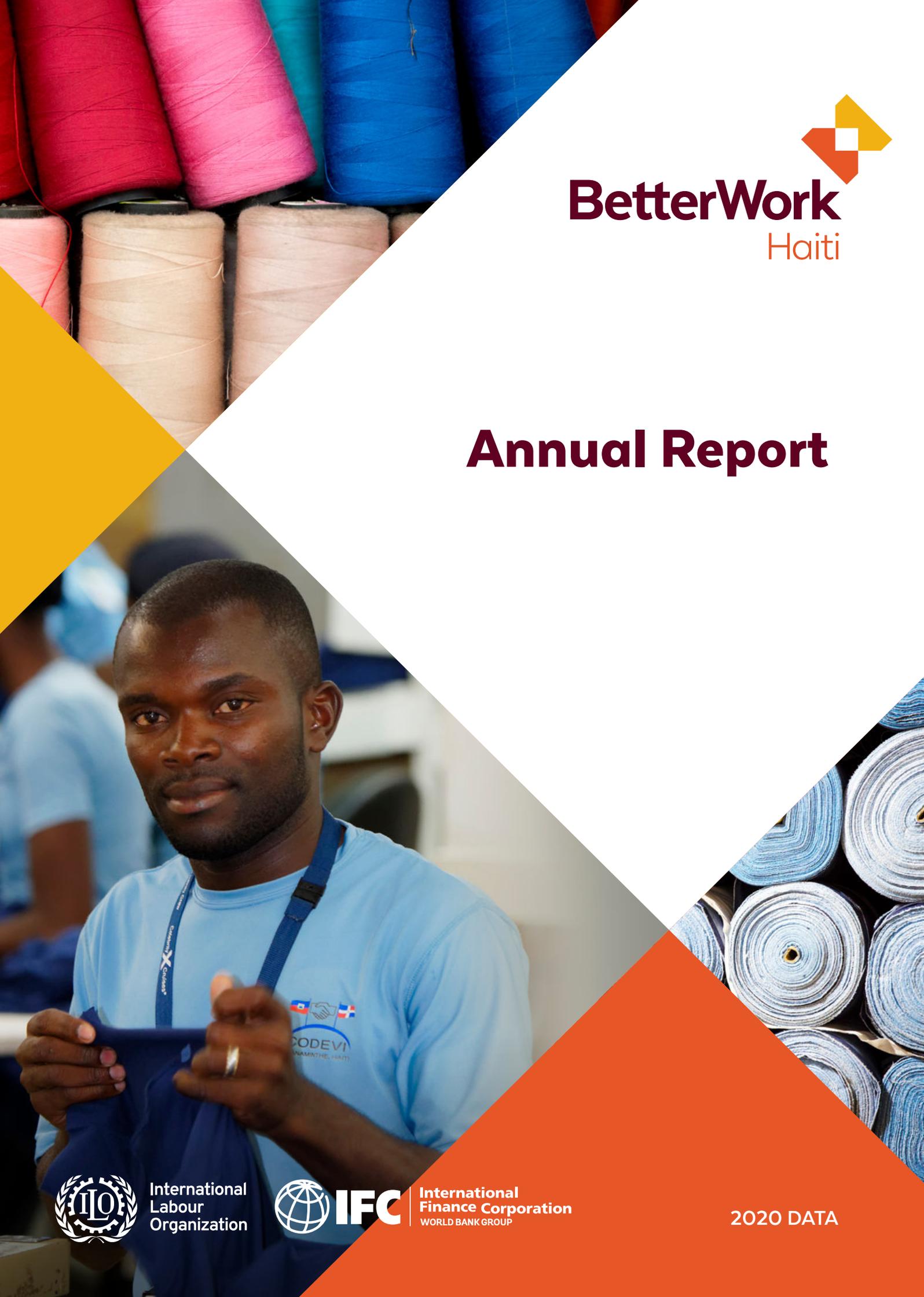




BetterWork
Haiti

Annual Report



International
Labour
Organization



IFC

International
Finance Corporation
WORLD BANK GROUP

2020 DATA

FOREWORD



Haiti

The outbreak and rapid spread of the pandemic threatens the Haitian garment industry much as it does across the globe and highlights gaps in national social protection systems. For example, a survey of 3,300 workers carried out by Better Work Haiti in December 2020 showed that 91 per cent had to reduce the number of meals because of food price inflation or a drop in household income. Though the government acted to cover these gaps, challenges remain to reach sufficient coverage and financial sustainability. Simultaneously, opportunities to consolidate the path to universal and adequate coverage have emerged with the crisis, as stakeholders have worked to create a shared set of urgent priorities for the future

*Funding is provided by the United States Department of Labor under cooperative agreement number IL-21187-10-75-K.

Note: 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. 89% of the total costs of the project or program is financed with Federal funds, for a total of US\$ 11,295,840.



COUNTRY CONTEXT



38

factories enrolled in the country



36,003

workers in Better Work Haiti factories (55% of the country's total)



61%

of the workers are women



90%

of national exports were from the garment sector



10

compliance assessment reports



190

advisory services delivered



100

training sessions carried out

Impact of COVID-19 on the garment sector

The initial impact of the pandemic on the Haitian garment sector was severe. Most factories were closed for one month. The government initially allowed some factories to work at 30 percent capacity to manufacture personal protective equipment (PPE). Later, factories were allowed to operate at 50 percent capacity. Initially, the sector lost approximately 20,000 jobs and four companies closed their doors permanently. The government stepped in to support the workers by covering one quarter of their salary for one month, but financial stress remains a primary concern among workers (see survey in the following pages). Towards the end of the third quarter of 2020, the sector started to recover some lost jobs both through rehiring workers and creating new positions.

Partnerships

In 2020, Better Work collaborated with ILO and UNICEF specialists to provide prenatal care services and awareness-raising sessions on the prevention of COVID-19 and HIV to garment workers through the PROFAMIL initiative. Better Work also collaborated with the World Health Organization to provide COVID-19-related training to 48 medical personnel working in the garment sector. In addition, together with apparel brands, Better Work delivered Prevention of Sexual Harassment (POSH) training sessions.

Trade agreements

After approximately two years of negotiations, the United States Congress renewed the Caribbean Basin Trade Partnership Act (CBTPA), initially set to expire at the end of September 2020 for Haiti and other Caribbean nations. The renewed trade deal guarantees protections for Haitian/USA trade partners for the next ten years. The Association des Industries 'd'Haiti (ADIH) representatives hail this news as a potential savior for the textile sector, particularly during the struggle to stay afloat throughout the COVID-19 crisis.

GARMENT SECTOR STATISTICS

The outbreak of COVID-19 had a tremendous impact on the Haitian garment sector in 2020, as shown by a considerable decrease in exports. According to data published by the USA's Office of Textiles and Apparel (OTEXA), in 2020, the Haitian textile industry exported approximately US\$ 765 million worth of products to the United States, representing a decrease of 23.5 per cent from the previous year.

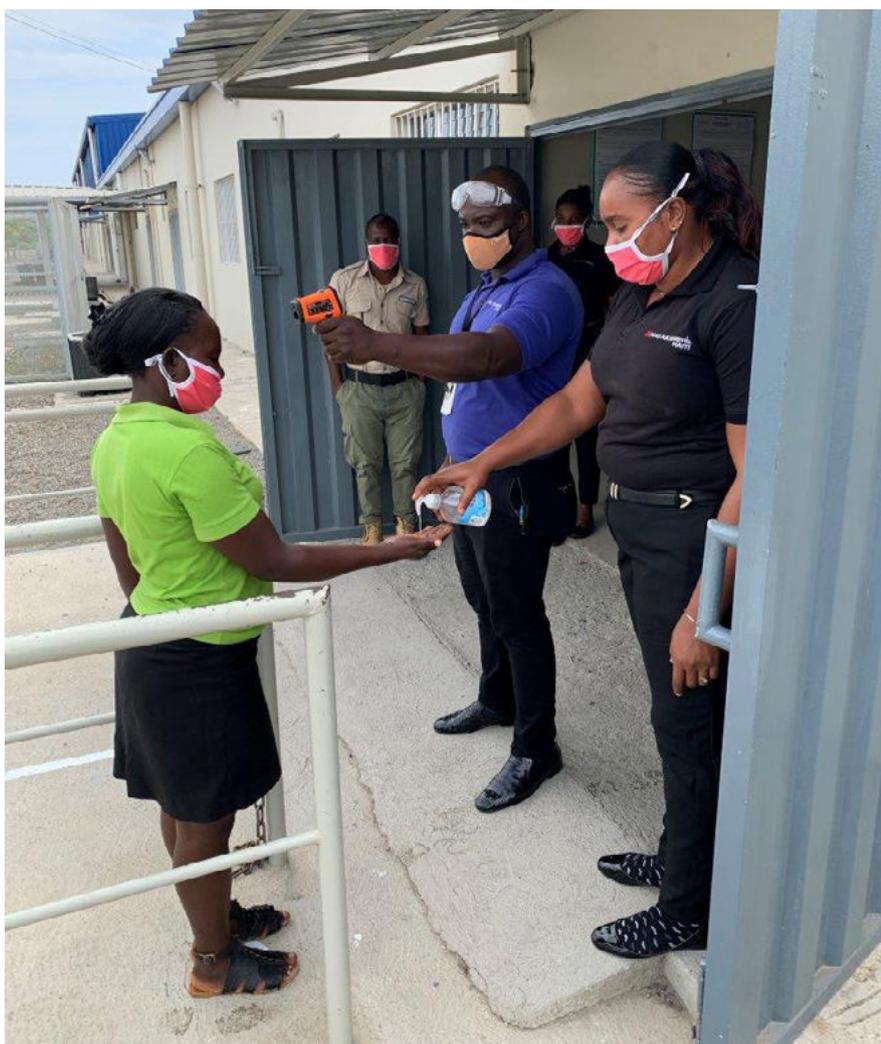
“Although we had no physical visits from Better Work Haiti, the tools and guidelines as well the virtual assistance provided by Better Work Haiti were very useful in helping Hansae to address labour issues during these difficult times.”

Michel Hwang, General Manager at Hansae, a South Korean fashion brand and manufacturer in Haiti

ACHIEVEMENTS

Information to deal with the impacts of COVID-19

Better Work Haiti, as one of the strategic partners supporting and promoting growth in the sector, had to adjust its strategy to deal with the many challenges resulting from the outbreak of COVID-19. The programme provided support to the union federations, government, and employers' association, either individually or through the tripartite committee that represents these three parties. The team had to start delivering its core services remotely – often virtually or in a virtual/in-person hybrid to the enrolled factories. Training sessions and advisory services became more focused on helping stakeholders to deal with the effects of the pandemic. The main goals were to protect the workers' health as well as their jobs. In order to align its support with the needs of the sector, Better Work Haiti conducted a series of surveys to gather information about the impact of the pandemic on workers and employers (see [case study](#) for more info).



A guideline to protect workers

Better Work Haiti developed a comprehensive set of guidelines focused on Occupational Safety and Health (OSH) to help employers, workers, and respective committee members implement and maintain safe and healthy workplaces. The guide includes a self-assessment questionnaire designed to help factories assess their COVID-19 risk exposure and find ways to mitigate those risks. It was translated into French and shared with all factories, the Ministry of Social Affairs and Labor (MAST), the Association of Haitian Industries (ADIH), and leaders of workers' organizations. A set of questions was included in the factories' improvement plans in order to help operationalize the guide and monitor its implementation. Several training sessions related to the prevention of COVID-19, emergency preparedness, and responsible retrenchment during the pandemic were also provided to factories. Joint work between the ILO and UNICEF on HIV and COVID-19 awareness-raising and prevention enabled through Better Work reached approximately 18,000 workers in 24 factories in the metropolitan area of Port-au-Prince.

ACHIEVEMENTS



WORKING WITH GOVERNMENT

Preparing inspectors for COVID-19 regulations

The Better Work Haiti team provided logistical support to the Ministry of Social Affairs and Labor (MAST) to conduct inspections and help monitor Better Work's participating factories during the pandemic. Public inspectors conducted 15 inspections in the garment sector between April and September, slightly lower than average due to the pandemic but more than they would have without the Better Work partnership. Engagement was especially strong with the Western Regional Office of MAST. Better Work also conducted training sessions for the inspectors on labour law in the context of COVID-19 to help them understand the various new government decrees that were published and their impact on the garment sector. The training materials were translated into French and Creole and shared with the participants as well as the MAST directorate.



PROMOTING GENDER EQUALITY

Prenatal care services and HIV tests

The pandemic had a significant impact on women, especially pregnant women. In order to overcome these challenges, Better Work partnered with specialists within the ILO and UNICEF through the PROFAMIL initiative to offer a wide range of prenatal services. They included medical screening for HIV and syphilis as well as prenatal ultrasounds. COVID-19-related disruptions in the garment-manufacturing sector reverberate among workers and their families. Analysis of economic impact surveys among 107 female workers in the

sector revealed risks to food security, health, and livelihoods. Nine in ten respondents to a Better Work Haiti survey reported trouble securing the usual amount of food for their household due to income shocks. Significant portions of workers surveyed have concerns about the health of themselves and their family members. Better Work Haiti also shared the survey information with government ministries to inform the development of related public policies. The main results of the survey are highlighted below:

48%

experienced temporary suspension of work in 2020

56%

said they were worried about their health and 44% about their income

95%

reported inability to buy the amount of food they usually buy because their household income has dropped

94%

said they cannot buy the amount of food they usually buy because the price of food was too high

43%

reduced the number of meals and/or portion of each meal they usually had

ACHIEVEMENTS



WORKING WITH TRADE UNION

WhatsApp to disseminate health information

A WhatsApp group was launched by Better Work Haiti to engage with the trade unions in the garment sector and facilitate the dissemination of critical information and advice among workers. Better Work Haiti also established a collaboration with workers' organizations in the sector, particularly national confederations such as Confederations des Travailleurs Haitiens (CTH), Confederation des Travailleurs du Secteur Public et Prive (CTSP), to train their leaders at the factory level to then train other union members. Training modules (Hygiene and Prevention during COVID-19, Labour Law, OSH guidelines for COVID-19) were translated into Creole, and printed documentation was shared with the leaders to disseminate workers' training more widely.



WORKING WITH BRANDS

Training on prevention of sexual harassment

Despite the challenges brought about by COVID-19, Better Work Haiti continued to partner with brands in 2020 to provide training sessions. Collaboration included providing training sessions on the prevention of sexual harassment to factories that are part of the Better Work programme. The team also received the support of Better Work Nicaragua to deliver a training session on sexual harassment in Spanish to supervisors and managers at factories.



WORKING WITH EMPLOYERS

A strategic plan for the sector during and beyond COVID-19

Better Work Haiti provided support to establish an overall strategic vision for the Haitian apparel sector with a focus on the continuity of the sector's activities during the pandemic as well as the adaptations necessary for growth post-pandemic. The team also helped develop an engagement plan to tackle OSH issues that may affect the level of compliance in the apparel sector, both in relation to COVID-19 and more generally. This work was developed with the support of the Association of Employers (ADIH).



16

factory managers and supervisors trained on the prevention of sexual harassment



18,000

workers received HIV and COVID-19 prevention awareness workshops/seminars



292

pregnant women received prenatal services



48

doctors and nurses trained on the prevention of COVID-19



15

on-site inspections carried out by MAST inspectors as a result of Better Work Haiti support

ACHIEVEMENTS

ON THE GROUND BENEFITS

Supporting 48 doctors to prevent COVID-19

In 2016, the factory S&H Global, located in Caracol, hired the doctor Rodlin Pierre to provide medical care to its employees. After four years, Pierre could not expect that he would be dealing with the threat of a dangerous virus in a worldwide pandemic. The sudden arrival of the COVID-19 in Haiti worried the doctor because he had not yet acquired the necessary knowledge to deal with any possible cases, especially in the factory setting where many people are congregating daily.

To support Pierre and 47 other doctors and nurses in participating factories, Better Work Haiti partnered with a number of organizations, such as ILO and WHO, to develop specific training specially targeted to doctors providing service to factories

to manage the COVID-19 crisis internally. The four-day in-person training provides information and tools to recognize the disease symptoms, deal with confirmed cases and implement measures to prevent the dissemination of COVID-19 among garment workers. After attending the workshop, Pierre felt that he was equipped to tackle the pandemic's new challenges. He has regained his self-confidence because he was now able to recognize the COVID-19 symptoms. "Currently, I am ready to offer my help to anyone showing signs and symptoms; because helping others is my passion." Dr. Pierre was incredibly grateful that the training was provided by a seasoned professional who is an epidemiology expert.

I am ready to offer my help to anyone showing COVID-19 signs and symptoms."

Rodlin Pierre, one of the 48 doctors and nurses who attended new medical training on COVID-19 provided by Better Work Haiti



TACKLING CHALLENGES

Adjusting to the new reality

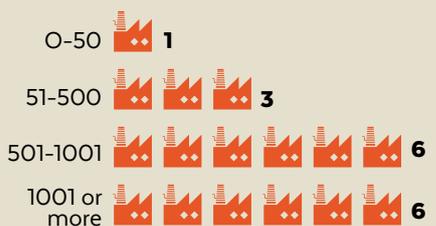
COVID-19 has brought a number of challenges for the factories operating in the textile sector in Haiti as well as for employees and Better Work. First, temporary job losses in a country with little social security protection threaten an already vulnerable population. Factories had to be agile in implementing COVID-19 precautionary measures recommended by Better Work and the Government of Haiti. The staff had to adjust quickly to continue delivering training and advisory services via virtual means. Technological challenges made it difficult to accomplish all the tasks that were planned for 2020 with the factories and stakeholders, which were often unable to join online platforms due to poor internet access.



Half of the factories suspended workers

The textile sector lost a significant number of jobs due to the impact of COVID-19. A survey of 30 Haitian manufacturers of varying sizes showed that half of them suspended at least a portion of the workforce. Twelve factories in the sample dismissed more than 500 workers each (see the graphics below). This happened despite countermeasures to bolster the sector, such as factories shifting to produce government-procured PPE and rotations for workers that ensured some level of income for everyone. These suspension had a huge impact in the livelihoods of workers (see [case study](#) on page 10).

WHAT IS THE AVERAGE NUMBER OF WORKERS IN SUSPENSION? (number of factories)



WHAT IS THE PERCENTAGE OF WORKERS DISMISSED? (number of factories)



TACKLING CHALLENGES



SAFETY PROTOCOLS

Preventive measures against COVID-19

Factories in the Better Work programme had to redesign their floor plans to comply with the COVID-19 preventive measures recommended by the government. This meant fewer workers on the factory floors. Companies with more than one building tried to redistribute the employees in an attempt to minimize the number of workers that had to be laid off. They also had to build additional handwash stations, usually at the factory entrance. Per Better Work's recommendations, the workstations are disinfected daily.



GOING VIRTUAL

Digital divide impacted service delivery

Better Work had to adjust its strategy to deliver its core services virtually, which raised a number of technological challenges due to poor internet access. Some factories found it difficult to participate in meetings or training sessions. To help mitigate this, Better Work advisors used different modes of communication to reach the workers and factory managers for advisory services, such as messaging platforms like WhatsApp or regular conference calls.



INDUSTRY IMPACT

Enterprises face business continuity challenges

Better Work Haiti, in collaboration with the Bureau for Employers' Activities (ACTEMP) from the ILO Office in Costa Rica and ADIH, conducted a survey in mid-2020 with representatives of all garment manufacturing enterprises in Haiti to understand the business disruptions being faced due to the on-going COVID-19 crisis. From 7 April to 9 May 2020, thirty responses were received. The firms that took part in the survey vary in size. Below are the main highlights.

OPERATIONAL ISSUES

57%

of the managers report that their enterprises were only partially operating in April 2020, while one-third reported they were not operating at all at the time of the survey.

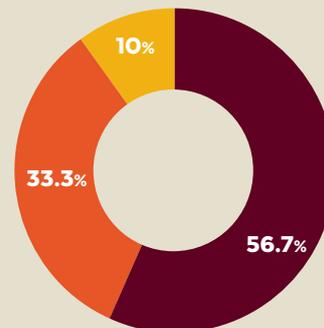
63%

report a high level of negative financial impact on revenues and sales

30%

(nine factories) reported having insurance before the COVID-19 crisis occurred, seven were not insured at all, while the remaining eleven were only partially insured.

■ NOT OPERATING
■ PARTIALLY OPERATING
■ FULLY ON SITE



MAIN CHALLENGES FACING THEIR ENTERPRISES

Managers most frequently cite an overall poor business environment as the main challenge they face, including the following other reasons.

89%

cited negative effects on business partners like buyers

81%

reported lower demand

◆ A majority also report issues with cash flow and shortages of inputs for production processes

TACKLING CHALLENGES

GROUND REPORT

A situational diagnostic of 3,330 workers

From 12 November to 1 December 2020, 3,330 workers were interviewed across 38 factories enrolled in the Better Work Haiti programme. Each interview took place on-site in workplaces, in areas removed from the production floor, and away from management oversight. Key findings from a synthesis of the responses touch upon three main themes: take-home pay, support networks, and safety and well-being.



TAKE-HOME PAY

over 2/3
of workers say they have experienced some sort of work disruption.

20%
of workers reported a pay decrease in their income from February to November 2020.

60%
of workers reported “financial stress” as a concern.

80%
of workers have spent personal savings in the past two months to cover their living expenses, while one third have borrowed money to fund living expenses.



SUPPORT NETWORKS

50%
of workers regularly remit money (around 8% of their income) to their family members, mainly for food.

50%
of workers report expenses with health care as well as paying off debt and 25% to support the education of family members.

1/3
of workers relied on support from family members in the past two months to pay living expenses.



SAFETY AND WELL-BEING

91%
of workers said they had to reduce the number of meals because of food price inflation (87%) or a drop in household income (76%).

80%
of workers cited personal safety concerns during their commute to work.

6%
of workers would like to envision themselves working in their current factory three years from now — most report wanting to run their own business or to work and live abroad

Few workers wish to see themselves in the medium-term future in the sector, suggesting there is much room for improvement to ensure these jobs constitute a viable livelihood and support the financial sustainability of firms and the competitive position of the sector.”

ISSUES AND ACTIONS

ISSUES

Protracted political instability in Haiti has had a negative impact on labour relations, due to a rise in absenteeism caused by violent street demonstrations preventing workers from getting to work on time, or at all.

CORRECTIVE ACTIONS TAKEN

Better Work Haiti provided several training modules to factory managers and workers to help them improve labour relations and responsible transitioning during these difficult times. During these sessions, Better Work advisors provided workers and employers with information and tools to help resolve tensions. A training module on workers' rights was also delivered, with adaptations relating to issues caused by COVID-19.



In July, the Better Work Haiti team created a brochure called COVID-19 Management Guidance in French, English, and Spanish, to inform managers on how to implement COVID-19 protocols in the factories. However, many of the recommendations were not implemented after two months.

Better Work Haiti worked on two fronts. First, the team prepared a questionnaire for the factories to identify the missing recommendations and provided specific advisory services to review the protocol in online calls with the managers, clarify their questions, identify missing pieces, and develop a route to solve the problems.



Because of the pandemic, the assessment plan for 2020 had to be adjusted.

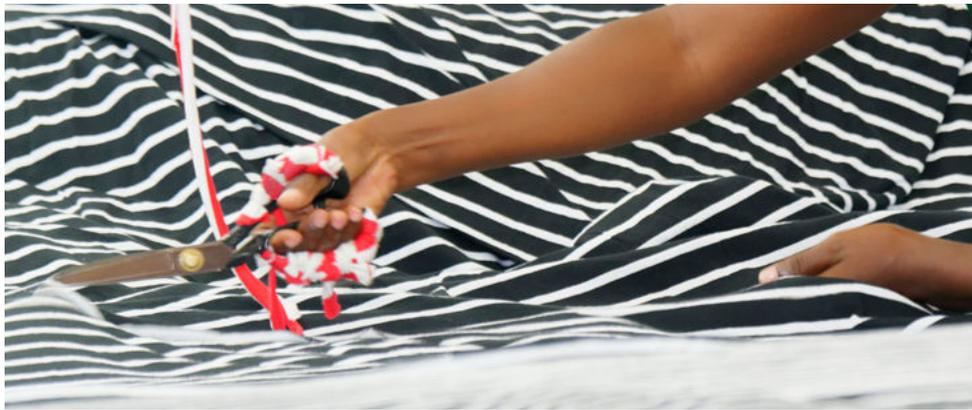
The team started to engage MAST inspectors in assessing factories. In order to prepare them, Better Work Haiti developed guidelines for the assessment process and thoroughly reviewed them with MAST representatives. Next year, the Better Work Haiti team will join them in some of the assessments to ensure alignment with the Better Work Haiti model and reporting standards. The team invited labour inspectors to participate in other training sessions and workshops on ILO Conventions alongside workers and managers to enable a smooth transition process to transfer more responsibilities and ownership to the Ministry.



OPPORTUNITIES AND LESSONS LEARNED

Embracing a hybrid service delivery model

Implemented during COVID-19 crisis, the hybrid service model had been under discussion for some time prior to 2020. At the beginning, some factories were reluctant to embrace the change due to a lack of digital skills and poor internet connections. Soon most factories saw the advantages of remote training sessions given that more participants can take part. Also, more direct channels of communication were created between Better Work Haiti and worker representatives, MAST labour inspectors, and factory managers. WhatsApp was the main platform for engagement, with various groups set up to disseminate COVID-19 guidance and relevant information from the government. These groups are now in place and will be a valuable communication tool for Better Work Haiti in the future.



Challenging political situation

During 2020 the political as well as the security situation remained a major concern in the country. The opposition parties met the announcement of the formation of a new Electoral Council by the executive branch of the government with skepticism. They claimed that the creation of this new electoral council is unconstitutional and called for several days of street demonstration. Towards the end of the third quarter of 2020, the government injected approximately \$150 million dollars in the economy, in an attempt to slow down the devaluation of the Haitian gourde. However, executives in the garment sector complained that this unexplained increase in the value of the gourde is negatively affecting them. They feared that it might result in loss of employment for the garment sector in the near future.

New partnerships to tackle health issues

During 2020, Better Work Haiti developed new partnerships to help the programme deliver training and services to its constituents in response to COVID-19. The programme engaged this year with two new partners, UNICEF and PROFAMIL, to address health questions. They were instrumental in raising awareness about the prevention of COVID-19 and HIV to dozens of workers. Another collaboration with ILO/AIDS and an independent consultant allowed the programme to provide training to the medical staff working in the factories in the metropolitan area and in the Northeast to deal with COVID-19. Better Work has also invested in efforts to increase labour inspectors' participation in joint assessments of its enrolled factories.

The material support and logistical support provided by Better Work Haiti to the Confederation of Haitian Workers (CTH) and Confederation of Public and Private Sector Workers (CTSP) was instrumental in helping the unions in the fight to prevent the spread of COVID 19 among textile workers.”

Mr. Yvel Admettre, General Secretary of Confederation of Public and Private Sector Workers (CTSP)



Closer collaboration with labour inspectors and union leaders

In the coming year, Better Work Haiti will continue to implement a hybrid service model, with a blend of virtual and presential services. We plan to collaborate more closely with the government, in particular the Ministry of Social Affairs and labour inspection division, in the delivery of in-person inspections performed by the MAST's labour inspectors. In addition, Better Work will join a group of public and private representatives to create investment opportunities in the textile sector. A series of training sessions will be delivered to trade union leaders at the factory level, as well as training of trainer sessions to federation leaders. Workshops are all planned for MAST's labour inspectors, managers and workers on the various ILO conventions ratified by Haiti.



GOVERNMENT

To ensure the program's sustainability, Better Work Haiti will be collaborating more closely with different ministries of the Haitian government. The team will increase MAST's partnership to train at least 12 labour inspectors to conduct joint assessments with Better Work. On another front, Better Work Haiti will join the technical secretariat of IFC's new project Creating Investment Opportunities in Haiti (CIO Haiti), coordinated led by the Ministry of Economic and Finance. The objective of the CIO Haiti project is to help the garment sector navigate the COVID-19 crisis through job retention and, in the medium term, support investment generation and job creation in Haiti. Better Work Haiti will support the IFC team in engaging with international brand partners, developing new industrial segments, and creating a unique value proposition focused on nearshoring, greater added value, agility, and productivity.



UNION REPRESENTATIVES

Better work Haiti plans to host a series of workshops for factory managers and worker representatives on the various ILO Conventions relating to the rights of workers and employers. The union committee members will also receive training on topics such as dialogue, conflict resolution, and effective communication. Training of trainers will be provided to union leaders along with financial support to help them deliver the training sessions to their members at the factory level.



EMPLOYERS

New instruments and guidelines to identify and address persistent non-compliance issues will be developed by Better Work Haiti to support employers in the garment sector in improving working conditions. Training will be provided for factory managers to help them tackle productivity as well as labour relations issues. Better Work Haiti will also continue to support employers in the implementation of the National Call for Action — part of a global initiative overseen by the International Organization of Employers, International Trade Union Confederation, and IndustriALL. The Call to Action was initiated last year to support manufacturers to survive the economic disruption caused by the pandemic and to protect garment workers' income, health and employment.



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