brands and retailers, like Gap, Gildan, Hanes, Kohl's, Levi's, Russell, Target, VF, and Walmart, that are buyers of garments from Haiti. Although most, if not all, of these firms are well-aware of this law-breaking, they continue with business as usual, profiting from the lower prices that they can obtain from factories that cheat their workers of legally owed wages.

As the Associated Press <u>noted in their coverage</u> of the <u>WRC report</u>:

Under a law that took effect in 2009, garment workers who meet production quotas earn 300 gourdes for an eight-hour day, or \$6.81. Workers elsewhere earn 200 gourdes, or \$4.54.

The report accuses employers of cheating workers in three ways: Production

quotas are set so high that workers can't meet the goals in a regular work day. Wages paid for overtime are based on an hourly rate below the minimum wage for production workers instead of at a premium rate above this wage as required by law. Some factory workers aren't paid for work performed before and after their recorded working hours or during lunch breaks.

The report was released the same day that Better Work Haiti, "a partnership of the [International Labor Organization] and the International Finance Corporation" released its <u>biannual review</u> [PDF] of Haitian factories' compliance with "core labour standards and national labour law in the factories that are eligible for tariff advantages under HOPE II" legislation with the United States. Better Work Haiti examined many more factories – 23 altogether – and also found that most were failing to meet their legal commitments to workers. Only 25 percent of workers were being paid 300 gourds for an eight-hour day, while "The average percentage of piece rate workers earning between 201 and 249 gourdes after eight hours of regular work is 43%, and 32% for those earning between 250 and 299 gourdes..."

This level of pay makes it very difficult for workers to get by. Gender Action noted in<u>a</u> report [PDF] released last week:

According to one study, Haitian women workers were spending half of their daily wages on transport to and from work and a mid-day meal, leaving little funds to provide for their families, including paying school fees for children (Haiti Grassroots Watch 2012b). Unwilling to respect even these very basic pay rates, it is doubtful that garment manufacturers will generate significant economic gains for their Haitian women employees.

WRC noted that "Workers report that as a result of their low wages, they cannot obtain needed medical attention for themselves or their children."

Factories in the Caracol industrial park – a showcase project of post-quake reconstruction and "<u>U.S. State Department and Clinton Foundation pet project</u>" that has been <u>highly</u> <u>controversial</u> – are among those engaging in wage theft,<u>according to the WRC</u>:

The WRC's research indicates that a similarly egregious level of wage theft is occurring at the country's Caracol Industrial Park, a new factory complex on Haiti's northern coast whose construction was heavily subsidized by the U.S. State Department and the Inter-American Development Bank (IDB).5 The Caracol complex is slated to eventually employ more than 20,000 workers.

At Caracol, the WRC found that "On average, workers were paid 34% less than the law requires..." Caracol's anchor tenant, SAE-A, according to the WRC, "produces apparel for Walmart, as well as for other major U.S. retailers, such as Target, Old Navy and Kohl's."

In a separate <u>report on the Caracol park</u>, based on interviews with community residents and factory workers (and also released last week), Gender Action concludes that the

estimated 2,000 workers (as of July 2013) barely make ends meet, with unstable jobs in mediocre conditions, let alone invest in surrounding communities. Apparel assembly workers face tremendous pressure to produce more and more for minimal wages, with instances of verbal and, in one documented case, physical abuse. Donors predict that women would be empowered through [Caracol Industrial Park] PIC jobs; based on women workers' testimony, PIC jobs are not empowering.

One Caracol worker told the New York Times:

"I am forced to live with debt," said Rositha Guerrier, 27, who has worked at Sae-A for more than a year and said she was told she would be paid 350 Haitian gourdes a day, but makes 200. But like many workers she prefers to stay on the job because she has found few alternatives.

An underpaid female worker, Guerrier can be seen as a typical apparel factory worker. As Gender Action <u>notes</u>, "The garment factory workforce comprises mostly women (CIA 2012). In December 2012, just over 64 percent of garment workers in 24 factories registered by Better Work Haiti...were women (2013: 30)." Disturbingly,<u>Gender Action notes</u> that

Women workers have also expressed concerns about workplace sexual harassment (Better Work 2013: 16). Sexual harassment is often unreported for fear of retaliation, as well as power imbalance between victims and perpetrators. Women workers also have poor sanitation facilities.

Indeed, Better Work Haiti's <u>new review</u> concluded that "A major issue is that 21 factories were found to not have the legally required number of accessible toilets, as reported in the previous reports."

Better Work Haiti also <u>found</u> "a 91% non-compliance rate for Worker Protection," in part because "Fifteen factories did not have proper guards installed and maintained on all dangerous moving parts of machines and equipment," and "Electrical wires, switches, plugs were not properly installed, grounded and maintained in six factories." The Associated Press <u>also noted</u> that "The study ...says many Haitian garment workers don't have sufficient access to toilets, safe drinking water, emergency exits or medical care."

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