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WikiLeaks Haiti: Let Them Live on $3 a DayDan

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Contractors for Fruit of the Loom, Hanes and Levi's worked in close concert with the US Embassy when they aggressively moved to block a minimum wage increase for Haitian assembly zone workers, the lowest-paid in the hemisphere, according to secret State Department cables [1].

The factory owners told the Haitian Parliament that they were willing to give workers a 9-cents-per-hour pay increase to 31 cents per hour to make T-shirts, bras and underwear for US clothing giants like Dockers and Nautica.But the factory owners refused to pay 62 cents per hour, or $5 per day, as a measure unanimously passed by the Haitian Parliament in June 2009 would have mandated. And they had the vigorous backing of the US Agency for International Development and the US Embassy when they took that stand.To resolve the impasse between the factory owners and Parliament, the State Department urged quick intervention by then Haitian President René Préval.

"A more visible and active engagement by Préval may be critical to resolving the issue of the minimum wage and its protest 'spin-off'—or risk the political environment spiraling out of control," argued US Ambassador Janet Sanderson in a June 10, 2009, cable back to Washington.Two months later Préval negotiated a deal with Parliament to create a two-tiered minimum wage increase—one for the textile industry at about $3 per day and one for all other industrial and commercial sectors at about $5 per day.Still the US Embassy wasn't pleased. A deputy chief of mission, David E. Lindwall, said the $5 per day minimum "did not take economic reality into account" but was a populist measure aimed at appealing to "the unemployed and underpaid masses."Haitian advocates of the minimum wage argued that it was necessary to keep pace with inflation and alleviate the rising cost of living. As it is, Haiti is the poorest country in the hemisphere and the World Food Program estimates that as many as 3.3 million people in Haiti, a third of the population, are food insecure. In April 2008 Haiti was rocked by the so-called Clorox food riots, named after hunger so painful that it felt like bleach in your stomach.According to a 2008 Worker Rights Consortium study, a family of one working member and two dependents needed at least 550 Haitian gourdes, or $12.50, per day to meet normal living expenses.The revelation of US support for low wages in Haiti's assembly zones was in a trove of 1,918 cables made available to the Haitian weekly newspaper Haïti Liberté by the transparency group WikiLeaks.

As part of a collaboration with Haïti Liberté, The Nation is publishing English-language articles based on those cables.[2].In an emailed statement, the State Department declined to comment on the disclosures in this article, citing a policy against commenting on documents that purport to contain classified information and stating that it "strongly condemns any illegal disclosure of such information." However, the State Department spokesperson added in the email: "In Haiti, approximately 80 percent of the population is unemployed and 78 percent earns less than $1 per day"— actually, according to the UN Development Program, 78 percent of Haitians live on less than $2, not $1, a day—and "the US government is working with the government of Haiti and international partners to help create jobs, support economic growth, promote foreign direct investment that meets ILO labor standards in the apparel industry and invest in agriculture and beyond." For a twenty-month period between early February 2008 and October 2009, US Embassy officials closely monitored and reported on the minimum wage issue.

The cables show that the Embassy fully understood the popularity of the measure.The cables attest that the new wage even had support from a majority of Haitian private sector representatives "based on reports that wages in the Dominican Republic and Nicaragua (competitors in the garment industry) will increase also."Still the proposal engendered fierce opposition from Haiti's tiny assembly zone elite, which Washington had long been supporting with direct financial aid and free trade deals.In 2006 the US Congress passed the Haitian Hemispheric Opportunity through Partnership Encouragement (HOPE) bill, which gave Haitian assembly zone manufacturers preferential trade incentives. Two years later Congress passed an enhanced version of the duty-free trade bill called HOPE II. And USAID Haiti provided technical assistance and training programs to factories to help them expand and take advantage of HOPE II.US Embassy cables claimed that those efforts were imperiled by parliamentary demands for a wage hike to keep pace with soaring inflation and high food prices.

"[Textile] Industry representatives, led by the Association of Haitian Industry (ADIH), objected to the immediate HTG 130 (USD 3.25) per day wage increase in the assembly sector, saying it would devastate the industry and negatively impact the benefits of the Haitian Hemispheric through Opportunity Partnership Encouragement Act (HOPE II)," said a June 17, 2009, confidential cable from chargé d'affaires Thomas C. Tighe to Washington.Tighe said that the "ADIH and USAID funded studies on the impact of near tripling of the minimum wage on the textile sector found that an HTG 200 Haitian gourde minimum wage would make the sector economically unviable and consequently force factories to shut down."Bolstered by the USAID study, the factory owners lobbied heavily against the increase, meeting with Préval on multiple occasions and with more than forty members of Parliament and political parties, according to the cables.The Haiti cables also reveal how closely the US Embassy monitored widespread pro–minimum wage demonstrations and openly worried about the political impact of the minimum wage battle. UN troops were called in to quell student protests, sparking further demands from Haitians for the end of the 9,000-strong UN occupation.As the Haitian Platform for Development Alternatives put it in a press release in June 2009, "Every time the minimum wage has been discussed, ADIH has cried wolf to scare the government against its passage: that raising minimum wage would mean the certain and immediate closure of industry in Haiti and the cause of a sudden loss of jobs. In every case, it was a lie."Editor's Note: We first posted this story on June 1, but at the request of Haïti Liberté, our partner in this series, we temporarily removed it until June 8. Some enterprising bloggers noted the "pulled scoop" and, pointing out that you "can't stuff the news genie back in the bottle," attempted to summarize it for their readers. Along the way, a few subtleties got lost—like that the factory owners at the center of this sordid story, who moved successfully to block the $5 per day minimum wage passed by the Haitian parliament, were making goods for big-name US retailers like Levi Strauss and Hanes.

In keeping with the industry's usual practice, the brand name US companies kept their own hands clean, letting their contractors do the work of making Haiti safe for the sweatshops from which they derive their profits—with help from US officials. We apologize for the delay in bringing the original article back online.