



# **THE HIGH COST OF LOW WAGES IN HAITI**

**LIVING WAGE ESTIMATE FOR EXPORT APPAREL WORKERS  
PORT-AU-PRINCE, HAITI**

**May 2014**

## **AT A GLANCE**

*Haiti's export apparel sector is rapidly expanding as the result of generous incentives for investors, new factory construction, and infrastructure development. But, despite a 45 percent increase in apparel exports since the earthquake, the industry is not delivering for workers. The Haitian women and men who sew t-shirts, jeans, and undergarments primarily destined for the U.S. market barely earn enough to pay for their lunch and transportation to work. And, amidst a controversy regarding whether the daily minimum wage in the apparel sector is 225 or 300 Haitian gourdes (HTG), the Solidarity Center finds that a real living wage must be approximately 1,000 HTG (about \$23) per day to allow workers to meet their basic needs.*

## **BACKGROUND**

Four years after the catastrophic earthquake, Haiti is slowly rebuilding. The country, however, continues to struggle with new and existing challenges. Abject poverty, political instability and staggering unemployment have been exacerbated by the disaster, which killed more than 200,000 people and left another 1.5 million homeless. Within weeks of the earthquake, a string of tropical storms decimated agricultural regions, causing food prices to soar in an already starving country. A cholera epidemic soon followed, infecting more than half a million people and killing at least 8,000 people to date.<sup>1</sup> Despite billions of dollars in pledged aid, just a little more than half has been disbursed, which has further impeded recovery efforts. Housing remains a critical issue, as 137,543 Haitians still live in tent camps that are fraught with violence, especially against women. An estimated 17 percent of the original 361,517 households displaced from the earthquake have been relocated to safer accommodations, although some families have returned to camps due to the lack of affordable housing. At least 16,118 households have been evicted, often with violence and no alternative housing.<sup>2</sup>

Since assuming office in May 2011, President Michel Martelly has implemented a pro-investment agenda aimed at reviving the economy and accelerating reconstruction. Job creation is a priority given that two-thirds<sup>3</sup> of workers lack employment in the formal economy. Eager to attract investors, the administration has declared that “Haiti is open for business” and taken steps to create a more favorable environment for enterprises. In addition to promoting new opportunities in the mining and tourism sectors, the Haitian government has focused on revitalizing the export apparel industry, which is the most immediate and promising source of jobs. Currently, the sector employs up to 30,000 workers, 65 percent of whom are women.

With assistance from the Inter-American Development Bank and the U.S. Agency for International Development, Haiti has begun to expand its export-processing zones beyond the Metropolitan Industrial Park in Port-au-Prince and CODEVI facility in Ouanaminthe.<sup>4</sup> A newly constructed factory complex along the northern coast in Caracol is projected to eventually employ up to 60,000 workers, and a fourth industrial park in Carrefour was inaugurated in 2013.<sup>5</sup>

Under the Haitian Hemispheric Opportunity through Partnership Encouragement Act (HOPE II) enacted by the U.S. Congress in 2008, the export apparel industry benefits from duty-free access to the U.S. market in exchange for adherence to core labor standards and national labor law.<sup>6</sup> Following the earthquake, Congress extended the program to 2020 to help strengthen the sector and further aid in recovery. As of 2013, total export revenues from the textile and garment industry accounted for 91% of national export earnings and 10% of national gross domestic product (GDP).<sup>7</sup>

Despite growth at the industry level, export apparel workers remain impoverished. Haitian law mandates a reduced minimum wage for the sector, which is the lowest in the Western Hemisphere. Companies that source from Haiti benefit from inexpensive labor costs, as well as lax enforcement of labor laws in an industry that is rife with worker rights abuses. Instances of forced overtime, sexual harassment, underpayment of wages and benefits, and retaliation for union participation are routinely reported by the Better Work Haiti program, which is responsible for monitoring factory compliance with labor laws on a bi-

annual basis.<sup>8</sup> Haitian unions are also working to improve conditions for export apparel workers, and are currently advocating for an increase to the minimum wage.

In 2009, the Haitian Parliament passed legislation (Law No. CL-09-2009-010) that established a two-tier wage system and a graduated wage increase over four years, with increases in 2009, 2010 and 2012. Effective October 1, 2012, the law requires companies exclusively engaged in re-export and with piece-rate employees<sup>9</sup> to set the production quota or price paid per unit at a level that permits a worker to earn at least 300 HTG (about \$6.96)<sup>10</sup> in an eight-hour workday. This is referred to as the production minimum wage. All other workers in the sector, including piece-rate employees in training or transition, are subject to the minimum wage of reference, which was 200 HTG (about \$4.64) as of October 1, 2012 and increased to 225 HTG (about \$5.22) as the result of a presidential decree, effective May 1, 2014.<sup>11</sup> Neither the production minimum wage nor the minimum wage of reference adequately reflects the cost of living.



Unions gather outside of the Metropolitan Industrial Park to call for social justice.

As documented by Better Work Haiti<sup>12</sup> and the Worker Rights Consortium (WRC),<sup>13</sup> the great majority of piece-rate workers are not earning at least 300 HTG per day due to unattainable quotas or low piece rates. The Haitian government categorically rejects the production wage as a legal minimum and instead considers it to be an eventual goal or bonus that employers are not required to pay. However, Haitian unions and international labor organizations interpret the law differently. Unions demand an increase to at least 500 HTG (about \$11.60) per day and assert that anything lower equates to starvation wages.

Workers' growing discontent over low and underpaid wages peaked in December 2013, after the Superior Council on Wages<sup>14</sup> recommended a meager 25 HTG increase to the 200 HTG minimum wage of reference. In response, export apparel workers in Port-au-Prince walked off of the job for two days, which resulted in at least 36 firings. Despite calls from workers and their unions for a living wage, President Martelly accepted the Council's proposal and decreed the new minimum wage of reference to be 225 HTG. The Council is scheduled to review the production minimum wage in June 2014.

## THE SURVEY AND METHODOLOGY

Following the earthquake, the Solidarity Center conducted an informal study to estimate a living wage<sup>15</sup> for export apparel workers in Port-au-Prince. The study was modeled on a similar assessment conducted by the Worker Rights Consortium in 2008 to determine the cost of living for export apparel workers in Ouanaminthe. The Solidarity Center used the same locally appropriate basket of goods to calculate the cost of living for a three-member household, comprised of one adult wage earner and two minor dependents (ages 8-14).<sup>16</sup>

Four years into the reconstruction phase, and amidst mounting demands from workers and their unions for a minimum wage increase, the Solidarity Center reassessed the cost of living for export apparel workers in Port-au-Prince. Slightly modifying its previous approach, which involved training a cadre of workers to interview other workers about the prices they paid for basic necessities, the Solidarity Center hired a Haitian researcher to independently survey costs. The researcher then interviewed workers about the prices they pay to verify his findings.



A factory worker holds a sign calling for factory inspections. He notes his hunger, which in Haitian Creole is "grangou."

## **CATEGORIES OF EXPENSES**

In keeping with the WRC's methodology, the Solidarity Center used the following expense categories to classify the various costs of an export apparel worker: housing, energy, nutrition, clothing, health care, education, child care, transportation, as well as funds for savings and miscellaneous discretionary spending. A description of each category is provided below:

**Housing:** Home ownership is out of reach for most export apparel workers. Workers typically rent small, makeshift dwellings to shelter their families. Workers interviewed in this study could only afford homes with one bedroom, a cooking area and a rudimentary bathroom, shared between three to nine family members. To maintain consistency with the 2010 study, which included average rental costs for two-bedroom homes, the Solidarity Center researched and included current market rates for modest two-bedroom rentals in neighborhoods near the Metropolitan Industrial Park, including Delmas, La Plaine and the Airport Zone.

Immediately after the earthquake, rental prices peaked due to the shortage of sound structures and available real estate in and around Port-au-Prince. Since then, prices have fallen by nearly 28 percent, but workers are still living in substandard housing and pay up to four times more than they did prior to the disaster.

In addition to rental costs, the housing category includes two beds, bedding, a table and chairs, a wardrobe, sofa bed, basic cookware, dishes, a radio and cleaning supplies. Because many export apparel workers do not have basic plumbing or a well at their homes, the cost of potable water for drinking, cooking, bathing, and cleaning is factored in as well.



**Two children play outside of their home.**

**Energy:** As is typical with economically disadvantaged families in Port-au-Prince, the workers interviewed contribute a negligible amount to a collective electricity bill shared with neighbors, which allows them to wire their homes to a public power network. Most energy costs come from the purchase of charcoal, which approximately ninety percent<sup>17</sup> of the population in Port-au-Prince uses to prepare food.

**Nutrition:** The selection of foods and corresponding quantities are based on a local diet that is adequate both in terms of caloric intake (minimum 2,200 calories per day, as suggested by experts on local diet and nutrition) and basic nutritional needs, according to standards established by the United Nations Food and Agriculture Organization.

The researcher visited Marché en Fer, an outdoor market in downtown Port-au-Prince frequented by export apparel workers. Because minimum wage earners are typically unable to afford grocery store prices, they purchase food from independent street and market vendors based on the amount of money they possess at a given time. For instance, rather than requesting a kilogram of beans, customers instead offer a specific amount of money and receive an agreed upon quantity of beans. For this reason, the researcher used a scale to measure the quantity associated with the price in order to maximize accuracy.

The nutrition category also includes the cost of lunch for workers at or near the industrial park. A standard lunch includes rice, beans, and a small portion of chicken. Because some workers cannot afford lunch, they must purchase the meal on credit from vendors or have the cost deducted from their paychecks by the employer. Additionally, unions representing export apparel workers report that lunch is often the only meal consumed by some of their members throughout the day.



Street vendors in Port-au-Prince

**Clothing:** Garment expenses include three complete sets of clothing and two pairs of shoes per year for one adult and two children. Attire for occasions such as funerals, communions and weddings is also factored into this category. Most workers can only afford secondhand clothing, which they purchase from street vendors.

**Health Care:** Through an automatic payroll deduction, workers contribute 3 percent of their wages to the Insurance Office for Occupational Injury, Sickness, and Maternity (OFATMA).<sup>18</sup> If they become ill or require maternal care, workers can access basic health care

services at OFATMA-affiliated facilities. Some workers also have access to government-subsidized and/or non-governmental organization (NGO)-operated medical facilities. However, for instances in which workers must seek specialized care at private clinics, or obtain services and supplies not covered by insurance, they are responsible for out-of-pocket expenses such as doctor visits, laboratory tests, eyeglasses, prescription drugs and over-the-counter medications. All but one of the workers interviewed reported that they are unable to afford dental care.

**Education:** Educational expenses reflect the cost of private school education for two children (one at primary school level, and one at secondary school level). Although the 1987 Constitution provides for free, public education, 80 percent<sup>19</sup> of students attend schools run by religious or private organizations given the lack of government resources for public education, despite the current administration's efforts to expand access and quality.

Educational expenses include tuition, mandatory uniforms, books, supplies, and transportation to and from school. Some families are unable to afford transportation-related costs, so students must walk—sometimes long distances and along busy roads.

**Child Care:** Child care expenses are not included because the education category covers the cost of schooling (and supervision) for two children. If one or both of a worker's dependents are below primary school age, the funds allocated for education-related costs can instead be allotted to child care.

**Transportation:** Privately owned covered pick-up trucks (tap taps), which function similarly to public buses, serve as the primary mode of local transportation for minimum wage earners. Most workers use tap taps to travel to and from work. However, others must walk because they are unable to afford the expense. For longer trips, such as to the countryside for an annual visit with family members, workers typically rely on private bus companies.



**A boy carries his sister to school along a steep embankment.**

**Savings and Discretionary Spending:** After calculating the cost of living based on the categories above, an additional 10 percent is applied for savings (7.5 percent) and discretionary spending (2.5 percent). Savings represent funds set aside for emergencies and substantial future expenses. Discretionary spending represents occasional expenditures such as religious observances, university education, and leisure activities.

## KEY FINDINGS

- Based on the reported prices, the Solidarity Center estimates the average cost of living for an export apparel worker in Port-au-Prince to be 26,150 HTG (about \$607) per month.
- While the survey findings suggest that the cost of living has decreased by 19 percent since post-earthquake price spikes in 2010, the current cost of living is more than four times higher than the minimum wage of reference and more than three times higher than the production minimum wage.
- Based on the standard 48-hour work week (eight hours per day, six days per week), workers must earn at least 1,006 HTG<sup>20</sup> (about \$23.34) per day to adequately provide for themselves and their families.
- After insurance and social security deductions,<sup>21</sup> export apparel workers who earn the minimum wage of reference spend more than 40 percent of their salary on transportation to and from the factory, and a modest lunch to sustain their labor.



Workers build a new sidewalk along a soon-to-be paved road in Port-au-Prince.

As Haiti endeavors to “build back better,” workers need access to decent jobs that pay a living wage and allow them to lead a dignified life. So long as jobs perpetuate worker exploitation and serve only as a means to fend off starvation, poverty will continue to grip the country and hinder the reconstruction process.

***Workers interviewed in this study had to forgo basic necessities given the disparity between their earned wages and the cost of living.***

***When asked what they would purchase if they had sufficient income, workers responded with:***

- ***more food to feed their families***
- ***land to build a home***
- ***a car or moped to drive their children to school***

**CATEGORIES OF EXPENSES:**

<b>HOUSING</b>	<b>Cost in Haitian Gourdes Per Unit</b>	<b>Unit</b>	<b>Quantity/ Frequency of Replacement</b>	<b>Monthly Cost in Haitian Gourdes</b>	<b>Monthly Cost in U.S. Dollars</b>
Rent	48,333.33	household	annually	3,020.83	\$70.10
Water	742.00	one, five-gallon container	monthly	556.50	\$12.91
Household cleaning supplies	251.00	month	monthly	188.25	\$4.37
Bed (mattress, frame, box spring)	7,000.00	bed	2 beds per 10 years	87.50	\$2.03
Bedding (sheets, pillows, pillowcases)	575.00	set	2 sets per year	71.88	\$1.67
Dishes (including glasses and cutlery)	1,550.00	set	1 set per 2 years	48.44	\$1.12
Table and 4 chairs	3,700.00	table	1 set per 10 years	23.13	\$0.54
Jars and pans (set of 4-6)	642.00	set	1 set per 2 years	20.06	\$0.47
Radio	1,510.00	radio	1 per 5 years	18.88	\$0.44
Wardrobe	500.00	set	1 per 5 years	6.25	\$0.15
Other seating (sofa, bench)	300.00	one	1 per 10 years	1.88	\$0.04
<b>Housing Subtotal (per month)</b>				<b>4,043.58</b>	<b>\$93.84<sup>1</sup></b>

<b>ENERGY</b>	<b>Cost in Haitian Gourdes Per Unit</b>	<b>Unit</b>	<b>Quantity/ Frequency of Replacement</b>	<b>Monthly Cost in Haitian Gourdes</b>	<b>Monthly Cost in U.S. Dollars</b>
Charcoal	1,250.00	month	monthly	937.50	\$21.76
<b>Energy Subtotal (per month)</b>				<b>937.50</b>	<b>\$21.76<sup>2</sup></b>

<sup>1</sup> In keeping with the Worker Rights Consortium's 2008 methodology, the Solidarity Center's study assumes that in addition to the export apparel worker wage earner (and two minor dependents), a family has an additional wage earner whose income covers one-quarter of the household expenses (Housing and Energy costs).

<sup>2</sup> Ibid.

<b>NUTRITION</b>	<b>Cost in Haitian Gourdes Per Unit</b>	<b>Unit</b>	<b>Times Purchased Per Month</b>	<b>Monthly Cost in Haitian Gourdes</b>	<b>Monthly Cost in U.S. Dollars</b>
Lunch at/near factory	65.00	lunch	25.00	1,625.00	\$37.71
Eggs	80.00	dozen	17.60	1,408.00	\$32.68
Beans	45.36	pound	25.13	1,139.90	\$26.45
Garlic	45.36	pound	21.33	967.53	\$22.45
Lime	127.01	pound	6.80	863.67	\$20.04
Banana	90.72	pound	8.17	741.18	\$17.20
Coffee	155.20	pound	4.00	620.80	\$14.41
Chicken	181.44	pound	2.90	526.18	\$12.21
Oil	37.50	pound	12.91	484.13	\$11.24
Seasoning	20.00	package	19.46	389.20	\$9.03
Rice	22.68	pound	14.73	334.08	\$7.75
Papaya	90.72	pound	2.88	261.27	\$6.06
Onion	22.68	pound	7.71	174.86	\$4.06
Potato	18.14	pound	9.58	173.78	\$4.03
Milk	53.36	pound	3.22	171.82	\$3.99
Coconut	18.14	pound	8.79	159.45	\$3.70
Carrot	27.22	pound	5.64	153.52	\$3.56
Salami	90.72	pound	1.50	136.08	\$3.16
Orange	22.68	pound	4.59	104.10	\$2.42
Plantains	22.68	pound	3.80	86.18	\$2.00
Sugar	27.22	pound	2.97	80.84	\$1.88
Sweet Potato	27.22	pound	2.93	79.75	\$1.85
Bread	13.61	pound	5.76	78.39	\$1.82
Avocado	28.75	pound	2.03	58.36	\$1.35
Pigeon peas	36.29	pound	1.53	55.52	\$1.29
Pasta	31.28	pound	1.67	52.24	\$1.21
Chayote	11.34	pound	4.00	45.36	\$1.05
Cabbage	11.34	pound	3.61	40.94	\$0.95
Celery	200.00	pound	0.20	40.00	\$0.93
Mango	17.45	pound	2.29	39.96	\$0.93
Pineapple	90.72	pound	0.20	18.14	\$0.42
Salt	9.07	pound	2.00	18.14	\$0.42
<b>Nutrition Subtotal (per month)</b>				<b>11,128.38</b>	<b>\$258.25</b>

<b>CLOTHING</b>	<b>Cost in Haitian Gourdes Per Unit</b>	<b>Unit</b>	<b>Quantity/ Frequency of Replacement</b>	<b>Monthly Cost in Haitian Gourdes</b>	<b>Monthly Cost in U.S. Dollars</b>
<b>1 Adult</b>					
Laundry Costs	828.00	month	monthly	828.00	\$19.22
Shoes	900.00	pair	2 per year	150.00	\$3.48
Blouses	510.00	shirts	3 per year	127.50	\$2.96
Pants/skirts	350.00	pair/skirt	3 per year	87.50	\$2.03
Rubber sandals	230.00	pair	1 per year	19.17	\$0.44
T-shirt and undershirt	213.32	shirt	3 per year	53.33	\$1.24
Pajamas	100.00	set	1 per year	8.33	\$0.19
Cap/hat	75.00	hat	1 per year	6.25	\$0.15
Underwear	66.64	pair	3 per year	16.66	\$0.39
Socks	45.00	pair	3 per year	11.25	\$0.26
<b>2 Children</b>					
Pants or skirt	390.00	pair/skirt	three per year per child	195.00	\$4.53
Shoes	550.00	pair	two per year per child	183.33	\$4.25
Blouse/shirt	365.00	shirt	three per year per child	182.50	\$4.24
Dress	750.00	dress	one per year per child	125.00	\$2.90
Underwear	86.66	pair	three per year per child	43.33	\$1.01
Rubber sandals	180.00	pair	one per year per child	30.00	\$0.70
Socks	43.33	pair	three per year per child	21.67	\$0.50
<b>Clothing Subtotal (per month)</b>				<b>2,088.82</b>	<b>\$48.47</b>

	Cost in Haitian Gourdes Per Unit	Unit	Quantity/ Frequency of Replacement	Monthly Cost in Haitian Gourdes	Monthly Cost in U.S. Dollars
<b>HEALTHCARE</b>					
Prescription drugs	600.00	month	monthly	600.00	\$13.92
Doctor visit + 2 lab tests/analysis	750.00	visit	three per year per person	562.50	\$13.05
Personal hygiene products	267.00	month	monthly	267.00	\$6.20
First aid supplies	150.00	month	monthly	150.00	\$3.48
Prenatal care/maternity costs	7,500.00	pregnancy	one birth per 5 years	125.00	\$2.90
Over-the-counter medication	85.00	month	monthly	85.00	\$1.97
Eye glasses	1,520.00	pair	one pair per two years	63.33	\$1.47
Dentist visit	250.00	visit	one per year per person	62.50	\$1.45
<b>Healthcare Subtotal (per month)</b>				<b>1,915.33</b>	<b>\$44.45</b>

	Cost in Haitian Gourdes Per Unit	Unit	Quantity/ Frequency of Replacement	Monthly Cost in Haitian Gourdes	Monthly Cost in U.S. Dollars
<b>EDUCATION</b>					
<b>Primary school</b>					
Tuition fees	727.50	month	ten months per year	606.25	\$14.07
Transportation fees	20.00	roundtrip	26 days per month	520.00	\$12.07
Uniform cost	418.75	uniform	annually	34.90	\$0.81
Books	356.25	set	annually	29.69	\$0.69
<b>Secondary school</b>					
Tuition fees	1,225.00	month	ten months per year	1,020.83	\$23.69
Transportation fees	20.00	roundtrip	26 days per month	520.00	\$12.07
Uniform cost	1,775.00	uniform	annually	147.92	\$3.43
Books	750.00	set	annually	62.50	\$1.45
<b>Education Subtotal (per month)</b>				<b>2,942.08</b>	<b>\$68.28</b>

<b>TRANSPORTATION</b>	<b>Cost in Haitian Gourdes Per Unit</b>	<b>Unit</b>	<b>Quantity/ Frequency of Replacement</b>	<b>Monthly Cost in Haitian Gourdes</b>	<b>Monthly Cost in U.S. Dollars</b>
Roundtrip transport to/from work	20.00	roundtrip	26 days per month	520.00	\$12.07
Transportation to/from hometown	628.00	roundtrip	1 per year, per 3 people	157.00	\$3.64
Transportation to/from market	10.00	roundtrip	once per week	40.00	\$0.93
<b>Transportation Subtotal (per month)</b>				<b>717.00</b>	<b>\$16.64</b>

<b>SUMMARY OF EXPENSES</b>	<b>Monthly Cost in Haitian Gourdes</b>	<b>Monthly Cost in U.S. Dollars</b>
<b>Housing</b>	<b>4,043.58</b>	<b>\$93.84</b>
<b>Energy</b>	<b>937.50</b>	<b>\$21.76</b>
<b>Food</b>	<b>11,128.38</b>	<b>\$258.25</b>
<b>Clothing</b>	<b>2,088.82</b>	<b>\$48.47</b>
<b>Healthcare</b>	<b>1,915.33</b>	<b>\$44.45</b>
<b>Education</b>	<b>2,942.08</b>	<b>\$68.28</b>
<b>Transportation</b>	<b>717.00</b>	<b>\$16.64</b>
<b>SUBTOTAL</b>	<b>23,772.70</b>	<b>\$551.69</b>
<b>DISCRETIONARY SPENDING (2.5% of Subtotal)</b>	<b>594.32</b>	<b>\$13.79</b>
<b>SAVINGS (7.5% of Subtotal)</b>	<b>1,782.95</b>	<b>\$41.38</b>
<b>MONTHLY TOTAL</b>	<b>26,149.97</b>	<b>\$606.86</b>

## END NOTES

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- <sup>1</sup> Center for Economic Policy and Research, *Haiti by the Numbers, Four Years Later* (January 12, 2014), <http://www.cepr.net/index.php/blogs/relief-and-reconstruction-watch/haiti-by-the-numbers-four-years-later>
- <sup>2</sup> International Organization for Migration, *Displacement Tracking Matrix (DTM) Haiti-Round 18* (April 2014), [http://reliefweb.int/sites/reliefweb.int/files/resources/DTM\\_Rd18\\_Updated\\_English\\_FINAL.pdf](http://reliefweb.int/sites/reliefweb.int/files/resources/DTM_Rd18_Updated_English_FINAL.pdf)
- <sup>3</sup> Central Intelligence Agency, *World Factbook: Haiti* (April 11, 2014), <https://www.cia.gov/library/publications/the-world-factbook/geos/ha.html>
- <sup>4</sup> The Metropolitan Industrial Park in Port-au-Prince is managed by the state-run National Society of Industrial Parks (SONAPI), and in 2013, included 23 factories participating in the Better Work Haiti Program. The Industrial Development Company (CODEVI) in Ouanaminthe is privately-owned with five factories.
- <sup>5</sup> Better Work, *Better Work Haiti: Garment Industry 7<sup>th</sup> Biannual Synthesis Report Under the HOPE II Legislation* (October 16, 2013), [http://betterwork.org/global/wp-content/uploads/HOPE-II-FINAL\\_merged1.pdf](http://betterwork.org/global/wp-content/uploads/HOPE-II-FINAL_merged1.pdf)
- <sup>6</sup> Better Work Haiti reports on core labor standards that fall within four categories: freedom of association and collective bargaining, the elimination of forced or compulsory labor, the abolition of child labor, and the elimination of discrimination in employment and occupation. Better Work Haiti assesses an additional four categories, which pertain to national law: compensation, contracts and human resources, occupational safety and health and working time. [http://betterwork.org/global/wp-content/uploads/HOPE-II-FINAL\\_merged1.pdf](http://betterwork.org/global/wp-content/uploads/HOPE-II-FINAL_merged1.pdf)
- <sup>7</sup> Better Work, *Better Work Haiti: Garment Industry 8<sup>th</sup> Biannual Synthesis Report Under the HOPE II Legislation* (April 16, 2014), [http://betterwork.org/global/wp-content/uploads/BWH\\_HOPE-II\\_EN\\_13-April-2014-1.pdf](http://betterwork.org/global/wp-content/uploads/BWH_HOPE-II_EN_13-April-2014-1.pdf)
- <sup>8</sup> Better Work Haiti is a joint International Labor Organization/International Finance Corporation labor rights compliance monitoring program responsible for improving working conditions and competitiveness in the export apparel industry.
- <sup>9</sup> A piece-rate worker is paid a fixed piece rate for each unit produced or action performed regardless of time.
- <sup>10</sup> The exchange rate during the price survey period was \$1 USD to 43.0907 HTG.
- <sup>11</sup> Presidential Decree on the Minimum Wage, Article 4 (April 16, 2014).
- <sup>12</sup> Better Work Haiti. [http://betterwork.org/global/wp-content/uploads/HOPE-II-FINAL\\_merged1.pdf](http://betterwork.org/global/wp-content/uploads/HOPE-II-FINAL_merged1.pdf)
- <sup>13</sup> The Worker Rights Consortium is an independent labor rights monitoring organization that investigates working conditions in factories around the world. See, Worker Rights Consortium, *Stealing from the Poor: Wage Theft in the Haitian Apparel Industry* (October 15, 2013), <http://www.workersrights.org/freports/WRC%20Haiti%20Minimum%20Wage%20Report%2010%2015%2013.pdf>
- <sup>14</sup> In accordance with the minimum wage law, President Martelly issued a presidential decree to establish the Superior Council on Wages. The Council is composed of labor, employer and government representatives (nominated by President Martelly), and is tasked with making proposals to the Ministry of Social Affairs and Labor (MAST) regarding whether and how the minimum wage should be revised.
- <sup>15</sup> A living wage is the minimum income necessary for a worker to meet her or his most basic needs.
- <sup>16</sup> Using demographic data provided by the World Bank, the Worker Rights Consortium based its 2008 living wage calculation for CODEVI export apparel workers in Ouanaminthe on the assumption that the average worker was financially responsible for two minor dependents. To remain consistent with the WRC's methodology, the Solidarity Center also calculated its living wage estimate based on a three-member household comprised of an adult wage earner and two minor dependents. However, it is important to note that the total fertility rate is estimated at 2.79 children per woman of childbearing age. Additionally, the lack of formal employment opportunities means that many families only have one wage earner, even if there is more than one within the household. Therefore, the Solidarity Center's living wage estimate serves as a starting point in the minimum wage debate. See, Central Intelligence Agency, *World Factbook: Haiti* (April 11, 2014), <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2127rank.html>
- <sup>17</sup> U.S. Agency for International Development, *Improved Cooking Technology Program* (November 13, 2013), <http://www.usaid.gov/haiti/factsheets/improved-cooking-technology-program>
- <sup>18</sup> Haitian labor law requires employers in the manufacturing sector to pay 3 percent of a worker's salary to the Insurance Office for Occupational Injury, Sickness, and Maternity. Workers also make a 3 percent contribution. See Insurance Office for Occupational Injury, Sickness, and Maternity, *Formulaires* (April 11, 2014), <http://www.ofatma.gouv.ht/pages/13-formulaires.php>
- <sup>19</sup> The World Bank, *Our Goal: Education for All in Haiti* (2013), <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/LACEXT/0,,contentMDK:21896642~pagePK:146736~piPK:146830~theSitePK:258554,00.html>
- <sup>20</sup> This figure represents the estimated cost of living and serves as a baseline for an appropriate minimum wage that will promote sustainable economic development. This figure should be continuously monitored and updated to ensure that it accurately reflects the current economic environment.
- <sup>21</sup> Export apparel workers contribute 3 percent of their salary to OFATMA and 6 percent of their salary to the Office of National Pension Insurance (ONA). See Office National d'Assurance Vieillesse, *Office National d'Assurance Vieillesse* (April 11, 2014), <http://www.ona.ht/>

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