



Caracol Industrial Park

Social and Gender Impacts of Year One of
Haiti's newest IFI-funded Industrial Park

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About Gender Action

Gender Action was established in 2002. It is the only organization dedicated to promoting gender justice and women's rights in all International Financial Institution (IFI) investments such as those of the World Bank.

Gender Action's goal is to ensure that women and men equally participate in and benefit from all IFI investments.

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List of Acronyms

ADTC	Association for the Defense of Caracol Workers (Association pour la Défense des Travailleurs de Caracol)
AIA	American Institute of Architects
ALENAC	Association of the Natural Leaders of Caracol and Trou-du-Nord (Association des Leaders Naturels de Caracol et de Trou-du-Nord)
BSC	Beneficiary Selection Committee (USAID)
BWH	Better Work Haiti
CFI	Center for the Facilitation of Investments (Centre de Facilitation des Investissements)
CIAT	Interministerial Committee for Territorial Planning (Comité Interministériel d'Aménagement du Territoire)
CODEVI	Compagnie de Développement Industriel, free trade zone on Dominican Republic border
DoS	US Department of State
EPZ	Export processing zone
FAES	Economic and Social Assistance Fund (Fonds d'Assistance Economique et Sociale)
GA	Gender Action
GAO	US Government Accountability Office
GoH	Government of Haiti
HALOSA	Haiti Logistics Société Anonyme, a Haitian logistics company
HELP	Haiti Economic Lift Program Act (2010)
HOPE	Haitian Hemispheric Opportunity through Partnership Encouragement Act (2006)
HOPE II	Haitian Hemispheric Opportunity through Partnership Encouragement Act (2008)
IDB	Inter-American Development Bank
IEZ	Integrated economic zone
IFC	International Finance Corporation (World Bank)
IFI	International Financial Institution
IHRC	Interim Haiti Recovery Commission (Commission Intérimaire pour la Reconstruction d'Haïti)
ILO	International Labor Organization
IMF	International Monetary Fund
MAST	Haitian Ministry of Social Affairs and Labor (Ministère des Affaires Sociales et du Travail)
OFATMA	National Work Accident, Health and Maternity Insurance Agency (Office d'Assurance Accidents du Travail, Maladie et Maternité)
PGES	Environmental and Social Management Plan (Plan de Gestion Environnementale et Sociale)
PIC	Caracol Industrial Park (Parc Industriel de Caracol)
PIRN	Industrial Park of the North Region (Parc Industriel de la Région Nord)
SME	Small- and medium-sized enterprises
SOGSA	Syndicat des Ouvriers de Global SA
SONAPI	National Society of Industrial Parks (Société Nationale des Parcs Industriels)
SOPIC	Caracol Industrial Park Workers' Union (Syndicat des Ouvriers du Parc Industriel de Caracol)
SOVASHG	Union of Valliant S&H Global Workers (Syndicat des Ouvriers Vaillants de S&H Global)
USAID	US Agency for International Development
USTR	Office of the US Trade Representative
UTE	Technical Execution Unit, Haiti Ministry of Finance (Unité Technique d'Execution)
WB	World Bank

Executive summary

Officially open for business since October 2012, Caracol Industrial Park (PIC) is expected to become Haiti's largest private employer and foreign investor. US\$ 424 million in development aid from donors including the Inter-American Development Bank (IDB) and the United States government have been committed to the Park and ten PIC support projects. Women are expected to make up the majority of the anticipated 65,000-strong, mostly apparel assembly workforce. PIC is the linchpin of the Haitian government's and donors' development plan for northern Haiti and key to 'building back better' after the January 2010 earthquake.

This Gender Action case study presents a snapshot of the Park's impacts on area residents and women in particular in its first year. It is based on interviews with over two dozen community members, PIC employees, Haitian government, apparel industry, and donor representatives; site visits in and around PIC; and reviews of relevant documentation.

While the full PIC impacts can only be assessed after several years, PIC has not lived up to several of its preliminary promises. This raises several significant concerns that must be addressed if PIC is to truly benefit Haitians. For the majority of local residents interviewed, life has changed neither for the better nor the worse: some areas have been electrified and some roads have been paved; some mostly female food vendors operate in the Park; some still-vacant houses have been built. Yet PIC companies' 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 PIC jobs; based on women workers' testimony, PIC jobs are not empowering. Life is particularly insecure for many of 366 households who have yet to receive compensation for farm and grazing lands lost to PIC.

The case study recommends that current and future PIC investments be conditioned on respecting Haitian labor laws including the Labor Code and relevant international labor standards, particularly related to women's security, maternity and hygiene needs. Employees must receive decent wages and benefits beyond the insufficient daily export-industry 200 gourde (US\$ 4.57) minimum wage, if workers are really to contribute to developing northern Haiti's economy as donors hope. The Haitian government, IDB, USAID and any other future donors must mandate that all their development projects in and around PIC conduct sustained consultations with local beneficiaries and civil society organizations, including women, *before* any proposed activities take place. Donors need to clarify the timelines and beneficiary procedures for receiving housing and electrification benefits around the Park and together with relevant authorities provide clear responses to residents' articulated concerns.

The Haitian government with donor support must provide further compensation to Park-affected persons pending a resolution to their almost three-year-long displacement. The majority of both female and male Park-affected persons, not only as represented by ALENAC or other networks, must discuss, decide and approve the chosen solution to their loss of access to PIC land in consultation with the Haitian government and IDB. Any permanent solution for Park-affected persons' displacement must not displace other residents occupying land considered for resettlement, regardless of the formal or informal nature of their land occupancy or use.

PIC was an expensive choice that has brought, to date, too few positive social benefits in the eyes of those in whose interests PIC donors claim to act. PIC and all primarily donor-funded projects, must benefit Haitians and Haiti, first and foremost. Considering how much money has been spent supporting PIC, the rationale that PIC's economic returns for Haiti are better than nothing is not good enough.

Résumé analytique

Ouvert officiellement aux affaires depuis octobre 2012, le Parc industriel de Caracol (PIC) devrait devenir le plus grand employeur privé et investisseur étranger en Haïti. 424 millions de dollars américains en aide au développement ont été consacrés au Parc et à dix projets qui le soutiennent. Les femmes sont censées constituer la majorité des 65 000 employés attendus au Parc dont la plupart seront couturières dans ses usines d'assemblage. Le PIC constitue la clef de voûte du plan de développement pour le nord d'Haïti qu'envisagent son gouvernement et ses bailleurs de fonds, vu comme essentiel à la 'reconstruction au mieux' d'Haïti suite au séisme de janvier 2010.

Cette étude de cas de Gender Action présente un aperçu des impacts de la première année d'existence du Parc sur les habitants des zones environnantes du Parc et sur les femmes en particulier. Elle se fonde sur des entretiens avec plus d'une vingtaine d'individus comprenant membres des communautés des alentours du Parc, employés des entreprises du Parc, responsables du gouvernement haïtien, représentants de l'industrie de l'assemblage, et représentants des bailleurs de fonds clés, ainsi que sur plusieurs visites du Parc et de ses environs et l'analyse de documents pertinents.

Bien que l'ensemble des impacts du PIC ne puisse être évalué qu'après plusieurs années, le PIC n'a pas respecté plusieurs de ses nombreuses promesses préliminaires, ce qui soulève des préoccupations auxquels il faudrait faire face si le PIC est censé vraiment bénéficier aux Haïtiens et aux Haïtiennes. Pour la majorité des habitants interrogés à ce sujet, leur vie n'a changé ni pour le meilleur ni pour le pire. Certaines zones ont été électrifiées et certaines routes goudronnées. Un nombre de vendeuses de nourriture travaillent à l'intérieur du Parc. Quelques maisonnettes encore inhabitées ont été construites. Toutefois en juillet 2013 les environ 2 000 ouvriers des entreprises du PIC peuvent à peine joindre les deux bouts, avec des emplois mal-rémunérés, peu stables et dans des conditions médiocres. Encore moins peuvent-ils réinvestir dans le développement des communautés environnantes du Parc. Malgré leurs salaires minimes, les ouvriers du secteur de l'assemblage subissent une pression énorme pour produire de plus en plus de vêtements parfois par le biais d'injures, de menaces ou, dans un cas documenté dans ce rapport, de mauvais traitement physique. Les bailleurs de fonds qui ont prévu l'autonomisation économique des ouvrières de PIC ont raison d'en être déçus; selon les témoignages de celles-ci, les emplois que le PIC offre sont peu encourageants. La vie est particulièrement précaire pour grand nombre des 366 foyers qui attendent toujours leur indemnisation pour les terres agricoles et les pâturages qu'ils ont perdus suite à la construction du Parc.

Cette étude de cas recommande que les bailleurs de fonds actuels et futurs au Parc n'investissent dans le Parc qu'à condition que la législation haïtienne du travail, y compris le Code du Travail ainsi que les normes de travail internationales, soient respectées. Les normes liées aux besoins sanitaires et de maternité des femmes doivent être sauvegardées. Tout employé doit recevoir un salaire décent et des allocations au-delà du salaire minimum quotidien pour l'industrie de l'exportation, actuellement insuffisant à 200 gourdes (4,57 dollars américains), si les salaires des ouvriers du PIC sont censés vraiment développer l'économie du nord d'Haïti comme l'ont voulu les bailleurs de fonds. Le gouvernement haïtien, la BID, l'USAID et tout autre bailleur futur et actuel doivent veiller à tenir un processus de consultation avec les 'bénéficiaires' et les organisations de la société civile sur le terrain, y compris des femmes, *avant* le début de toute activité dans le cadre du développement du PIC et des environs du PIC. Les bailleurs de fonds doivent spécifier les horaires et les processus de sélection des bénéficiaires de leurs projets de logement et d'électrification des zones environnantes du Parc. Les autorités pertinentes doivent fournir une réponse transparente et précise aux préoccupations exprimées par les habitants des zones environnantes du PIC.

Le gouvernement haïtien avec le soutien des bailleurs de fonds doit fournir une indemnisation supplémentaire aux personnes affectées par le Parc dans l'attente d'une solution à leur déplacement forcé de près de trois ans. La majorité des femmes et des hommes affectés par le Parc, et non pas seulement les représentants de l'ALENAC ou d'autres réseaux, doivent discuter, décider et approuver la solution répondant à la perte de leur accès aux terrains du PIC en consultation avec le gouvernement haïtien et la BID. Toute solution permanente au déplacement des personnes affectées par le Parc ne doit avoir comme conséquence le déplacement des autres habitants actuels occupant des terrains envisagés pour la relocalisation des personnes affectées par le Parc, quel que soit le caractère formel ou informel de leur occupation ou leur utilisation de ces terrains.

Le PIC a été cher payé et a entraîné jusqu'à présent trop peu de bénéfices sociaux aux yeux de ceux dans l'intérêt desquels les bailleurs de fonds au PIC prétendent agir. Le PIC, comme pour tout autre projet principalement financé par l'aide étrangère, doit en priorité bénéficier aux Haïtiens, aux Haïtiennes et à leur pays. Vu les sommes considérables versées pour le soutien du PIC, la logique selon laquelle ses rendements économiques pour Haïti sont mieux que rien n'est pas satisfaisante.

Introduction

On October 22, 2012, residents of Caracol municipality in northeastern Haiti witnessed the result of over three years of planning and hundreds of millions of US dollars of donor investment. Caracol Industrial Park (PIC) was officially open for business. Haitian President Michel Martelly and Prime Minister Laurent Lamothe joined a star-studded guest list for the opening ceremony that included American actors Ben Stiller and Sean Penn and designer Donna Karan. Representing PIC's most important financiers, US Secretary of State Hillary Clinton gave a keynote address as Inter-American Development Bank (IDB) President Luis Alberto Moreno looked on. PIC,¹ a 250-hectare Haitian government-owned industrial park, would be a "development project" that, though imperfect, "represents a new opportunity for Haiti."² PIC workers would reinvest their wages in the domestic economy. PIC would also empower women, she assured, providing them formal economy jobs that would improve their children's lives.

PIC will be the largest private employer and biggest private foreign investor in Haiti at full operation (USAID 2011c: 8). With Korean textile giant Sae-A as its anchor tenant, PIC is expected to create 65,000 jobs by 2020 of which 20,000 are expected at S&H Global (Sae-A's Haiti subsidiary). PIC would nearly double the current number of garment jobs in Haiti. With over US\$ 424 million committed to the Park's development as of mid-2013³ and a dozen projects directly supporting it, PIC is the linchpin of the Haiti's development plan for the northern region.

Yet the Park is controversial. Only an estimated 2,000 employees work in PIC's two operational resident companies and support services.⁴ The Park's donors, chiefly the IDB, have funded at least half a dozen social, environmental and fiscal studies in an effort to minimize PIC's potential negative impacts. Critics within and outside of Haiti have alleged poor treatment at PIC's anchor tenant, apparel and textile company S&H Global.⁵ Male and female residents are frustrated at the slow pace of electrification, road paving and other benefits; they are also concerned PIC might jeopardize water quality. At least 366 households who formerly cultivated the PIC site are not yet able to access the promised replacement lands and many can no longer support themselves from the compensation funds they have received. While critics point out that area residents were not adequately consulted in the rush to start the PIC project,⁶ the Haitian government and its donors vociferously defend its assumed positive long-term impacts for a region among Haiti's



Billboard outside Caracol Industrial Park. Caracol, Haiti © Gender Action 2013

¹ This report uses the French acronym PIC as shorthand for Caracol Industrial Park/Parc Industriel de Caracol.

² A transcript of US Secretary of State Hilary Clinton's remarks is available at DoS 2012.

³ July 2013.

⁴ As of July 2013. Estimation for July 2013 employment figures calculated as follows: S&H Global: 1,300 (source: SONAPI), Peintures Caraïbes: 300-600 (source: SONAPI), Estrella Engineering: 100 (source: Estrella), Food vendors: 18 (source: SONAPI). Numbers of employees for HALOSA and other support services are unknown. Safi apparel had not yet begun operations.

⁵ See, for example, Haiti Grassroots Watch (2011, 2013) and Bri Kouri Nouvèl Gaye (2012a, b).

⁶ See, for example, Haiti Grassroots Watch (2011, 2013) and also Sontag (2012).

poorest: jobs.⁷ Underlying this assumption is that because the apparel industry in Haiti, disproportionately employs young women, it empowers them and better their lives.

This case study presents a snapshot of the Park's impacts on local residents and women in particular in its first year. The full impact of PIC can only be assessed after several years. However, PIC's first year of operations, while funding a few community-level benefits, raises several significant concerns that must be addressed if PIC is to truly benefit Haitians. The contents were collected through Gender Action interviews with over two dozen community members, PIC employees, Haitian government, apparel industry, and donor representatives, several visits to PIC and surrounding communities and reviews of relevant project and other documentation.

The case begins by discussing the importance of apparel export to Haiti's economy and its implications for its mostly female workers. It then traces the impacts of the 2010 earthquake and the critical boost that International Financial Institution (IFI) investment and US trade liberalization legislation provided to the sector, conceived by the Haitian government and its donors as key to Haiti's post-earthquake 'reconstruction.' PIC and the promises accompanying its construction are then introduced. The case then examines claims related to Park working conditions and impacts on local residents, noting several unfulfilled promises. The case closes with conclusions and recommendations.

Export processing in Haiti

Haiti has long relied on export processing to bring in revenues and create jobs. In an export processing zone (EPZ), local and foreign enterprises mainly produce goods for export and benefit from tax, customs duty, and in some cases, labor regulation exemptions (Shamsie 2011).⁸ The apparel industry accounts for 90 percent of Haiti's exports. Because they create quick profits and jobs and generally require little productive investment from host governments (Collier 2009),⁹ EPZs appeal to governments¹⁰ in countries such as Haiti with a staggeringly high unemployment rates.

Dozens of EPZs were established in Haiti in the 1970s and 1980s: in 1960, Haiti exported only primary commodities but they accounted for only 61 percent of exports by 1979. Around 240 multinational corporations operated in Haiti by the 1980s (Shamsie 2009: 656-7). In their factories, in between 40,000 and 60,000 mostly female workers assembled mostly t-shirts and underwear.¹¹ Meanwhile, both donors and the Haitian government all but completely ignored agricultural production for domestic consumption (Shamsie 2009, 2011; Fukuda-Parr 2009; Ives 2010). Through the 1980s and 1990s, IFI loan conditions required Haiti to reduce domestic food crop tariffs, devastating local farmers who could no longer compete with the flood of cheap US-government subsidized American rice, which even former US President Bill Clinton admits resulted in Haiti's "loss of capacity" to feed itself (Katz 2010). Formerly a largely food self-sufficient net exporter of agricultural products like sugar, Haiti is in the ironic position of

⁷ See, for example, UTE (2012) and Müller-Poitevien (2012).

⁸ The definition of EPZ is debated and a full description of these is beyond the scope of this report. See Engman, Onodera and Pinali (2007) for a fuller discussion. There are three types of economic zones (using the World Bank's umbrella term) co-existing in Haiti: state-owned industrial parks like Parc Industriel Metropolitain (PIM) in Port-au-Prince, often managed by state entity SONAPI; privately-owned industrial parks like SHODECOSA in Port-au-Prince; and the privately-owned CODEVI 'free zone' in the Ouanaminthe area (WB 2013: 25). PIC is more accurately described as an Integrated Economic Zone (IEZ) since it hosts both export-oriented (S&H Global) and domestically-oriented (Peintures Caraïbes) companies, though apparel exporting companies including S&H Global are intended to provide the bulk of PIC jobs.

⁹ PIC differs from this pattern: the Haitian government donated the 250 acres on which the park was built, and donors (the IDB and US government) financed almost all of the construction of the park.

¹⁰ EPZs are attractive to investors primarily because their investors generally enjoy exemption from local and national taxes. Haiti's Investment Code generally accords approved investors' privileges including total exemption from income taxes for a period which should not exceed 15 years and exemption from local taxes, except for the fixed professional tax, for a period which should not exceed 15 years (CFI 2013).

¹¹ These two types of garments combined accounted for 70 percent of Haiti's textile exports in 2009 (Koios 2010: 12).

importing over half its consumed food while exporting low value-added garments,¹² with particularly negative effects for the women and children least likely to be able to purchase food on the market.

In Haiti, the precipitous rise of apparel export processing can be attributed to two main justifications: the relative low cost of Haitian, particularly female, labor and favorable trade access to the US.¹³



New female employees of apparel factory S&H Global await their badges. Caracol, Haiti © Falonne Conte, GA 2013.

Wages and women

Haiti has the lowest labor costs in the western hemisphere: maintaining this ‘competitiveness’ through ‘affordable’ wages is believed essential to Haiti’s success in the industry (Hornbeck 2010: 10-11; IFC 2011f).¹⁴

Labor costs can be kept low in part because apparel workers are predominately women (Milberg and Amengual 2008: 13). Women comprise just under 65 percent of Haiti’s apparel employees (BWH 2013: 30). Globally, female export processing employees are widely preferred because they are regarded as cheaper workers with greater endurance for monotonous production work

(Tejani 2011), and less likely to join trade unions or protest poor working conditions (Wick 2010: 30).

Women are often willing to take employment at any price because of the relatively few income-earning activities available to them and their responsibility for family and domestic work.

Haitian female apparel workers, responsible for feeding and educating children and other domestic duties, have very little disposable income (Bell and Erkert 2013; Bell 2013a, b). Haitian women apparel workers have been subjected to pregnancy tests when hired (BWH 2013: 16), dismissal if they become pregnant and sexual harassment (Bell 2013a; USTR 2012). They suffer also from employers’ spotty compliance with Haiti’s national maternity leave and medical policies (BWH 2013: 19). In light of the poor working conditions that disproportionately affect women (Bell 2013 a, b), it is clear that hiring women does not necessarily increase gender equality.¹⁵

‘HOPE’

The second justification for Haiti’s reliance on export processing is its preferential access to US markets, ensured by American legislation following Haiti’s productivity lulls in the 1990s.¹⁶ In 2006, the US Congress passed the Haitian Hemispheric Opportunity through Partnership Encouragement (HOPE) Act providing duty-free entry to the US for Haitian-manufactured garments to combat Haiti’s ‘lagged

¹² PIC is supposed to host Haiti’s first textile mill with knitting and dyeing that would add value to its production (UTE 2011). Neither of these operations was in place as of July 2013.

¹³ Both rationales appear routinely in donor documentation. World Bank (WB)-financed consultants Nathan Associates put it most clearly in stating that “No other supplier matches Haiti for its wages, trainable and dedicated workforce, trade preferences into the U.S. market, and physical proximity to customers (hence, short delivery times to market)” (2009: xvi). See WB (2012); Hornbeck (2010); Louis (2011). For a deeper analysis of the WB and IDB country strategies, see Gender Action 2013b.

¹⁴ Industry representatives heavily opposed minimum wage increases for textile and apparel workers both in 2009 and 2012 (Hornbeck 2010: 6; DoS 2010). An influential report to the UN by former World Bank economist Paul Collier (2009) noted that if labor and power costs could be kept low, and land be rapidly acquired with minimal concessions to residents, Haiti could become a globally competitive apparel producer (Collier 2009: 10-12).

¹⁵ Several of Collier’s assumptions and recommendations are particularly problematic for women. He recommends the use of night shifts in EPZ factories (Collier 2009: 11) – night shifts are particularly difficult for women who are more likely than men to have significant household responsibilities.

¹⁶ Employment in Haiti’s export industries including in apparel decreased by 80 percent during the 1991-1994 UN- and Organization of American States-organized trade embargo against Haiti following President Aristide’s ouster by a military coup (Gibbons 1999 cited in Hornbeck 2010: 5).

competitiveness’ (DoS 2006). In 2008, Congress passed HOPE II, expanding duty-free access and establishing labor rights safeguards for HOPE II-benefitting businesses. Among the safeguard measures was the creation of Better Work Haiti (BWH), an ILO- and WB-funded initiative that monitors apparel company compliance with ILO labor conventions and the Haitian Labor Code. The number of export processing workers in Haiti increased since 2006 in part due to HOPE and HOPE II (Table 1).¹⁷

Table 1. Export processing employee numbers in Haiti, 1991-2012

1991	2002	2006	2009	2012	Percent change 2002-2012
25,000	10,000	10,000	23,000	25,924	+ 159 %

Source: IDB (1992), Singa Boyenge (2002, 2007), Shamsie (2009), BWH (2013).

The IFIs

The IFIs, too, have trumpeted Haiti’s reliance on export processing. Haiti’s 2007 International Monetary Fund (IMF)-mandated Poverty Reduction Strategy Paper, which all countries must prepare as a condition of receiving IFI loans, identified the textile industry as a “highly promising” priority sector (GoH 2007: 9).¹⁸ The IDB’s direct support to the industry dates back to at least 1999¹⁹ with several general export promotion loans dating back to the 1980s and 1990s; millions further have been spent on infrastructure projects (like roads and power plants) supporting EPZs (Gender Action 2013b). The World Bank (WB) has also promoted Haiti’s export processing economic model since the 1980s.²⁰ Codevi Industrial Park in Ouanaminthe in North-East Haiti, launched in 2003, was heavily financed by the WB’s private sector lending wing, the International Finance Corporation (IFC). The WB funded the elaboration of the Haitian government’s integrated economic zone (IEZ) policy in December 2011 and the integrated economic zone regulatory framework reform project in May 2013 (WB 2013: 25).

The IFIs, which with other donors contributed 70 percent of Haiti’s 2012-2013 budget,²¹ helped make Haiti’s apparel industry central to its economy.²² They optimistically assume that export processing will strengthen Haiti’s economy through presumed trickle-down benefits for ordinary Haitians, particularly women, significantly raising Haitians’ purchasing power and the number of support services jobs (IDB 2009b).²³ Apparel accounted for 90 percent of Haiti’s exports (US\$ 450 million per year) from 24 factories employing over 25,000 workers (IDB 2012d; Shamsie 2011:7) when an earthquake struck Haiti in January 2010.

Apparel exports after the 2010 earthquake

On January 12, 2010, a 7.0-magnitude earthquake struck Haiti west of Port-au-Prince. Over 200,000 died and countless were injured. Haiti suffered almost US\$ 8 billion in damages and infrastructure losses.²⁴

¹⁷ To fully benefit from the new legislation, the Haitian government hired US lobbying firm Sorini, Samet & Associates to help the National Society of Industrial Parks (SONAPI) lobby the US Congress (CEPR 2012a).

¹⁸ One of four sectors; the other three were the agriculture, agro-industry, and tourism sectors.

¹⁹ See, for example, IDB project ‘TC9901031: Strength.textile Subsector’ (1999).

²⁰ See, for example, World Bank project ‘P007309 Industrial Restrengthening and Development’ (1989).

²¹ 61.27 billion gourdes of a total 87.5 billion gourde budget. See GoH 2012a: 26.

²² Despite the Haitian textile exports industry’s remarkable tenacity over decades, it is by no means a particularly secure industry. For one, it is vulnerable to investors’ whims: will they stay at the end of their 15-year tax holiday? Secondly, Haiti’s textile EPZs depend in large part on the largesse of the US Congress and its pro-export HOPE II and HELP acts to make them viable and ‘competitive.’

²³ Export processing factories are the nucleus of Haiti’s integrated economic zones, which the WB has termed “a development tool for job creation, investment and decentralization” (IFC 2013).

²⁴ See Gender Action 2013b for further discussion of the earthquake’s effects on Haiti’s economy by sector.

Haiti's apparel factories, by contrast, were relatively resilient. In 2010, US\$ 517 million worth of apparel was exported to the US, a net *increase* over prior years (USAID 2011c: 8). Within two weeks of the earthquake, Haiti's apparel manufacturers had resumed exports to the US, re-routing shipments through Dominican Republic ports and meeting customers' orders without delay (DoS 2010). High-volume customers visited Haiti as early as February 2010 to explore expansion plans. The WB and IMF assessed ports specifically for their capacity to handle garment shipping containers (DoS 2010).

While other sectors of the country languished,²⁵ Haiti's apparel industry was poised to expand. In May 2010, the US Senate passed the Haiti Economic Lift Program (HELP) Act. Expanding tariff benefits to Haitian apparel exports was, in the US Congress' view, "common sense" to help Haiti "get back on its feet" (US Committee on Finance 2010), publically equating post-earthquake reconstruction with the expansion of a decades-old economic model.

Caracol Industrial Park

A new export-oriented industrial park was officially in the works when the IDB commissioned its feasibility study for a Northern Haiti location in September 2009 (IDB 2009a). In December 2010, the post-earthquake Interim Haiti Recovery Commission (IHRC) approved funding for the 'Northern Region Industrial Park' (PIRN), which became PIC after its site was selected in late 2010. Annex 1 contains a timeline of key PIC developments.

Why was Caracol, or more specifically, the 250-hectare site between Chambert and Caracol, chosen? The Haitian Ministry of Finance consulting with its donors selected the PIC site out of 18 sites evaluated by IDB-contracted Koios Associates (Koios) in September 2010. It was chosen over two other top sites, according to the Unite Technique d'Execution (UTE), because one site had poor drainage (Limonade) and the other, near Fort Liberté, was deemed too close to the CODEVI free trade zone at Ouanaminthe.²⁶

Koios' preliminary report on site suitability was not backed by full environmental, hydrological, or topographical research (Koios 2010: v), which likely explains why it erroneously characterized the site as "devoid of habitation and intensive cultivation" (56) – necessitating hasty development of a Compensation Plan for 366 land-using households, begun in May, five months after the clearing of PIC lands, and completed in September 2011. The chosen site was "reported to be entirely state-owned" though Koios did not verify this officially (57), despite Haiti's economic zones governing bodies requiring that "ownership of IEZ lands is undisputed" (IFC 2011c: 6)²⁷ for the issuance of a Zone Authorization.

The selection of the Caracol-Chambert site was made before detailed environmental analysis, and before any substantive social analysis, including of gender issues.²⁸ A follow-up May 2011 Koios report provided social analysis including gender issues – it noted, for example, women's significant income-gaining agricultural role (Koios 2011: 98) – but by then, the site had already been chosen. Gender issues were first broached seriously in the lead-up to the IDB's and UTE's joint PIC Social Impact Assessment (IDB 2012d), published in February 2012.

Caracol is the pivot on which a Northern region "Axis of Development" rests. However, the export-processing model has been heavily criticized for creating massive rural-urban migration and worsening

²⁵ According to the Haitian government's March 2010 Action Plan (GoH 2010a).

²⁶ Interview with UTE official, July 23, 2013. Port-au-Prince, Haiti.

²⁷ The Direction des Zones Franches (DZF) and the Conseil National des Zones Franches (CNZF) are responsible for issuing zone authorizations, among other duties including "to prevent, in collaboration with all competent agencies, including SONAPI, undesirable activities in the IEZs" (IFC 2011c: 4).

²⁸ The silence on gender issues in site selection is unsurprising: the guidelines of the IFC, the private sector finance wing of the WB, for Haitian government officials, articulated during a December 2011 workshop in Port-au-Prince, do not mention gender issues at all. Neither women nor gender are mentioned in any workshop materials on social impact assessments (IFC 2011a-f).

poverty in the capital Port-au-Prince, where most factories are concentrated, while ignoring rural poverty and agricultural production (Ives 2010; Shamsie 2009). PIC was supposed to break this pattern. In May 2012, the IDB-contracted American Institute of Architects released a Regional Master Plan advocating the establishment of a Northern Corridor Regional Planning Authority and noting energy and sanitation challenges. Women’s involvement in this plan was mentioned only once in relation to developing a “campaign with women’s groups and other community associations about the effects of uncontrolled dumping [of plastic and other waste]” (AIA 2012: 10). PIC thus emerged as central to Haiti’s government- and donor-endorsed economic development policy, the “biggest investment package ever implemented in Haiti” (IDB 2012a: 11).²⁹

IFI portfolio on Caracol

Donors and investors have committed over US\$ 424 million to developing and supporting PIC. Table 2 contains the list of key investments, also shown on in Annex 2.

The IDB largely financed the physical construction of the site as well as several key impact studies. The IDB’s commitment to PIC is expected to reach US\$ 180 million total.³⁰ It is the prize of the IDB’s Haiti portfolio; the anticipated commitment is equivalent to around 17 percent of the IDB’s post-earthquake commitments,³¹ more than its commitments to water and sanitation³² or agriculture and rural development projects in the same period.³³

Table 2: Key investments to support PIC as of August 2013

Project (funding status)	Funder	Amount (US\$)	Approximate approval date
PIC Power Plant (allocated)	USAID	97,900,000	Oct-13
Investment to “develop operations in the Park” (pledged)	Sae-A	78,000,000	Jan-11
Port construction (allocated)	USAID	72,400,000	Aug-11
HA-L1055: Infrastructure Program (committed)	IDB	55,000,000	Jul-11
HA-L1076: Productive Infrastructure Program (committed)	IDB	50,000,000	Sep-12
HA-L1081: Productive Infrastructure Program II (planned)	IDB	40,500,000	TBD
Construction of houses at Caracol-EKAM site (obligated)	USAID	27,709,941 ³⁴	Sep-11-Apr-12
HA-T1179: Water Availability and Integrated Water Resources Management in Northern Haiti (committed)	IDB	1,000,000	Mar-13
HA-T1186: Haiti’s Northern Development Corridor (committed)	IDB	800,000	May-13
HA-T1182: Institutional Strengthening to Increase the Technical Capacity of the GoH (committed)	IDB	530,000	Jun-13
HA-T1181: Mitigating the Social Impacts of the Caracol Industrial Park (committed)	IDB	300,000	Apr-13
HA-T1083: Strengthening the Internal Debt Sustainability Analysis Unit (with PIC-specific amendment) (committed)	IDB	250,000	Dec-12
HA-T1185: Haiti’s Northern Development Corridor (committed)	IDB	180,000	May-13
Total		424,569,941	

²⁹ Indeed, PIC is viewed by Haitians and non-Haitians alike as a sort of phoenix rising from the ashes, a chance to finally end Haiti’s “eternal uphill battle to share a different and factual narrative [apart from poverty and failure]: one of capitalizing on untapped opportunity” (Müller-Poitevien 2012).

³⁰ Email communication between z Haiti staff and Gender Action, July 30, 2013.

³¹ The IDB’s commitments approved for Haiti from January 2010- August 13, 2013 totalled US\$ 1.087 billion (Gender Action 2013b).

³² US\$ 129.5 million for the same period. See Gender Action 2013b.

³³ US\$ 137.3 million for the same period. See Gender Action 2013b.

³⁴ At least. This includes the following: US\$ 9,672,931 total to CEEPSCO Contracting LLC (contracts: AID521C1100002 and AID521C1100007) and US\$ 18,037,010 to Thor Construction (contract: AID521C1200004). Source: CEPR based on data available at usaspending.gov.

The IDB's first major investment in PIC was a US\$ 55 million grant. Approved in July 2011, the project "HA-L1055: Infrastructure Program" aimed to "channel resources to the rehabilitation of deteriorated service infrastructure, with high impact on the reactivation of the local economy" by funding PIC construction. Under the project, the IDB commissioned a hydrological impacts assessment and a social and environmental management plan (PGES), published in August 2011,³⁵ as required by the IDB's operational policies including its Operational Policy on Gender Equality.³⁶ The resulting PGES is fairly gender sensitive. It identifies potential effects including an increase in gender-based violence and rape with increasing numbers of male job-seekers (IDB 2011c). It advises that secure transport be provided to the largely female PIC workers and that Park administration develop a gender non-discrimination policy that includes "zero tolerance" for sexual harassment (57). However, HA-L1055's monitoring and evaluation framework is not gender sensitive. Its May 2013 Progress Monitoring Report, for example, does not disaggregate by sex the number of jobs created by the Park and the percentage of the rural population with improved access to water and healthcare services (IDB 2013f). With this gender-blind evaluation framework, it is not possible for the IDB to adequately measure the Park's differential effects on women.

Once Park construction was well underway and Sae-A had begun its operations, the IDB approved a second significant grant for PIC construction. Approved in September 2012, the IDB project "HA-L1076: Productive Infrastructure Program" aimed to provide "the basic infrastructure, industrial facilities, management support and complementary investments required for the expansion and sustainable operation of the PIC." Under HA-L1076, the IDB commissioned several further studies, including an environmental assessment of waste management and a social impacts study. The February 2012 social impacts study (IDB 2012d) was the first in-depth examination of the potential impacts of PIC on women.³⁷ It presents a detailed set of recommendations that proactively identify the unique concerns of women working in the Park, in part based on consultation with the Federation of Women's Associations and other women. It recommends on-site day care centers and lactation rooms, a gender-sensitive complaints policy, and including women in management-level training, among other recommendations. HA-L1076's monitoring and evaluation framework disaggregates several key indicators by sex. These are the number of women employed by PIC firms, which the IDB hopes will reach 65 percent by 2016, and the number of "women and children who obtain social services by the [PIC] community center" (IDB 2013g).

A third planned US\$ 40.5 million "Productive Infrastructure Program II" project will finance warehouse and factory building construction. US\$ 3.5 million of the amount is dedicated to funding "small works projects and studies outside the PIC required to mitigate the social, environmental, urban and institutional risks" (IDB 2013c). A series of smaller technical grants totaling US\$ 3.06 million³⁸ attempt to mitigate specific negative project impacts. These cover such issues as water management of the estuary near Caracol and urban growth. The only grant that considers gender issues or the differential impact of PIC on women is the IDB's small project "HA-T1181: Mitigating the Social Impacts of the Caracol Industrial Park." Approved in April 2013, this US\$ 300,000 grant aims to develop "an inclusive local

³⁵ HA-L1055 also funded a Haitian consulting firm to prepare the Compensation Plan for the 366 identified households who were displaced in January 2011 from the territory that became PIC.

³⁶ See Gender Action 2013a for a fuller discussion of this policy.

³⁷ A set of environmental, social and health and safety plans published in November 2012 is also listed among HA-L1076 supporting documents. Detailing ideal practice at PIC, these plans were mostly aspirational; gender does feature in them except for in a statement that hiring at PIC enterprises should not discriminate by gender (IDB 2012g).

³⁸ US\$ 3.06 million: "HA-T1083: Strengthening the Internal Debt Sustainability Analysis Unit (PIC amendment)" (US\$ 0.25 million), "HA-T1179: Water Availability and Integrated Water Resources Management in Northern Haiti" (US\$ 1 million), "HA-T1182: Institutional Strengthening to Increase the Technical Capacity of the GoH" (US\$ 0.53 million), "HA-T1185: Haiti's Northern Development Corridor" (US\$ 0.18 million), "HA-T1186: Haiti's Northern Development Corridor" (US\$ 0.8 million), and "HA-T1181: Mitigating the Social Impacts of the Caracol Industrial Park" (US\$ 0.3 million).

private sector, maximizing opportunities for gender equality and vulnerable populations” (IDB 2013e), in particular by promoting women entrepreneurs.

PIC’s funders have a set of clear guidelines and planned measures to minimize potential negative impacts. But have they worked to date? Against this backdrop, the rest of the case study investigates key issues in the Park, from its economic returns, the conditions for PIC workers, and its effects on neighboring communities.

Caracol Industrial Park: One Year On

For its over US\$ 424 million investment, PIC would need to start generating some serious income and benefits to justify its price tag. A 2010 feasibility study by Koios Associates estimated that PIC would generate US\$ 360 million in income annually, including US\$ 150 million in PIC employee wages. PIC is estimated to spur a “72% increase of private and cash money made available into the Northern Corridor” (IDB 2012a: 22-3).³⁹ Yet does this math translate to real benefits for local residents so far? And what have been the economic impacts for women?

To assess PIC impacts on the surrounding community Gender Action staff assisted by two Haitian research assistants from the State University of Haiti gathered the testimony presented below over two weeks in July 2013 on multiple site visits of the Park and its surrounding communities.⁴⁰ Interviews were conducted with over two dozen individuals, equal numbers male and female, including with employees of companies operating in PIC,⁴¹ persons formerly cultivating the area that became the Park,⁴² civil society representatives, market vendors, Haitian government authorities⁴³ responsible for Park management, and PIC resident company representatives. Gender Action also communicated with key PIC donor staff, USAID and IDB officials, via email when in-country meetings proved impossible. Five separate attempts to obtain a comment from Sae-A and visit its S&H Global factory were unsuccessful.⁴⁴ Almost all persons with whom Gender Action spoke requested that their identities be concealed.⁴⁵

³⁹ According to the IDB-commissioned July 2012 study (IDB 2012a) completed by economist Jean Palème Mathurin, who heads the consulting firm Erice AZ. Under Mathurin, Erice AZ also devised the compensation plan for the 366 displaced households from the PIC site, a process that started in May 2011 and culminated in the Plan’s publication in September 2011. Mathurin was also the President of the CTMO-HOPE commission in charge of attracting apparel industry investment (among other tasks) until at least April 2011 (CTMO Hope 2011).

⁴⁰ Interviews took place during one week in Port-au-Prince and one week in the North and North East departments. Gender Action and research assistants gathered testimonies from communities including Trou-du-Nord, Terrier Rouge, Caracol, Jacquesil, and Limonade. Prior informed consent was obtained for all interview participants.

⁴¹ While about half of the dozen workers were approached through one of the two recognized labor unions of S&H Global workers, Gender Action also spoke with a number of non-union workers on their lunch breaks and otherwise met them informally. Gender Action also interviewed employees of Estrella Engineering, the Dominican Republic construction company awarded an IDB contract to build infrastructure in the Park.

⁴² These individuals were selected from the IDB’s list of “Park-affected persons”, identified during the elaboration of the compensation plan in 2011.

⁴³ Caracol’s current mayor, Lamour Césaire did not respond to several phone calls and visits to his office by Gender Action. Mr. Césaire became mayor on October 23, 2012, the day after PIC’s opening ceremony.

⁴⁴ These were: an email to Sae-A pointperson listed on its website, Karen Seo (unanswered); an email request to Sae-A representative Lon Garwood (denied, though some helpful information was provided); a request by phone to Maxime Laroche, who had just left his position as Sae-A Haiti representative, to put Gender Action in touch with his successor (denied); a verbal request to a SONAPI representative on site to be put in touch with Sae-A (denied); and a verbal request to Sae-A external affairs representative Chae Song on site (Gender Action was promised an email response that was not received).

⁴⁵ Given the controversy surrounding PIC, this case study presents only that testimony that the research team was able to verify from two or more independent sources. Gender Action received far more reports than could be verified; this case study notes cases that should be investigated further.

PIC's economic returns

The logic undergirding PIC as a key component of Haiti's reconstruction – that PIC will lead to factory jobs, which will lead to other jobs, which will revitalize Haiti's whole northern region – is seriously flawed because of the disjuncture between revenue estimates and actual income.

Current financial returns for PIC are minimal, even taking into account that the project is only in its first year. Several current and former Haitian government and industry consultants, worryingly, were unable or unwilling to clarify PIC's revenue figures. PIC had three resident companies in July 2013: S&H Global, a subsidiary of Korean textiles and apparel company, Sae-A; Haitian paint company Peintures Caraïbes; and American apparel company Safi Apparel. Sae-A will pay no rent on its factory facilities for four years.⁴⁶ Sae-A does, however, pay rent for its residence hall and administration buildings. Another PIC resident company, Peintures Caraïbes, pays rent for its factory. In 2012, PIC resident companies were paying US\$ 310,000 in rent and US\$ 210,000 in social security for its workers total per year (IDB 2013g).



Sae-A pays rent on its residence halls (left) and administrative building (not pictured) but not for its factory facilities (right), for four years. Caracol, Haiti © Gender Action 2013.

The US government estimated that PIC would generate US\$ 360 million in revenues annually, including US\$ 150 million in PIC employee wages (GAO 2013: 12). Yet the purported 65,000 on-site jobs created by PIC through 2020 was calculated by using an estimate of the average number of square meters per factory worker observed in light manufacturing facilities worldwide (GAO 2013: 12), rather than as a reflection of likely commitment of companies to creating jobs at PIC.

In calculating PIC's net worth, IDB consultants undervalued the agriculture activities on which so many Haitians rely to feed themselves. The IDB's preliminary financial and economic viability report praises Haiti's "cheap labor" – indeed, the calculations assume a fixed US\$ 5 per day wage for the period until 2020 (IDB 2012a: 12). It also estimates the incomes of Haitians not working in PIC (the 'shadow wage') to be US\$ 1-2 (19). While US\$ 1-2 might reflect wages earned outside the home, it does not appear to consider the monetary value of subsistence farming, a key livelihood source, particularly for women who are much more likely to not be formally employed. The Caracol-Chambert site was also known for its relatively fertile land – all but one of 366 displaced heads of households



Interior of Safi Apparel's new factory. Caracol, Haiti © Gender Action 2013.

⁴⁶ The typical rent holiday for factories investing in Haiti's industrial parks is 3-4 months. Haitian government and industry sources confirmed that Sae-A's 4-year factory rent holiday was an exceptional stipulation to reward their 'anchor tenant' and would not to be repeated for other companies investing in PIC. Interview with SONAPI representative, July 15, 2013. Cap-Haïtien, Haiti. Interview with industry representative, July 13, 2013. Interview with UTE official, July 23, 2013.

for the first 15 years of investment) and returns in the form of wages are minimal, providing workers with little more than needed for survival. And the continued availability of these jobs depends on whether or not they are sufficiently profitable, which in the apparel industry, means that wages have to be kept as low and productivity as high as possible. These two components – low wages and high productivity, and the particular effect this has on the predominately women employees of PIC – are taken in turns below.

Wages

The majority of current PIC workers are female S&H Global employees who earn 200 gourdes daily (US\$ 4.57). In October 2012, Haiti's minimum wage increased to 200 gourdes for "industrial plants exclusively oriented towards re-export" (GoH 2009). However, in this sector, for workers whose remuneration is based on the *unit of production*, employers are supposed to set the per-piece remuneration rate so as to allow the unit of production-based workers to earn 300 gourdes (US\$ 6.86) minimum daily.

Yet S&H Global workers, as in other factories across Haiti, are essentially doing piece work to meet daily quotas. Their contracts nevertheless stipulate a *daily wage*, rather than a unit of production-based wage, of 200 gourdes, no matter how much they produce. Unions and apparel and textile industry representatives dispute the contradiction inherent to the minimum wage law, sparking the Ministry of Social Affairs and Labor to issue a press release restating the provisions in the disputed law.⁵⁴

Regardless of the October 2012 wage increase, the 200 gourde daily minimum wage neither enables workers to climb out of poverty nor provides sustained demand for small business services, needed to develop north Haiti through PIC funders' hoped-for newfound prosperity. Ironically, the attractiveness of PIC to investors depends almost entirely on keeping the wage at 200 gourdes.

PIC donors and investors alike assume that because 90 percent of S&H Global employees are women,⁵⁵ PIC will increase women's overall well-being.⁵⁶ However, the jobs do not provide enough sufficiently stable income for workers, male or female, to increase their commercial demands on local businesses because wages are very low providing little more than just enough to live on. In the words of one male S&H Global employee, his wages are "just better than nothing at all".⁵⁷ Of the dozen interviews conducted with male and female PIC company employees, only one stated that she was able to save any money from her wages, in part because she resided rent-free with her parents. "More or less, my life is slightly better now. But the salary isn't enough and I can't buy almost anything I need," she said.⁵⁸

One female employee hoped that working at PIC would allow her to save for a small business but she has not been able to. Another left school and regrets her decision to do so, saying "life's the same, I'm not saving anything."⁵⁹ Several others lamented leaving school for factory work, and planned to return to school.⁶⁰ One 23-year-old man originally took work in the park because he wanted the experience, money and a skill. "But I saw that it was nothing serious. My parents want me to leave because they

⁵⁴ Interview with industry representatives, July 13 and July 22, 2013. Interview with union representative, July 23, 2013.

⁵⁵ Email from Sae-A to Gender Action, June 27, 2013. The IDB appears share this logic: speaking about IDB investments in another Korean textile manufacturer operating around Port-au-Prince, Alexandre Fernandes de Oliveira, head of the Industries and Services Division of the Structured and Corporate Finance Department, reaffirmed the IDB's expectation that "the company will hire significantly more women than men, contributing to greater gender equality in the workplace" (IDB 2013a).

⁵⁶ State Department officials even publically stated that PIC's female employees would benefit from two-income households, with their male partners primarily involved in agricultural labor. A full 44% of Haitian households are female-headed (UN 2013b). Haiti Advocacy Working Group meeting staff of Office of the Special Coordinator for Haiti, May 30, 2013. Washington, DC.

⁵⁷ Interview with male S&H Global employee, July 18, 2013. Caracol, Haiti.

⁵⁸ Interview with female S&H Global worker, July 15, 2013. Caracol, Haiti.

⁵⁹ Interview with female S&H Global worker, July 18, 2013. Caracol, Haiti.

⁶⁰ Interview with female S&H Global workers, July 15 and 18, Caracol and Trou-du-Nord, Haiti.

worry about my health. If I do stay, it will be because my friends are there.”⁶¹ Asked how long they intended to continue working in the Park, all employees interviewed did not plan to stay longer than a few months, even those who had several children to support.⁶²

S&H GLOBAL S.A											
MODULE 1											
			PREMIERE SEMAINE				DEUXIEME SEMAINE				
DATE D'ENTREE		SALAIRE DE BASE	2,400	DATE	JOUR	EXT.	INC.	DATE	JOUR	EXT.	INC.
NOM		HEURE EXTRA	-	8/17	200	-		8/24	200	-	
PRENOM		EMBAUCHE	400	8/18	200	-		8/25	200	-	
Code		IRC	-	8/19	200	-		8/26	200	-	
SALAIRE JOUR	200 00	ADJ(+)	-	8/20	200	-		8/27	200	-	
SALAIRE H EXTRA	37 50	AUTRE (+)	-	8/21	200	-		8/28	200	-	
PÉRIODE DE PAIEMENT		SOUS TOTAL	2,800	8/22	200	-		8/29	200	-	
		ONA(-)	168	8/23	200	-		8/30	200	-	
		IRI(-)	30								
DE	17/08/13	CFGCDI(-)	28								
		AUTRE 1(-)	-								
		AUTRE 2(-)	-								
		TOTAL DEDUCT.	226								
AU	30/08/13	TOTAL PAYÉ	2,574								

Workers receive their pay in cash in an envelope such as this one every two weeks. Workers also pay taxes, as indicated in the lines ONA, IRI, and CFGCDI. In this example, taxes amount to over a day's wages (228 gourdes). Caracol, Haiti © ActionAid 2013.

The very low wages of PIC workers have done little to boost the local economy. Even food vendors report making a loss. PIC is equipped with several cafeterias, one per “assembly zone”, served by a total of 18 approved food vendors. S&H Global’s canteen is equipped to serve around 1,500 employees. From noon to 1 pm, PIC employees take lunch breaks. A few food vendors who still congregate outside the Park serve employees who exit the Park to buy their lunches for 50 gourdes (US\$ 1.14), roughly equal to the cost of a meal at the S&H Global canteen. An IDB project approved in April 2013⁶³ intends to create a micro-park to support food vendors with locally-sourced food in an effort to make PIC truly stimulate local businesses and food production.

Still, food vendors sell on credit at a net loss. One vendor, though pleased to market her business inside the Park, but reported selling a lot of meals on credit to S&H Global employees: “People can’t pay, but I can’t let them not have anything to eat, so they buy on credit”.⁶⁴ A vendor outside PIC noted that she struggles to manage her own debts incurred buying ingredients for the meals she has had to provide on credit.⁶⁵ Vendors all noted that prices for food staples have been increasing for the past several years, diminishing their profit margins. Thus expanded demand for their services has not automatically raised food vendors’ profits. And at 50 gourdes (US\$ 1.14) for lunch, a minimum wage employee such as an S&H Global seamstress easily spends 25 percent of his or her wages on only one meal per day without a drink.

The low wages across PIC resident companies have given rise to a thriving usury business both within and outside the Park. One such usurer parks his car (pictured below) outside PIC around closing time, displaying the identity cards of his clients that he holds as collateral. Employees at Estrella Engineering report having to borrow money from the foremen who employ them in order to make ends meet until payday, which is often delayed.⁶⁶ One construction worker who reports being 4,000 gourdes (US\$ 91.4)

⁶¹ Interview with male S&H Global worker. July 18, 2013. Caracol, Haiti.

⁶² Interview with male S&H Global worker, July 18, 2013. Caracol, Haiti.

⁶³ IDB project “HA-T1181: Mitigating the Social Impacts of the Caracol Industrial Park” (April 25, 2013, US\$ 305,000).

⁶⁴ Interview with female food vendor, July 15, 2013. Trou-du-Nord, Haiti.

⁶⁵ Interview with female food vendor, July 17, 2013. Caracol, Haiti.

⁶⁶ Interviews with Estrella workers, July 16, 2013. Caracol, Haiti.

in debt explained how he got a loan: “The foreman has to come with you so that you can borrow money. Last week even the foreman had to borrow money. The way this place is working, it’s not good for workers. When they lend money you have to pay back at 20 percent. Well, if I can’t pay, he [the usurer] can take me to court. He has done this before to a lot of people. There is a wall with a bunch of ID cards of people who cannot pay. He publishes their electoral cards.”



Identity cards of debtors are displayed on a usurer’s car outside PIC. The majority are national identity cards, though several are S&H Global and Estrella workers’ IDs (circled in red). Caracol, Haiti © Gender Action July 2013.

Labor issues and job insecurity at PIC

Haiti’s apparel industry has a grim labor rights record. As late as 2012, US officials and BWH singled out violations of freedom of association and non-discrimination policies, sexual harassment and forced labor (including mandatory overtime) (USTR 2012: 10). In April 2013, 23 of 24 reviewed factories were non-compliant with the 200 gourde minimum wage (BWH 2013: 18). All 24 factories were non-compliant with one or more required health services and first aid criteria (BWH 2013: 21).⁶⁷ None of these violations is gender neutral. Mandatory overtime impinges on women’s disproportionate care work responsibilities, sexual harassment preys on women’s physical and economic vulnerability to largely

⁶⁷ All but one factory are non-compliant with the provision in the Haitian Labour Code that requires one on-site nurse for factories with between 50 and 200 workers, two nurses for factories with between 200 and 500 workers and one additional nurse for every additional 200 workers in the factory.

male supervisors, and wage irregularities reduce the already disproportionately smaller share of household revenues Haitian women generally command (Haiti Equality Collective 2010).

PIC's resident companies, however, were expected to be different.⁶⁸ Nevertheless, S&H Global employees are under extraordinary pressure to assemble ever-increasing numbers of articles of clothing.⁶⁹ But the pressure bears negative consequences for worker health and economic security. Several female seamstresses estimated that on average, a unit of about 20 seamstresses produced around 1,600 finished articles daily. Several noted how their supervisors had been putting pressure on them since early July to produce a daily target of 1,900 pieces.⁷⁰ If they managed to reach that number, employees noted, they would receive each receive a jacket. Other employees reported receiving items including toothpaste and Coca-Cola as inducements to turn out higher numbers. "But 1,700 or 1,900 items – it doesn't matter. We still get 200 gourdes," noted one 20-year old.⁷¹

Inducements are not the only way workers are pressured to increase output. When asked about relations with their supervisors, all S&H Global employees save one spoke of strong verbal pressure bordering on abuse. Employees spoke of being "yelled at in Korean"⁷² when accused of not producing enough items. Several employees spoke of the same veiled threat of being fired if they failed to meet the expected production quota. "When they see you are not producing enough, the manager can send a supervisor who is Haitian⁷³ to say to you 'Madame is tired, so send her to go sleep at her place.'⁷⁴ Then you get fired," noted one 25-year old female former seamstress. "I see this every day around me".⁷⁵ Employees' contracts nevertheless stipulate that S&H Global must "treat the worker with respect taking care not to inflict any ill treatment, whether verbal or physically" (art. 4d).⁷⁶

Employees also feel strongly pressured by supervisors to work overtime in order to meet production quotas.⁷⁷ Several employees dated this increased pressure to the beginning of July.⁷⁸ The official work day is eight hours in two shifts, from 7am to noon and again from 1pm until 4pm; S&H Global employees have one paid day of rest per week on Sunday. The typical workday, however, for all the employees who Gender Action interviewed, lasts until 5pm. Employees are supposed to be paid 37.5 gourdes (US\$ 0.86) for this extra hour.⁷⁹

⁶⁸ Though Sae-A has faced a number of controversies. In December 2010, Sae-A was accused of using bribes, death threats and imprisonment to prevent and break up unions in its Nicaragua operations; Sae-A was also accused of gender discrimination including the sexual harassment of one of the plaintiffs. Defending the decision to make Sae-A PIC's anchor tenant, UTE dismissed the claims as lacking in supportive evidence (UTE 2012). In March 2013, Sae-A was again accused of firing union leaders' and members' contracts in retaliation for engaging in legally protected organizing activities and also incentivizing workers to violently break up a union rally at its Nicaragua operations (Worker Rights Consortium 2013). Nevertheless, Sae-A has engaged in several corporate responsibility initiatives, including a medical mission and donating sewing machines (PR Newswire 2012a, b).

⁶⁹ As one SONAPI official noted, "You have to get them used to this work, sitting for eight hours a day; they're not used to that. Most of these [workers] are farmers' children." Interview, July 15, 2013. Cap Haïtien, Haiti.

⁷⁰ Interviews with three female S&H Global workers, July 15, 2013 and July 18, 2013. Trou-du-Nord and Caracol, Haiti.

⁷¹ Interview with female S&H Global employee, July 18, 2013. Caracol, Haiti.

⁷² "On nous crie en coréen." Interviews with two female S&H Global workers, July 15, 2013 and July 18, 2013. Trou-du-Nord and Caracol, Haiti.

⁷³ Employees asked Gender Action not to reveal the managers' identities as employees feared having testimony traced to them and losing their jobs.

⁷⁴ "Madame est fatiguée ; envoies-la dormir chez elle."

⁷⁵ Interview with female S&H Global employee, July 15, 2013. Trou-du-Nord, Haiti.

⁷⁶ For their part, workers must agree to "treat his/her boss and work colleagues respectfully" (art. 3(d)).

⁷⁷ Interview with female S&H Global employee. July 19, 2013. Caracol, Haiti.

⁷⁸ Group interview with S&H Global employees. July 18, 2013. Caracol Haiti. Interview with female S&H Global employee, July 15, 2013. Trou-du-Nord, Haiti.

⁷⁹ Equivalent to 1.5 times the hourly wage based on an 8-hour workday at 200 gourdes daily, as per Haitian labor law (GoH 1987: art. 97).

Employees reported working in constant fear of being fired and/or receiving ‘blame letters’⁸⁰ for relatively minor offenses. In Haiti, employee conduct at companies with 10 or more employees is governed by a set of company-specific ‘internal regulations’ that must conform to Haitian labor law.⁸¹ The regulations are approved by the Social Affairs and Work Ministry (MAST) and must be available to all workers and affixed to factory walls.⁸² These regulations outline disciplinary procedures to be followed in the event of employee non-compliance. A worker who fails to adhere to the regulations will often be issued a ‘blame letter’ that is kept in the employee’s file.⁸³ After a number of these, the worker can be fired and his or her badge revoked.



S&H Global employees returning home after a day’s work. SONAPI and S&H Global jointly finance seven buses that transport workers free of charge to and from PIC. Caracol, Haiti © Gender Action 2013.

Employees reported more cases of blame letters being issued than Gender Action was able to verify.⁸⁴ In every case reviewed, however, the infraction was relatively minor, ranging from arriving late at work,⁸⁵ to using a company t-shirt to mop up a spill,⁸⁶ to not “working hard enough”, to leaving at 4pm when supervisors had expressed a desire to see everyone work until 5pm.⁸⁷ Blame letters can take an economic toll: several employees independently reported having to pay a 1,000 gourdes fine (US\$ 22.86) in order to be reinstated or to regain their badge once revoked. In one such case, a male employee reported being late for work due to a late bus in the months before SONAPI and Sae-A provided free bus transportation. Having arrived late, he reported, he was called to human resources and had his badge revoked, which he later regained minus 1,000 gourdes from his next paycheck.⁸⁸

The result of such overwhelming pressure to produce more and more items is a workforce that is both afraid of losing its jobs and exhausted. “It happens that you find women falling asleep while working at their stations or in the bathrooms,” mentioned one female employee.⁸⁹

Worker health and safety. Sometimes physical problems go beyond exhaustion. One 25-year old female former seamstress lost her job over a medical issue. Mid-week, she asked her supervisor to take medical leave complaining of strong back pain associated with her work. When she was denied leave, she took three days of unauthorized absence and visited a doctor. Early the following week, her supervisor informed her to bring her doctor’s certificate to the human resources office by the middle of the following week, which she reports having done. She was nevertheless fired for having been absent too many days. The Haitian Labor Code entitles every employee to 15 days of sick leave annually, which

⁸⁰ “lettres de blâme”

⁸¹ “règlement intérieur”

⁸² Representatives of neither of S&H Global’s workers’ unions report having a copy of these regulations, despite asking for them. Gender Action repeatedly contacted MAST to view a copy of the regulations with no response.

⁸³ Interview with expert in Haitian labor law, July 23, 2013.

⁸⁴ All employees interviewed apart from one mentioned blame letters. Employees report not being given copies of these letters, which makes their exact nature difficult to verify, though they demonstrate a trend that should be fully investigated. Gender Action received far more reports than could be independently verified in the one week spent at Caracol.

⁸⁵ Interview with male S&H Global employee, July 18, 2013. Caracol, Haiti.

⁸⁶ Interview with male S&H Global employee, July 18, 2013. Caracol, Haiti.

⁸⁷ Interview with female S&H Global employee. July 19, 2013. Caracol, Haiti.

⁸⁸ Interview with male S&H Global employee, July 18, 2013. Caracol, Haiti.

⁸⁹ Interview with female S&H Global employee, July 15, 2013.

must be justified by a medical certificate (GoH 1987: art. 131). However, industry employees can and often are fired for taking days off that are not pre-approved, even if they have a valid medical certificate. While this case may not have technically been in violation of the Labor Code, it and several others reported to Gender Action demonstrate the physical toll that assembly plant labor exacts and the precariousness of individual's employment, with strong repercussions on workers' economic security. The demands to increase production, combined with high unemployment, make workers essentially expendable. Ironically, the economic logic of PIC – that workers will gain experience, and be eligible for the higher wages needed to spur northern Haiti's economic development – depends on workers building up work experience and not being fired for relatively minor infractions.

Across export industries in Haiti, pregnant workers are particularly vulnerable in the context of the physical demands of this work.⁹⁰ Expectant mothers often work until just before they give birth. The Haitian Labor Code entitles pregnant workers to 12 weeks paid maternity leave upon presentation of a medical certificate indicating her anticipated labor date (GoH 1987: art. 320-1). However, if she chooses not to pay into the maternity leave scheme, she is entitled to only six weeks' leave paid entirely by the employer. The result is that many women choose not to pay into a maternity insurance scheme and work right up until the time they give birth.⁹¹ This appears to also be the case among Caracol workers: Gender Action documented the case of one S&H Global employee, around seven months pregnant, who went into premature labor at PIC earlier this year.⁹²

Nevertheless, pregnant workers are not always accorded humane treatment. One pregnant female worker at S&H Global was struck by a non-Haitian supervisor who was reported by both eyewitnesses and a union representative involved in the case to have been speaking angrily at the employee. The employee was taken to a hospital by S&H Global and received medical treatment. At least one of the two recognized unions of S&H Global workers called for the supervisor's dismissal, and the employee's husband has launched judicial proceedings against the supervisor.⁹³

PIC labor unions. Labor conditions may improve at S&H Global. First, as with the other export-oriented apparel factories benefitting from the HOPE legislation, S&H Global's compliance with core ILO labor standards and the Haitian labor code are reviewed twice yearly by BWH as a condition for the trade benefits they receive under the legislation. However since BWH began monitoring Haiti's apparel factories four years ago, reviewed factories have had consistently poor-to-mediocre compliance records on such basic standards as the minimum wage (BWH 2013), which should dampen expectations that S&H Global's operations will necessarily be different.

Second, there are two recognized unions at PIC: the Union of Valliant S&H Global Workers (SOVASHG) and the Union of Global Sae-A Workers (SOGSA). The membership of both is currently limited to S&H Global workers.⁹⁴ While representatives⁹⁵ of neither reported direct interference with organizing

⁹⁰ One union representative mentioned that pregnant S&H Global workers were allowed to leave work at 3:30pm, but this claim could not be verified.

⁹¹ Interview with expert in Haitian labor law, July 23, 2013.

⁹² Interview with union representative by phone, August 6, 2013; and family member of employee witness, July 19, 2013. Cap-Haïtien, Haiti.

⁹³ Interview with union representative by phone, August 6, 2013. Interview with S&H Global employee who witnessed the incident, July 18, 2013.

⁹⁴ The two unions belong to different national confederations of workers. SOVASHG is organized through Batay Ouvriye while SOGSA is organized through Autonomous Haitian Workers (CATH). Efforts to organize a union comprising employees across PIC resident companies did not succeed. The Caracol Industrial Park Worker's Union (SOPIC) was recognized by the Social Affairs and Work Ministry and in February 2013 sent a letter seen by Gender Action to Sae-A President, Daniel Cho requesting recognition. After several months of waiting, the request was denied on several administrative grounds, including objections to the federal structure of the union and differences in orientation (for export or domestic consumption) and sectors of the PIC companies. SOPIC leaders

activities, SOVASHG lamented the logistical challenge of recruiting workers during the lunch break and door-to-door sensitization drives. They also noted employees' lack of understanding of the benefits that union membership could provide as well as fear of potential repercussions from union membership.

Construction workers. Workers at other Park companies also face the twin challenges of low wages and job insecurity. The Dominican Republic construction firm Estrella Engineering won an IDB contract to construct Park facilities. In July 2013, it employed around 100 predominately male and mostly Haitian workers.⁹⁶ Laborers are not hired by the day but rather by the unit of work. The number of units of work depends on construction demands and the tasks Estrella assigns to Haitian foremen who assemble their own teams of workers. The number of foremen, and thus, laborers varies by the phase of the park construction. In July 2012, Estrella had 30 foremen in preparation for a new phase of wall construction.

On July 15 and 16, Estrella workers went on strike to protest poor labor conditions and salary delays, effectively halting Park construction for two days. Whereas Estrella hired 400 workers daily when Park construction began, its workforce needs declined before its PIC contract ended in September 2013.⁹⁷ Workers are frustrated – their salaries are delayed, their jobs are insecure – no worker interviewed reported actually signing a contract with either Estrella or its foremen. Workers report being paid between 400 and 900 gourdes (US\$ 9.15- 20.58) daily, depending on which Estrella foreman they work for and the type of work they do.⁹⁸ They reported that with the scale down of operations, they are not being hired consistently, and their pay and workload declined without a clear explanation.

Officials from Estrella and UTE linked the strike to administrative changes in the payment schedule, such that workers receive their payment for monthly segments ending on the 15th of each month only around the 30th of each month, resulting in a two-week delay in payment.⁹⁹ Yet Estrella workers have a different take. As one explained “for example, we are in the month of July now; they have sent the 14 days’ report [for preparation of pay] right now. We will get paid for it on the 5th of August. We will get paid for the remaining 20 days all the way in September. That is 3 months later and believe me, this cannot continue.”¹⁰⁰ Salaries are lower now because units of work are cheaper, especially since less steelwork is being done, say Estrella officials. However, with 47 percent of Estrella’s operating costs taken up by labor,¹⁰¹ keeping labor costs low is a clear incentive for the company and for its foremen, which Gender Action was reminded, “is an enterprise, not a charity”.¹⁰²

Responding to workers’ complaints that they no longer receive food, the Estrella official said that not all Estrella workers receive food vouchers from Estrella. Instead, Estrella offers to subsidize its foremen to

decided to re-file as a union for S&H Global employees only – the Union of Valliant S&H Global Workers (SOVASHG). Interview with Batay Ouvriye, July 23, 2013. Port-au-Prince, Haiti. Interview with Solidarity Centre (AFL-CIO), July 24, 2013. Port-au-Prince, Haiti.

⁹⁵ Interviews, union representatives. SOVASHG, July 18, 2013, Caracol, Haiti. SOGSA, August 5, 2013 by phone.

⁹⁶ Company data seen by Gender Action states the percentage of Haitian workers at 61 percent (the remaining 39 percent are Dominican, including a number of Dominicans of Haitian descent). Gender Action observed only one female construction worker on the park, though women comprise at least 18 percent of Estrella’s workers at Caracol, according to company data seen by Gender Action.

⁹⁷ Estrella claims that it does not hire at the door, but only through the SONAPI-sponsored employment kiosks in neighboring communities, an initiative promoted by donors and the Haitian government alike to prevent ‘slumification’ around PIC. This claim could not be verified as no Estrella application forms or documents could be found at the several (unmanned) kiosks Gender Action visited during work hours.

⁹⁸ Interviews with Estrella workers, July 16, 2013. Caracol, Haiti.

⁹⁹ On the strike, an Estrella official also commented that “[p]eople who are not working here are forcing my workers to stop” because they “they want to be paid for work they are not doing.” Interview with Estrella official, July 18, 2013. Caracol, Haiti.

¹⁰⁰ Interviews with Estrella workers, July 16, 2013. Caracol, Haiti.

¹⁰¹ According to Estrella donor reports seen by Gender Action.

¹⁰² Estrella officials were quick to note, however, that the ultimate “winner [of the PIC project] must be Haiti”. Estrella claims to contribute to this effort by developing the entrepreneurship of its Haitian sub-contractors and agreeing to the PIC contract that is not particularly profitable compared to its other endeavours.

provide food and cannot be held responsible for irregularities. A Haitian government official said that food vendors in the park were cutting off credit to foremen and workers for meals, since the salary payment period made workers and foremen unable to pay for food on time.¹⁰³

Caught in the conflicts between food vendors, Estrella and its foremen, workers feel particularly bitter that they are no longer receiving subsidized food, one of the few benefits they have from their uncontracted, cash-in-hand jobs. “Here are the conditions,” said one worker. “We should be treated well, we should have access to a doctor and meals, because without food we cannot work well, and a decent wage because we need a backup [some money to put aside].”¹⁰⁴ Workers resumed work on July 17 following a visit of Estrella officials from its Dominican Republic headquarters who promised to address the issues. However, that Estrella workers were willing to go without pay for two full days in part over labor issues reflects deep discontent, particularly considering that among the intended benefits of PIC were to develop local industry and to provide stable jobs to local residents.

The Park’s construction workers are job insecure and caught up in conflicts between Estrella and its foremen, sometimes with devastating consequences for workers’ economic and physical security. Stephen Elima¹⁰⁵ had been working for seven months as a laborer for an Estrella foreman at PIC when he fell from a scaffold while welding in July 2012.¹⁰⁶ He broke both arms and injured the back of his head, despite wearing a helmet. He was taken by ambulance to a hospital. Elima reports that over the following four days, Estrella paid medical bills and he was informed that he would be transported to Santo Domingo for medical care. However, he has incurred hundreds of dollars of medical bills¹⁰⁷ and reports that he has not received further care paid by Estrella or the foreman for whom he worked to date. He also reports being unable to work and having to remove several of his eight children from school. His wife also stated being unable to continue her small business and being dependent on family and friends to survive. Elima has, however, launched judicial proceedings against the Estrella foreman for whom he worked. Estrella would not comment on Elima’s case, stating only that if a judicial proceeding was against one of its foremen and not Estrella itself, there was nothing Estrella could do. Elima’s case should be further investigated, as should reports of workplace injuries Gender Action received but could not verify, so that employees working at PIC receive appropriate and fair treatment.

Serious labor concerns at PIC strongly impacting the health and economic security of workers warrant much closer scrutiny. It is essential to the success of PIC that workers, particularly the mostly female employees of PIC’s apparel export factories, have stable and decent jobs that pay them not just enough to survive but to actually invest in the surrounding communities’ development.

Community effects: benefits and unfulfilled promises

What positive benefits have accrued from PIC for the residents of surrounding communities, both male and female?

Electricity

In interviews with Gender Action, PIC area residents most frequently cited accessible electricity as the most visible benefit of PIC. PIC’s USAID-funded power plant produced, in July 2013, 1.7 megawatts of energy that not only powers the Park but some surrounding communities as well (GAO 2013: 17). For a

¹⁰³ Interview with UTE official, July 23, 2013.

¹⁰⁴ Interview with current Estrella laborer, July 19, 2013.

¹⁰⁵ Interview with Stephen Elima, July 17, 2013. Outside Cap Haitien, Haiti. Elima was the only employee in PIC that was willing to be cited by name.

¹⁰⁶ Interview with current Estrella laborer, July 19, 2013. Caracol, Haiti. Several other workers at the July 16 strike corroborated his testimony. Estrella officials declined to comment on his case.

¹⁰⁷ Gender Action documented both Elima’s medical bills and scars.

fee of 500 gourdes (US\$ 11.43),¹⁰⁸ residences in several areas surrounding the park have had electricity meters installed and report being happy with the development. Electrification could have a particularly positive impact for women, allowing them to engage in income-generating work, such as tailoring or running a kiosk, at later hours. Having well-lit public areas has also been shown to be key to fighting sexual violence against women (Madre et al. 2011).



PIC's USAID-funded power plant, completed in June 2012. Caracol, Haiti © Gender Action 2013.



Unpaved road leading to Caracol village about 100 meters from the PIC gate. Caracol, Haiti © Gender Action 2013.

However, not all communities have benefitted and the pace of electrification, in the first year of the power plant, has been slow. Even the Morency area of Caracol near PIC has not been electrified. In a letter dated January 3, 2013, frustrated residents, local deputies and Caracol's mayor wrote to USAID asking when unserved communities around PIC could expect to be electrified and lamenting the delay. To date, they have received no official USAID response, but have learned from the electricity providers that they will receive a response by December 2013.¹⁰⁹

Housing

Though there do not appear to be slums around PIC as funders feared (IDB 2012e), the consensus among area residents is that housing prices are increasing. However, apart from the Haitian government, IDB and other donors mentioning the need for housing to accommodate the intended 65,000 PIC employees, little has been done to seriously address the housing situation.

Despite the housing crunch and high prices, hundreds of houses stand empty in the USAID-funded Caracol EKAM housing site a few kilometers from PIC gates. This is perhaps the most visible example of the complete insufficiency of current efforts to plan for decent affordable housing around PIC.

In April 2012, USAID contracted Minnesota-based construction company THOR to build 750 housing units on the Caracol-Ekam site (USAID 2012). Each house is equipped with a water cistern and indoor plumbing. The site is supposed to provide permanent housing to up to 4,500 residents (GAO 2013: 32). However, a scathing peer review that found that the housing “project design is substandard, inadequate and anything but ‘culturally appropriate’” (Higgins et al. 2012).

When Gender Action visited the site in late July 2013, it was deserted save for a few construction workers and some goats. According to the gatekeeper and several security guards, nobody was allowed to occupy the houses until construction was complete in part for safety reasons. As of early September,

¹⁰⁸ Several residents reported paying 1,000 gourdes to have an electricity meter installed, suggesting irregularities that should be investigated. None could produce a receipt and they report that none was ever provided to them.

¹⁰⁹ Interview with letter signatory by phone, September 18, 2013.

the houses are still not occupied.¹¹⁰ There is also no guarantee that any PIC workers, male or female, will benefit from these houses when or if they become habitable. Officially, future residents of Caracol-Ekam are supposed to be “families affected by the earthquake and families deemed eligible” (USAID 2013a) who are selected by a Beneficiary Selection Committee (BSC) that includes “local leaders from the public and private sectors and civil society.” The Haitian government determines housing beneficiary selection criteria and a list of potential beneficiaries is whittled down and verified through phone surveys and face-to-face meetings between potential beneficiaries and implementing non-governmental organization “community engagement staff.” The final list is supposed to be verified by the BSC and approved by the Haitian government via a lease-to-own contract with each beneficiary household.



The unoccupied Caracol-Ekam housing site in July, the original move-in date. Caracol, Haiti © Gender Action, July 2013.

However, it is unclear who will be able to afford to live at Caracol-Ekam, nor whether any attention is being paid to gender equality in the beneficiary selection process. The US Government Accountability Office reported that “74 percent of selected beneficiary households will have monthly incomes over 4,000 gourdes [US\$ 91.45] monthly” (GAO 2013: fn 38), which would be the equivalent to about two-thirds of an average S&H Global employees’ monthly salary.¹¹¹ The remaining 26 percent are intended to be “economically vulnerable households”. However, this is left undefined. Will women, who frequently command less income than men (WB 2002; Gender Action 2012), be equally able to compete for a Caracol-Ekam house? Although the majority female PIC workers are among the few in the region with steady (though very-low paying) jobs, even they may not be able to afford to live at Caracol-Ekam, if indeed, they are among the project’s intended beneficiaries, which is not clear.

With the hefty average cost of US\$ 23,409 per house,¹¹² it is little wonder why USAID projected in 2013 to construct just a fraction of the houses it initially planned to build.¹¹³ USAID now reports planning for 1,967 houses to be built in the Cap Haitien corridor.¹¹⁴ But with little to show for it so far, this is clearly an unsustainable housing model for projected population growth around PIC, especially if PIC does end up creating 65,000 jobs. While at the moment the much-feared shantytowns do not appear to have arisen around PIC, they could if more jobs are added, considering rising housing costs and the slow pace of housing efforts. This scenario could give rise, as it has around other industrial zones in Haiti, to increased crime and gender-based violence.¹¹⁵

¹¹⁰ Interview with letter signatory by phone, September 18, 2013.

¹¹¹ At 200 gourdes (US\$ 4.57) daily, a bulk of PIC workers (S&H Global employees) make 6,000-6,500 gourdes monthly (US\$ 138-150), including weekend bonuses but not including overtime.

¹¹² Calculated by GAO as average as of April 2013 across USAID’s ‘New Settlements’ program comprising housing projects at both Caracol (Caracol-EKAM) and St. Marc (DLA 1.5) (GAO 2013: 25).

¹¹³ In 2011 USAID projected building 15,000 houses. Its revised 2013 projection was for 2,649 houses. Source: GAO analysis of USAID data. (GAO 2013: 30).

¹¹⁴ 750 houses were planned to be built by USAID at Caracol-Ekam, 1,217 are supposed to be built by partner donors (GAO 2013: 31).

¹¹⁵ Gender-based violence is a serious concern in Cite Soleil, a shantytown neighbouring several of Port-au-Prince’s industrial parks (d’Adesky and PotoFanm+Fi 2012: 69).

Demonstrations and consultations

Local residents' frustration about PIC developments is understandable. Over US\$ 424 million has been committed to a project that has generated few jobs for wages that are 'better than nothing but just barely'¹¹⁶ and totally inadequate.

In a June 2013 demonstration in front of PIC, residents of Caracol and the surrounding areas demanded that: all neighboring communities be electrified; several of the unpaved roads be paved, including the road leading to the village of Caracol; and more PIC jobs be accorded to local community residents instead of to workers from as far away as Port-au-Prince.¹¹⁷ But it had negative repercussions for PIC workers. According to both Haitian government officials and S&H Global employees, because demonstrators blocked access to the buses bringing employees to work and preventing them from working that day, employees were not paid for the day of the demonstration, even though the demonstration was neither organized by S&H Global employees nor union-endorsed.¹¹⁸ Additionally, the 200 gourdes normally received for Sunday was docked¹¹⁹ from employees' next paychecks. Sae-A's decision to not pay S&H Global workers these two days' wages, while certainly cruel considering that S&H Global employees are not reported to have had a role in the demonstration and how minimal wages are, is not necessarily illegal.¹²⁰ The Haitian labor code stipulates that an employee is entitled to a paid day off after a period of six consecutive days of work or after 48 hours of work, whichever is lowest (GoH 1987: art. 107). However, because work was technically interrupted mid-week, S&H Global employees did not work the requisite number of hours or days to entitle them to a paid day off. Legality aside, the decision unfairly penalizes the workers.

The Haitian government and donors have shown a willingness to engage with the community on its grievances. On July 4, the UTE organized a 'day of reflection' on PIC to explain to civil society, church representatives and other community members the various social and environmental safeguards in place at PIC.¹²¹ A number of such public meetings have been held about various aspects of PIC, as the timeline in Annex 1 demonstrates. While conducting meaningful consultations with diverse groups of local residents is no easy task, there is little evidence to suggest that these meetings invited community members' feedback in the planning of projects that affect them rather than only after approval and during implementation. Indeed, several of the meetings listed on the UTE's website state the meetings' purpose as "obtaining validation" of already-existing initiatives (UTE 2013a).¹²² Of particular concern should be the inclusion of degree of women and women's groups in consultations. Women's

¹¹⁶ Interview, Caracol resident and former Sae-A employee. July 19, 2013. Cap-Haïtien, Haiti.

¹¹⁷ Gender Action was unable to verify the percentage of PIC employees that are local residents since neither S&H Global nor Estrella agreed to share employment data (Peintures Caraïbes was not approached). Gender Action nevertheless spoke with a number of employees who self-reported as being from Jacmel and Port-au-Prince.

¹¹⁸ Interview with ADTC representative, July 16, 2013. Interview with UTE official, July 23, 2013. Interviews with workers, July 18, 2013. Interview with union representative, July 18, 2013. Interview with ALENAC representative, July 15, 2013.

¹¹⁹ Interview with SONAPI representative, July 15, 2013. Cap-Haïtien, Haiti. Interview with UTE official, July 23, 2013. Port-au-Prince, Haiti. Interview with industry representative, July 13, 2013. Port-au-Prince, Haiti. Several S&H Global employees also independently cited this reduction in wages.

¹²⁰ One UTE official noted his displeasure that the Haitian National Police (HNP) did not break up the protest so as to allow the buses to come through, resulting in a loss of profits to S&H Global and, by consequence, to the workers (Interview, July 23, 2013. Port-au-Prince, Haiti). The HNP is supported at PIC by three full-time officers of the UN Stabilization Mission in Haiti (Minustah) as well as a private security firm.

¹²¹ Interview with UTE official, July 23, 2013. Port-au-Prince, Haiti.

¹²² Before the park was officially opened, USAID contracted US-based non-profit Internews Network to evaluate PIC's communication campaign. Their report notes that "most people" see PIC as a positive project, mostly because of the number of jobs created (Internews 2012: 28-9) with some noting that it would contribute to broader regional development – certainly one of the rhetorical justifications of the project, as discussed above. Women, however, were less likely to "embrace this broader concept of development as the reason why Caracol is a good project" than urban men (29). They were also less likely to find the information provided by PIC clear and understandable (27). However, about half of respondents believed there had been no steps taken to mitigate potential negative impacts, while as many respondents did not know if any had (26).

participation in consultations cannot be taken for granted because they are disproportionately responsible for time-consuming home-based work which may limit the time they can spend participating in such meetings.

Continued displacement of Park-affected persons

Among the unfulfilled and partly- kept promises, one stands out: the dispossession of 366 farmers and the households they supported who formerly cultivated the PIC plot, referred to in Haitian government and IDB documents as “Park-affected persons.” Gender Action interviewed ten individuals about the displacement issue, including seven heads of displaced households and six representatives of the Association of Natural Leaders of Caracol and Trou-du-Nord (ALENAC) and/or the Association for the Defense of Caracol Workers (ADTC) networks.¹²³

Members of these households report first learning of PIC in January 2011 through the radio¹²⁴ or when the tractors showed up. Development of a compensation plan by IDB-contracted consulting agency Erice AZ identified 366 eligible farmers working or otherwise occupying the land. A partial list of 285 farmers provided by UTE lists 234 men and 43 women (IDB 2013b). Presented with three options – land for land, a house, or assistance with starting a new business – all but one chose replacement land of an equal or better value. US\$ 5.39 million has been spent to date executing the Compensation Plan (UTE 2013b).

As of September 2013,¹²⁵ though the 366 households have received funds for several lost harvests, they have not received the lands to which they were entitled. UTE officials proposed 492 acres of state-owned land between Glaudine and Fond Blanc to relocate the Park-affected households; they were to receive titles to their new plots. But just as most Park-affected persons held only customary, informal rights to the land, so do approximately 230 farmers occupying the Glaudine-Fond Blanc plot. The latter have no desire to be displaced to make way for other displaced persons. Glaudine-Fond Blanc residents reportedly threatened to destroy equipment for preparing the land¹²⁶ as well as the Park-affected persons trying to claim their plots.¹²⁷ UTE officials, wary of forcing the issue, are currently trying to locate another suitable plot, reportedly despite fears within the Finance Ministry of “setting a bad precedent” of ceding property to “illegal squatters”.¹²⁸ Negotiations are underway; one solution under consideration is to pay the displaced the value of the lost lands, once and for all. Whether a solution will be found before February 2014, when UTE’s mandate at PIC ends, remains to be seen.

Now, almost three years since the land clearing, many of the Park-affected persons report having exhausted their resources and no longer being able to maintain their standard of living. Each of the 366 households received several thousand dollars in compensation for three years’ crop loss. They used their money in different ways: to save¹²⁹ or pay for small businesses,¹³⁰ and for immediate needs like food,¹³¹ school fees, clothes,¹³² and healthcare.¹³³ Some 216 of the Park-affected persons have received

¹²³ Four individuals are both displaced and members of one of the two bodies (ALENAC or ADTC). Respondents were selected at random within these groups.

¹²⁴ Interview with ALERNAC representative, July 15, 2013. Trou-du-Nord, Haiti.

¹²⁵ September 2013.

¹²⁶ Interview with UTE official, July 23, 2013. Port-au-Prince, Haiti.

¹²⁷ Interview with heads of displaced households 1, 3,4,7,9. July 15-17, 2013. North-east region, Haiti.

¹²⁸ Interview with UTE official, July 23, 2013. Port-au-Prince, Haiti.

¹²⁹ Interview, head of displaced household 7, July 16, 2013. Volant, Haiti.

¹³⁰ Interview, head of displaced household 10, July 16, 2013. Caracol, Haiti. Interview, head of displaced household 2, July 16, 2013. Caracol, Haiti.

¹³¹ Interview, head of displaced household 8, July 16, 2013. Volant, Haiti. Interview, head of displaced household 9, July 17, 2013. Volant, Haiti.

¹³² Interview, head of displaced household 9, July 17, 2013. Volant, Haiti.

¹³³ Interview, head of displaced household 1, July 15, 2013. Caracol, Haiti. Interview, head of displaced household 3, July 15, 2013. Caracol, Haiti.

professional training in agroprocessing, sewing and mechanics under the Compensation Plan (UTE 2013b). Yet only two interviewed¹³⁴ reported having a family member who had gotten work in the Park.¹³⁵ One displaced woman reports that her two sons had been trying and failing in this endeavor for months.¹³⁶ Although the sample of Park-affected persons interviewed is not representative, their testimony raises the worrying issue that those most negatively affected by PIC have not systematically benefitted from its biggest asset (according to donors and the Haitian government): jobs.

While the Haitian government and donors scramble to resolve land conflicts around the Park, these families have waited in insecurity for almost three years for land compensation. Periodic meetings between UTE, SONAPI, the IDB and the displaced, represented by ALENAC have not yielded a solution. In July people were optimistic that land titles would be finally secured for them by September, which is reportedly not the case as of mid-September 2013.¹³⁷

“You can’t make an omelet without breaking a few eggs,” said one apparel industry representative about the displacement.¹³⁸ While any large scale project requiring land may relocate people, the hardship the 366 households have so far endured was avoidable. The Haitian government and donors’ failure was to put their livelihoods in limbo without first securing suitable lands in their rush to construct PIC. The families’ situation also contradicts the IDB’s Involuntary Resettlement Policy mandating timely compensation in IDB-funded projects to ensure that “transitional hardships are not unnecessarily prolonged” (IDB 1998: 4).

How has PIC changed area residents' lives? Their answers below demonstrate the complicated effects of this ‘development’ project: a few positive social benefits, much doubt over whether the low wages of the jobs on offer will really lead to any real social change, and frustration over their continued losses over which they feel they have no control.

Life’s a bit better now, girls are working, there’s less delinquency now, but I don’t like the way the girls are working; their salaries are too low.
- female, ALENAC

There’s been no change in my life... All the paved roads end before reaching Caracol [village]. I have electricity 24 hours a day, and it’s not too expensive. The salaries of the workers are too low to make a real change in lives here. Those who had lands are not the ones working in the Park.
- male, displaced

There’s electricity now, but that’s the only thing that’s really positive.
- male, displaced

I didn’t have a choice, so I can’t really say whether I’m satisfied or not.
- male, displaced

There’s been a change for the worse here. There were promises made that weren’t respected.
- male, displaced

I can’t say I’m not satisfied, because I have myself made progress. If someone didn’t do anything with their money [compensation for crop loss], then that’s their problem.
- male, displaced

I don’t understand why they chose this site for the Park...It was a fertile piece of land. Now I have no more money and no land. It’s a catastrophic problem.
- male, displaced

We didn’t have the choice. We could only take what was offered.
- female, displaced

¹³⁴ Interview, head of displaced household 7, July 16, 2013. Volant, Haiti. Interview, ALENAC 3, July 15, 2013.

¹³⁵ Interview, ALENAC 3, July 15, 2013. Trou-du-Nord, Haiti. Interview, head of displaced household 7, July 16, 2013. Volant, Haiti.

¹³⁶ Interview, head of displaced household 9, July 17, 2013. Volant, Haiti.

¹³⁷ Interview with USAID letter signatory by phone, September 18, 2013.

¹³⁸ Interview, July 13, 2013. Port-au-Prince, Haiti.

Conclusions

Over US\$ 424 million of mostly public money has been committed to finance and support PIC. The Park is the single most significant investment hub for the IDB and is among the most important USAID-funded initiatives in Haiti. To the Haitian government, it is the “motor of development” for Haiti’s north as well as the key to attracting private investment to the region.

PIC has led to several changes that area residents generally perceive as positive. Jobs have been created, though these have many flaws. Some areas have been electrified and some roads have been paved. Some mostly female food vendors operate in the Park and some Haitian businesses have recently taken over from foreign firms in supplying building materials. Some still-vacant houses have been built. A community center and sports field were inaugurated at Caracol (DoS 2013). Several further initiatives are expected: Sae-A intends to open its school for 400 area children in October 2013 and hopes to add 1,400 jobs by the end of the year.¹³⁹ INDEPCO, a Haitian agency that promotes the sewing industry, promised 120 of its new trainees PIC jobs (Gary and Lachance 2013).

But on balance, life has not much changed, according to residents and workers, which is intensely and understandably frustrating. The relatively small number of workers at PIC enterprises still barely seem to be making ends meet, with unstable jobs in conditions that are mediocre at best, let alone investing in the surrounding communities. These jobs are nevertheless highly coveted; the fear of losing them dissuades workers from protesting unreasonable working conditions. Apparel assembly workers at PIC’s anchor tenant Sae-A’s apparel factories face tremendous pressure to produce more and more for minimal wages, with instances of verbal and, in one documented case, physical abuse. Donors predicted that women would be empowered through PIC jobs; based on women workers’ testimony, PIC jobs are not empowering. Life is particularly insecure, however, for many of the hundreds of households who lost access to and have yet to receive compensation for farm and grazing lands lost to PIC construction. In many respects, PIC has not lived up to its several of its preliminary promises. Donors and the Haitian government argue that the project merely needs to be given time; indeed, the Park’s cumulative economic benefit to the surrounding communities can only really be gauged over time. So much of the economic logic underpinning donors’ investments in PIC depends on PIC workers reinvesting their wages in the domestic economy. Yet many predominately female PIC workers are barely able to survive. Haiti has over three decades’ experience in apparel exports that has hardly lifted the country or its workers out of poverty with its very low wages. Though PIC has been open for business for only one year, the assumption that it will be different from Haiti’s other industrial zones lacks credibility in light of the Park’s structural and social problems that this report highlights.

Donors and investors chose to commit US\$ 424 million to PIC; there were other options for those funds. The Haitian government chose to give up the 250 hectares of agriculturally productive soil to build PIC. The price of PIC to date could pay over three times over the gap between donor post-earthquake pledges and unmet funding needs for education in Haiti.¹⁴⁰ It would almost fully finance the first three years of Haiti’s national plan to eliminate cholera.¹⁴¹ US\$ 424 million is 1.7 times the amount of funding pledged to Haitian agriculture since the earthquake.¹⁴² PIC was an expensive choice that has brought, to date, few positive social benefits in the eyes of those in whose interests PIC funders claim to act. PIC, as with all donor-funded ‘development’ projects, must benefit poor Haitians and Haiti first and foremost.

¹³⁹ Email from Sae-A representative Lon Garwood to Gender Action, June 27, 2013.

¹⁴⁰ The ‘gap’ is equivalent to US\$ 113.5 million (24.15 percent of the US\$ 470 million total required). Requirement estimate based on Haitian government’s post-disaster needs assessment (GoH 2010c). See UN 2013a for calculations.

¹⁴¹ The first three years (2013-2015) of the National Plan for the Elimination of Cholera in Haiti are estimated to cost around US\$ 443.7 million (GoH 2012b).

¹⁴² Commitments to “agriculture,” 2010-2012: US\$ 260 million. See UN 2013a.

Considering how much money has been spent supporting PIC, the rationale that PIC's returns for Haitians are better than nothing is not good enough.

Recommendations

PIC's first year of operations, while funding a few community-level benefits, raises several significant concerns that must be addressed if PIC is to truly benefit Haitians. Gender Action offers the following recommendations.

Labor conditions and wages

Current and future PIC donors should condition all PIC-related investments on the respect of Haitian labor laws including the Labor Code and relevant international labor standards. This must include a zero-tolerance policy towards physical and verbal harassment in the workplace by employees of any rank and strong workplace safety and hygiene standards. Women's particular needs must be met: separate and adequate on-the-job sanitation facilities, daycare and lactation rooms, and a gender-sensitive independent complaint mechanism outside of the employee's management chain must be accessible. These standards should apply to employees, foremen and casual workers of S&H Global, Estrella, Peintures Caraïbes, HALOSA or any other present or future companies operating in PIC. All incidents of alleged workplace abuse, injury, irregularity in salary or benefit provision, and insufficient compensation for them must be investigated against relevant Haitian laws, international standards and donor policies including the IDB's Operational Policy on Gender (IDB 2010).

For PIC employee wages to develop northern Haiti's economy as the Haitian government and PIC donors hope employees must receive decent wages and benefits beyond the insufficient 200 gourde (US\$ 4.57) daily wage for export-oriented industry workers. The apparel industry globally relies on very low wages to maintain 'competitive' profits. Apparel exports therefore should not be the sole or even the primary development strategy for Haiti or its North and North-East. Donor and Haitian government investments in agriculture for domestic consumption must be increased as part of a wider development strategy (see Gender Action 2013b for further recommendations).

Consultations and transparency in PIC projects

The Haitian government, IDB, USAID and any other future donors must mandate that all their development projects in and around PIC projects conduct sustained consultations with local beneficiaries and civil society organizations, including women, *before* any proposed activities take place. All projects related to PIC should contain clear targets for women's participation in project activities and collect rigorous sex-disaggregated indicators to measure performance at all project cycle stages. Project monitoring information data must be published on relevant donor and Haitian government websites in Creole and French and communicated in other media accessible to 'beneficiaries' particularly in low-literacy communities. The information should include detailed financial commitments, disbursements and sub-contractors, project performance (especially documenting impacts on 'beneficiary' communities using sex-disaggregated indicators), and any other relevant information to allow affected women and men to track, benefit from and avoid harm by a project's implementation.

Social benefits and infrastructure around PIC

Donors and/or the Haitian government as relevant must clarify the beneficiary selection procedures for infrastructure projects around PIC. Construction on the Caracol-Ekam housing project must be completed as soon as possible to allow residents to move in, and construction of the remaining intended 1,967 houses finished. A gender-sensitive beneficiary selection process must be more clearly communicated to local residents and must take care not to discriminate against economically vulnerable households by setting unrealistic rental prices. Surrounding areas, especially those nearest the Park,

must be electrified as soon as possible and standard pricing clearly communicated and monitored to prevent reported service cost irregularities. Relevant authorities must provide clear responses to residents' concerns, as articulated in residents' January 2013 letter to USAID, regarding delays in electrification. Roads leading to Caracol village, as well as surrounding areas, should also be paved as soon as possible.

Resettling Park-affected persons

The Haitian government and donors' failure was to put their livelihoods in limbo without first securing suitable lands in their rush to construct PIC. The families' situation also contradicts the IDB's Involuntary Resettlement Policy mandating timely compensation in IDB-funded project.

The Haitian government with donor support must provide further compensation to Park-affected persons pending a resolution to their continued displacement, almost three years since PIC lands were cleared. Park-affected persons, female and male, and/or dependent family members over 18 must at the very least be provided preferential access to employment in PIC if desired.

The majority of both female and male Park-affected persons, not only as represented by ALENAC or other networks, must discuss, decide and approve solutions to their loss of access to PIC lands in consultation with the Haitian government and IDB. Any permanent solution for Park-affected persons' displacement must not displace other residents occupying land considered for resettlement, regardless of the formal or informal nature of their land occupancy or use.

Any future project requiring land that involves displacing and resettling residents to make way for a Haitian government- or donor-funded project must have already identified and prepared lands for resettlement before land clearing begins.

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Annex 1: Timeline of key events in the development of Caracol Industrial Park

August 2009	IDB approves project HA-T1074: “Development of the Industrial Park Model to Improve Trade Opportunities for Haiti” to “examine the viability of the industrial park model in order to improve trade opportunities for the garment industry” (IDB 2009a).
January 12, 2010	Earthquake strikes just west of Haiti’s capital, Port-au-Prince, killing over 200,000 and causing nearly US\$ 8 billion in damages (GoH 2010a).
March 2010	Haitian government (GoH) publishes Action Plan for National Recovery and Development; cites need to create “development center...in the North [on] the axis between Cap Haïtien and Ouanaminthe for tourism, textile and agriculture” (GoH 2010a: 27).
March 22, 2010	Former US President Bill Clinton, UN Special Envoy to Haiti, endorses export processing based model of reconstruction; testifies to Senate Foreign Relations Committee the devastating effects on Haiti of US agricultural policies, including the entrenched neglect of agriculture sector.
March 31, 2010	International Donors Conference in New York results in US\$ 15 billion pledged to Haiti’s recovery.
May 5-6, 2010	US Congress passes HELP Act, significantly increasing US trade preferences for Haitian apparel, making Haiti more attractive to large scale manufacturing operations.
September 2010	IDB Consultant Koios Associates produces preliminary feasibility study of a northern industrial park. Suggests three top potential locations for park among 18 (Koios 2010).
October-December 2010	Ministry of Finance with IDB support selects Caracol-Chambert site for Northern Industrial Park.
December 14, 2010	The Northern Industrial Park (soon-to-be-named Caracol Industrial Park) and associated investments were approved by the Interim Haiti Recovery Commission (IHRC) in December 2010 by a board comprising senior members from the executive, legislative and judicial branch, union and civil society leaders and partners from the international community (Müller-Poitevien 2012). Among the agreed activities is the “New Settlements Project” (of which the Caracol-EKAM housing site is a part) to be implemented by the United States Agency for International Development (USAID).
January 11, 2011	Framework Agreement signed by Korean textile and apparel company Sae-A, GoH, IDB and the US in January 2011 (Müller-Poitevien 2012). Among the terms of the contract is a 15-year tax holiday for Sae-A and a 4-year rent holiday for its factory facilities.
January 25-26, 2011	UTE meets with local authorities of North and North-East departments “obtain the participation of the local authorities in the [project] evaluation process” (Fort-Liberté and Caracol) (UTE 2013a).
January 4-6, 2011	GoH begins preparing future PIC compound by delineating territory and removing former residents, according to former residents (Sontag 2012; HGW 2011, 2013).
April 4, 2011	IDB and UTE meet in Port-au-Prince to discuss the preliminary report of the evaluation of the environmental and social impacts of the Northern Region Industrial Park (PIRN) (UTE 2013a).
April 2011	USAID begins environmental assessment of “USAID/Haiti North Park Power Project” to provide up to 10 megawatts of power to PIC by June 2012 (USAID 2011a). Currently provides only 1.7 megawatts (GAO 2013: 14).
May 10, 2011	UTE and donors present plan for park development to Senators from North, Northwest, North-East, Center and Artibonite “to obtain support for the park” (UTE 2013a).
May 13, 2011	Koios Associates presents social and environmental impacts assessment to Ministry of Finance.
May 20, 2011	Erice AZ (consulting firm that devised the compensation package) presents methodology for compensation plan to people affected by the enclosure of the park (“Park-affected persons”).
July 2011	UTE meets with members of Parliament from the North to “inform and obtain [their] support” for PIC. Also meets with representatives of Chambers of Commerce, civil society, and local representatives to present activities accomplished to date. UTE meets with people affected by the construction of the Park to obtain “validation of the amount of compensation for each affected person” (UTE 2013a).
July 25, 2011	IDB approves HA-L1055: Infrastructure Program, a US\$ 55 million grant to “channel resources to the rehabilitation of deteriorated service infrastructures, with high impact on the reactivation of the local economy” (IDB 2011b).
August 2011	Meetings between representatives of the Ministry of Commerce and Industry, Ministry of Tourism, FAES, CIAT, IDB, and USAID to present “the plan for the compensation of the people” (Port-au-Prince) (UTE 2013a). UTE meets with people affected by the construction of the Park to present “results of the action plan of reinsertion and compensation options” (UTE 2013a).

September 8-9, 2011	Compensation plan signed by UTE, local elected officials and the Association des Leaders Naturels de Caracol and Trou-du-Nord, following “validation” by affected farmers.
September - November 2011	Meetings are held with the general public to “present steps taken to minimize the environmental and social impact of the construction of the Park” (UTE 2013a)
October 24, 2011	Almost a year from IHRC approval, USAID issues a pre-solicitation notice for a project entitled, “Construction of 750 Permanent Shelter Houses on the Caracol EKAM”.
November 28, 2011	Foundation stone for PIC laid in ceremony attended by representatives from Haitian government, IDB, Sae-A, and the US government (IDB 2011a).
November 29-30, 2011	IDB-funded Forum on Investment in Haiti “Invest in Haiti” opens in Port-au-Prince; Haitian President Martelly affirms “Haiti is open for business” (Haiti Libre 2011)
December 6, 2011	IFC-sponsored workshop on integrated economic zones for government officials; anticipates creation of 168,900 industry jobs in Haiti over 20 years (IFC 2011d: 19). GoH launches IEZ investment plan.
February 2012	IDB Safeguards Unit and UTE complete “Haiti Social Impact Assessment Key Impacts and Recommendations for Stakeholders of the Caracol Industrial Park”.
February 28, 2012	GoH announces creation of 3 Protected Zone Marine Bays at Caracol, Limonade and Fort Liberté.
March 2012	Sae-A commences operations in PIC.
March 16, 2012	Independent expert review of USAID Caracol-EKAM housing project construction documents concludes that “project design is substandard, inadequate and anything but ‘culturally appropriate’”, lacking environmental assessments and impact reports (Higgins et al. 2012).
March 17, 2012	USAID nevertheless begins “Housing in Northern Haiti” Project to construct 750 housing units on the Caracol-EKAM site (USAID 2011b). Submits call for proposals.
April 2012	UTE conducts meetings with the mayoral leadership of Limonade, St. Suzanne, Fort Liberte, Caracol, Trou-du-Nord, Quartier Morin.
April 12, 2012	The Prime Minister’s Office appoints Josseline Féthière as the new Labor Ombudswoman (USTR 2012).
May 2012	IDB-contracted American Institute for Architecture publishes Regional Master Plan outlining “Development Corridor”.
June 2012	USAID completes first stage of power plant with 10 megawatt capacity.
September 2012	USAID-contracted Internews Network publishes evaluation of the PIC communication campaign (Internews 2012); notes both local population’s generally positive perception of PIC and its poor understanding of what PIC actually is.
September 13, 2012	IDB approves US\$ 50 million grant to PIC (HA-L1076: Productive Infrastructure Program). US IDB Board member abstains from voting citing work “need[ing] to be done” including assessing impacts on the Caracol Bay, waste water and solid waste treatment, and carbon dioxide emissions, gaps in the environmental and social impact assessments and the late timing of these (US Treasury 2012a,b).
October 12, 2012	Minimum wage law comes into force, increasing minimum wage to 300 gourdes (US\$ 6.86) daily for piece workers, but establishing the minimum wage of reference in industrial plants exclusively oriented towards re-export at 200 gourdes (US\$ 4.57) , even though many employees in such industrial plants effectively do piecework, causing widespread confusion and discontent among labor activists.
October 13, 2012	Local residents demonstrate in Caracol for restitution of lands taken in January 2011 to build PIC (Jacques 2012).
October 22, 2012	Official opening of Caracol for operations; Sae-A ships its first container of clothes to the US by December 2012 (GAO 2013: 13).
December 28, 2012	IDB approves US\$ 250,000 to fund consultancy to prepare a development plan for “better use” of land within a 300 meter radius of the Park and within 200 meters of the National Route 6. Project also to “reinforce the capacity” of Caracol’s municipal government (IDB 2012c).
February 2013	Nigel Fisher, then-Special Representative Ad Interim for the United Nations Stabilization Mission in Haiti, expresses growing concern among ‘friends of Haiti and potential investors’ that Haiti is not yet ready to be open for business (Caribbean Journal 2013).
March 13, 2013	IDB approves US\$ 1 million technical cooperation “HA-T1179: Water Availability and Integrated Water Resources Management in Northern Haiti” to develop integrated water management plan for Trou-du-Nord watershed (IDB 2013d).
April 15, 2013	Better Work Haiti publishes 6 th Biannual Report on textile and apparel industry, notes that 23 of 24 reviewed factories are non-compliant with minimum wage laws (BWH 2013). PIC operations are not discussed pending a second review.

April 24, 2013	IDB approves US\$ 305,000 technical cooperation to “HA-T1181: Mitigating the Social Impacts of the Caracol Industrial Park” to “support the mitigation of the social impacts” of PIC, specifically to “support the design of business plans for potential microenterprises and SME [small- and medium-sized enterprises] start-ups” (IDB 2013b).
May 21, 2013	WB approves US\$ 20 million project to assist Haitian Ministry of Commerce and Industry to evaluate and select new sites for integrated economic zone development; reform relevant IEZ laws to keep Haiti’s textile and apparel industry competitive (WB 2013) based on free market principles.
May 24, 2013	USAID awards US\$ 24 million contract to Washington, DC area-based electricity company the National Rural Electric Cooperative Association (NRECA) to develop electricity distribution pilot project in Caracol region (NRECA 2013).
May 27, 2013	Workers nationwide protest government communiqué earlier that month listing minimum wage of reference in the apparel export industry as 200 gourdes (US\$ 4.57) daily by citing law that came into force in October 2012 (Haiti Press Network 2013).
June 6, 2013	Residents of Caracol and surrounding community among others demonstrate in front of PIC; they demand the electrification of surrounding un-electrified communities, the paving of unpaved roads, a resolution to alleged blockage of the Trou-du-Nord river and an increase in worker salaries to 300 gourdes (US\$ 6.86) daily. Buses bringing S&H Global workers to PIC are not permitted to enter for the day. According to UTE officials, among the demonstrators are a number of laid-off security services employees of sub-contractors of Haitian logistics company Haiti Logistics Société Anonyme (HALOSA).
July 4, 2013	UTE organizes “Day of Reflection” on PIC attended by Haitian government and donor officials, and local ‘civil society’ groups including the Association for the Defense of Caracol Workers (ADTC) and local church representatives.
July 15-16, 2013	Laborers for Estrella Engineering and its foremen demonstrate in front of PIC, demanding better working conditions.
August 8, 2013	US Ambassador Pamela White visits Caracol, attended the opening ceremony of the Morel Morency Community Center of Caracol and inaugurates the renovated football field at Sainte Elizabeth Park (DoS 2013).



Inter-American Development Bank

HA-L1055: Infrastructure Program (Jul 2011, US\$ 55m) to “channel resources to the rehabilitation of deteriorated service infrastructures, with high impact on the reactivation of the local economy” (IDB 2011c).



Inter-American Development Bank

HA-L1076: Productive Infrastructure Program (Sep 2012, US\$ 50m) to provide “the basic infrastructure, industrial facilities, management support, and complementary investments required for the expansion and sustainable operation of the PIC” (IDB 2012a).



Inter-American Development Bank

HA-L1081: Productive Infrastructure Program II (in preparation, US\$ 40.5 m): to “continue the investments...in the Industrial Park of Caracol” including for “basic infrastructure, industrial facilities, management support and complementary investments” (IDB 2013c).



Inter-American Development Bank

HA-T1179: Water Availability and Integrated Water Resources Management in Northern Haiti (Mar 2013, US\$ 1 m): technical study to develop integrated water management plan for Trou-du-Nord watershed (IDB 2013d).



US\$ 72.4 million for port construction; delayed (GAO 2013).



Inter-American Development Bank

HA-T1182: Institutional Strengthening to Increase the Technical Capacity of the GoH (June 2013, US\$ 0.53m): to “mitigate the environmental negative impacts of the PIC” and “strength[en] institutions at both regional and national level[s]” (IDB 2013g).



US\$ 97.9 million for power plant at PIC; completed (GAO 2013).



Inter-American Development Bank

HA-T1083: Strengthening the Internal Debt Sustainability Analysis Unit. This project was amended to focus on PIC under the title ‘Gestion de la Croissance Urbaine dans le Voisinage du Parc industriel de Caracol’ (Dec 2012, US\$ 0.25m) : to “contribute to the orderly management of urban growth around the Caracol Industrial Park (PIC) with the aim of preventing illegal settlements or slums in the immediate periphery of PIC” (IDB 2012c).



Inter-American Development Bank

HA-T1074: Development of the Industrial Park Model to Improve Trade Opportunities for Haiti (Aug 2009, US\$ 150,000) to examine the viability of the industrial park model in Northern Haiti.



Inter-American Development Bank

HA-T1181: Mitigating the Social Impacts of the Caracol Industrial Park (Apr 2013, US\$ 0.3m): to develop “an inclusive local private sector, maximizing opportunities for gender equality and vulnerable populations” (IDB 2013e).



Caracol Industrial Park, adapted from UTE 2013a



Inter-American Development Bank

HA-T1185 + HA-T1186: Haiti’s Northern Development Corridor (May 2013, US\$ 0.18 m + US\$ 0.8 m): to support the “implementation of a tailored version of the Emerging and Sustainable Cities Initiative’s ESCI) methodology” for the ‘Northern Development Corridor’ (IDB 2013f).



Caracol-Ekam Housing Project: US\$27.71 million (Sep 2011- Apr 2012) obligated to construct 750 houses for earthquake-affected families and other beneficiaries selected by a GoH-managed beneficiary selection committee. Also funded: environmental assessments and construction management.



Sae-A: US\$ 78 million pledged “to develop operations in the Park” including textile dyeing (IDB 2011a). A Sae-A funded school for up to 400 local area children is set to open in October 2013.



GenderAction

