

LABOUR
ADMINISTRATION
AND COMPLIANCE
IN JORDAN:

**A Multi-Stakeholder
Collaboration**

FEBRUARY 2008



The Ministry of Labour
Hashemite Kingdom of Jordan



وزارة العمل
نفتخر بالعمل معاً





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FOREWORD

The future of Jordan depends not only on political stability and economic growth but also on creating real improvements in labour compliance by bringing the working standards in the country to the international level. The Government of Jordan is in the process of implementing a comprehensive strategy and putting in place administrative mechanisms to bring about permanent change in labour standards for all workers in Jordan.

While improving the labour conditions for guest workers, the Government is also faced with an immediate challenge of creating opportunities for our young and growing population. Therefore, creating jobs and improving labour standards play a key role in Jordan's future. In addition, we want to maintain the confidence of foreign government partners as well as international consumers and producers around the world in Jordan's adherence and commitment to international labour standards. This is not an easy task and we are taking both a top-down and bottom-up approach to make this change.

This document is a testimony of our ongoing efforts and long-term commitment to bring world-class labour administration and compliance systems to Jordan. It examines three pivotal areas of our comprehensive long-term strategy to bring about permanent change by: (I) improving working conditions through enforcement and compliance assistance, (II) enhancing institutional capacity and (III) increasing employment opportunities for Jordanians.

Bringing about positive changes in labour compliance in Jordan has been a collaborative effort among domestic and international stakeholders to whom I am very grateful. I commend their efforts and dedication in helping us build a better future for our country and welcome any further constructive collaboration with willing partners.

His Excellency **Bassem Khalil Al-Salem**,
Minister of Labour,
The Hashemite Kingdom of Jordan

ABBREVIATIONS

AFL-CIO	American Federation of Labor and Congress of Industrial Organizations
BAYLASAN	The Cooperative Association for Women Agricultural Engineers
BWJP	Better Work Jordan Project
CIDA	Canadian International Development Agency
CIF	Core Inspection Force
DWCP	Decent Work Country Programme
EU	European Union
ETF	European Training Foundation
E-TVET	Employment - Technical and Vocational Education Training
FTA	Free Trade Agreement
FTJ	Fair Trade Jordan
IFC	International Finance Corporation
IISL	Intensive Inspection Surveillance List
ILO	International Labour Organization
JGATE	Jordan Garments, Accessories & Textiles Exporters' Association
JICA	Japan International Cooperation Agency
JLATP	Joint Labour Assessment and Training Project
JOHUD	Jordanian Hashemite Fund for Human Development
MoL	Ministry of Labour
NCHR	National Centre for Human Rights
NET	National Company for Employment and Training
NLC	National Labor Committee
QIZs	Qualifying Industrial Zones
SABEQ	Sustainable Achievement of Business Expansion and Quality Program
TEF	Training and Employment Fund
USAID	United States Agency for International Development
USITC	United States International Trade Commission
WTO	World Trade Organization

EXECUTIVE SUMMARY

JORDAN'S ECONOMY has been transformed in recent years by the reforms and international outreach of His Majesty King Abdullah II, which solidified Jordan's place in the global economy. These changes provided new opportunities as well as posed new challenges for the country. Reducing barriers to investment and trade have played a key role in the rapid growth of the apparel manufacturing industry, which amounted to US\$1.25 billion or some 25 percent of total exports from Jordan in 2006. However, the apparel industry's rapid development created new challenges: a reliance on guest workers as well as an insufficient administrative structure to oversee labour compliance. The Government of Jordan acknowledged that improvements in labour administration were necessary in the apparel industry and across the country. As a result, the Government committed itself to a long-term comprehensive strategy to enhance labour administration and labour law compliance nationwide, and to becoming a model of labour compliance in the region.

This document is the first comprehensive report by the Ministry of Labour (MoL) on the progress made in labour administration and compliance. It outlines the significant steps that have been taken since problems were reported in May 2006 by the National Labor Committee (NLC), a human rights advocacy group based in New York City. Over the past eighteen months, the MoL, in collaboration with multiple stakeholders, has made a significant effort to improve labour standards. The Government of Jordan understands that these improvements are fundamental to the future development of the country and recognizes the importance of labour compliance to the international community. This document is being released in conjunction with the launch of the Better Work Jordan Project (BWJP), a major new labour compliance monitoring and technical assistance initiative undertaken in partnership with the International Labour Organization (ILO) and the International Finance Corporation (IFC).

The MoL has been the driving force behind developing and implementing the comprehensive strategy to assure that domestic and international labour

standards are met. The MoL actively collaborates with multiple domestic stakeholders, foreign governments and international organizations in the effort to improve labour administration and working conditions in Jordan. The MoL is taking a three-pillar approach: (I) improving working conditions through enforcement and compliance assistance, (II) enhancing institutional capacity, and (III) increasing employment opportunities for Jordanians.

In terms of improving working conditions through enhanced enforcement and compliance assistance, the MoL has trained inspectors to be better able to both mediate labour disputes and provide compliance advice to both employers and workers – and to issue formal warnings and fines when necessary. The MoL has also been actively conducting factory investigations on the basis of allegations received. In addition, the MoL has been working diligently to address the regularization and legal documentation of guest workers inside and outside of the Qualifying Industrial Zones (QIZs). It has provided amnesty periods for workers and enabled thousands to register and acquire proper documentation without being fined. The MoL recently signed an agreement with the Government of Egypt to regulate the flow of guest workers between the two countries and is working to conclude similar agreements with the Governments of Indonesia and Sri Lanka. Finally, the Government has increased the apparel industry's minimum wage by more than 15 percent.

As a first step towards increasing the Government's institutional capacity, the MoL has restructured its 14 departments into only five and is continuing to work with the European Union (EU) on reforming the entire Ministry. The MoL's budget has been significantly increased. In addition, the MoL is collaborating with multiple-domestic stakeholders, the ILO and the U.S. Agency for International Development (USAID) to develop multiple training courses for inspectors and administrators, who play a crucial role in the effort to bring labour compliance in Jordan to international standards. To complement these efforts, the Government has established a new National Training Centre for Labour Inspectors.

In addition, Jordan became the first country in the Middle East to implement a Decent Work Country Programme (DWCP) in partnership with the ILO. The programme promotes international labour standards, and aids in guest worker management and other labour administration functions. The MoL is also working with the ILO on forced labour and trafficking issues and the IFC on revamping the licensing and inspections system in Jordan. Finally, one of the most important initiatives being undertaken by the Government of Jordan to improve compliance in the garment sector is the ILO Better Work Jordan Project (BWJP), launched in February 2008.

Similarly, the MoL is making significant efforts to increase employment opportunities for Jordanians across the economy. It has been working with the EU and the World Bank to implement broader technical and vocational training programmes and to increase employer participation in workforce skills development. The MoL is also working with USAID to increase the number of jobs available to Jordanians and to enhance the competitiveness of Jordanian firms. In addition to creating jobs, the MoL has rehabilitated regional employment offices and connected most of them to a computerized employment information system, thereby linking potential employees to jobs.

While the labour compliance problems that brought Jordan into the international spotlight are regrettable, there can be no doubt that Jordan has made progress and clearly demonstrated its commitment to becoming a model for labour compliance in the region – by protecting workers of all nationalities within Jordan's borders and establishing Jordan as a socially responsible place to work as well as to invest. The initiatives undertaken by the Government of Jordan in conjunction with its domestic partners, foreign governments and international organizations aid in establishing high levels of accountability and transparency in the effort to improve labour standards and productivity across the country and particularly in the apparel industry.

All reports and updates mentioned in this document on programme implementation and factory inspections are available on the Ministry of Labour's website – www.moj.gov.jo.

INTRODUCTION

SINCE 2006, the Government of Jordan has put in place a robust and integrated programme towards assuring the effective application of domestic labour laws and international labour standards. The Ministry of Labour (MoL), which is responsible for labour administration and enforcement in Jordan, has coordinated this programme in collaboration with domestic and international stakeholders to maximize the improvement of labour standards compliance across the economy in general and particularly within the apparel industry.

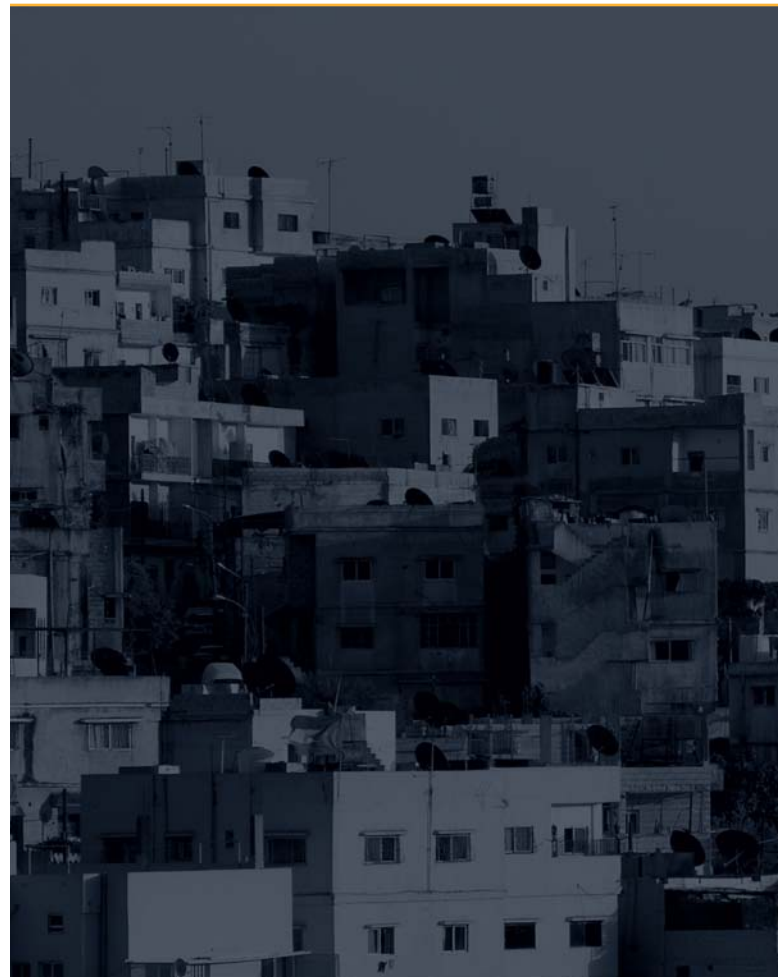
The apparel manufacturing industry flourished in a relatively short period of time and became an important part of Jordan's economy. In 2006, apparel exports were valued at approximately US\$1.25 billion, or some 25 percent of the country's total exports. As can be expected, when a relatively new industry develops at a rapid pace, it creates challenges. The growth outpaced the Government's ability to effectively provide all necessary protections for the workers in this industry.

In May 2006, the National Labor Committee (NLC) released a report alleging that serious violations of Jordanian and international labour laws and practices were committed against guest workers within Jordan's apparel industry. The publication of this report placed Jordan in a global spotlight and prompted Jordan to intensify and expand upon ongoing labour reform efforts.

The Government of Jordan acknowledged that problems existed in labour compliance, and over the last 18 months has been continually working on multiple fronts to address these issues. The work of the MoL thus far has gone forward in three phases. Phase I included the immediate implementation of certain activities to address labour compliance problems and the development of an Action Plan to confront the related challenges; Phase II focused on the implementation of various Action Plan items; and Phase III, which is currently underway, involves strengthening the progress made thus far and implementing additional initiatives.

As part of Phase I, the MoL and the U. S. Agency for International Development (USAID) coordinated an independent investigation of labour compliance in the apparel industry. While the findings of the investigations, conducted through the Joint Labour Assessment and Training Project (JLATP), confirmed several of the NLC's allegations, it disproved a number of others. The findings of the survey were compiled in a published assessment report and served as the basis for developing the MoL's comprehensive strategy, referred to as the Action Plan. Since its publication in 2007, the Action Plan has been serving as a comprehensive strategy for the Government to improve the institutional capacity of the MoL, to ensure enforcement of Jordanian and international labour standards and to develop comprehensive training programmes.

In addition, some of the MoL's immediate responses included: establishing a multilingual hotline service



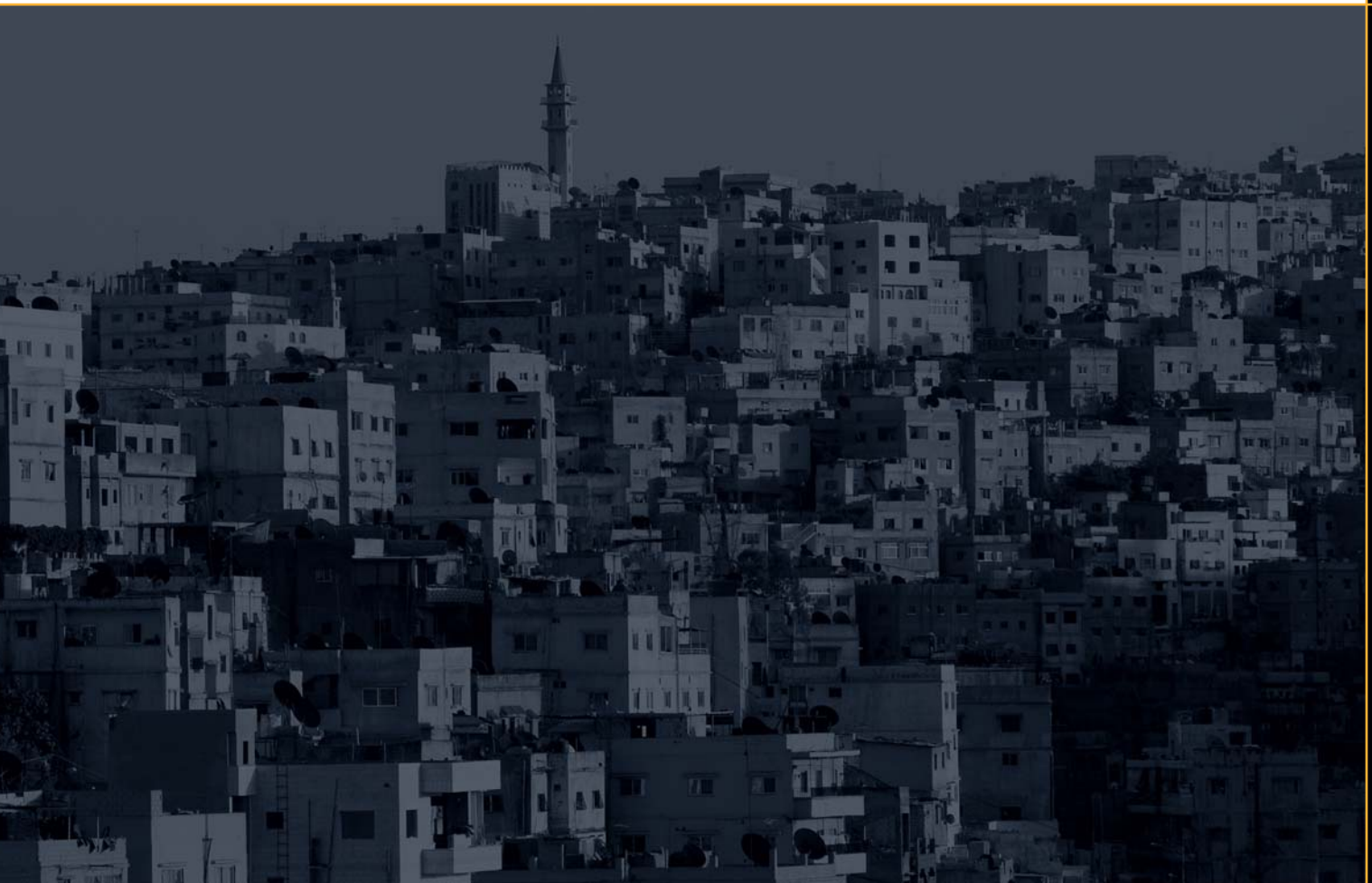
to handle workers' complaints, developing an industry code of conduct to ensure employer compliance, evaluating, increasing and improving inspection capability at the MoL, closing factories in serious violation of the law, and increasing the minimum wage.

Phase II took place through 2007 and focused on launching long-term reforms, which included: a major institutional reorganization of the MoL to improve its operations and capacity, a more integrated and coordinated approach with other government agencies, initiation of various training and capacity building programmes for labour inspectors and related judicial authorities, finalization of the drafting of labour law reforms for adoption by the Parliament, and development of strategies to enhance the level of employment of Jordanians.

Phase III was launched in early 2008 and focuses on institutionalizing changes and reforms in collaboration

with various international donors. The major highlight of this phase is the launch of the International Labour Organization's (ILO) Better Work Jordan Project (BWJP), which was first pioneered in Cambodia and is a key component of the larger national Decent Work Country Programme (DWCP). The BWJP will further improve labour conditions while enhancing worker-management cooperation, quality and productivity.

This document provides details on the strategy and programme that the Government of Jordan has been aggressively pursuing to improve labour administration, working conditions and employment opportunities across all industries, including the apparel industry. In this regard, the Government of Jordan believes improving labour standards in the apparel industry supports Jordan's broader strategy for economic growth and for becoming a model of labour compliance in the region.







BACKGROUND

- Economy
- The Development of the Apparel Industry
- Labour Challenges Related To Growth of the Apparel Industry

ECONOMY

Jordan is ranked as a lower-middle income economy, with a GDP of US\$30 billion. Since 2002, Jordan has experienced continued economic growth that averaged six percent per year. The country's successful record is linked to the Government's commitment to economic, political and social reforms, including steps to expand international trade and investment.

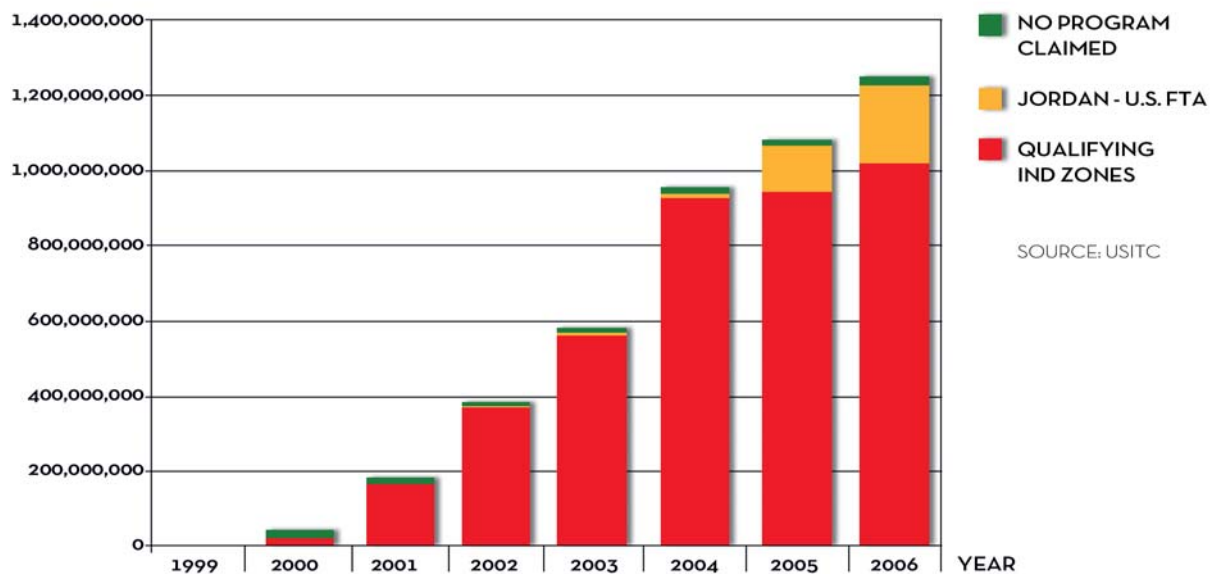
Jordan's effort to engage the global economy comes against a backdrop of serious job creation challenges. Jordan has one of the world's youngest populations; 38 percent of an estimated population of six million is under the age of 14. Moreover, the population is growing 2.6 percent per year and is estimated to double by 2026. Due to its rapid growth, 60,000 Jordanians are entering the labour market each year, creating a major challenge for the Government. According to the Jordanian Department of Statistics, the unemployment rate in the last quarter of 2007 was estimated at 13 percent, and youth unemployment is a particular challenge. Nevertheless, with regard to human development, the World Bank stated in its October 2007 *Country Brief*, "Jordan is above average with respect to lower and middle-income countries."

THE DEVELOPMENT OF THE APPAREL INDUSTRY

Some of the trade and investment initiatives undertaken by the Government of Jordan in recent years led to the rapid development of the apparel industry. In 1997, the Qualifying Industrial Zones (QIZs) were established under the U.S.-Israel Free Trade Agreement (FTA). In 2000, Jordan became a full member of the World Trade Organization (WTO), further signaling its commitment to participate in the global economy and implement the legal reforms required by WTO membership. The following year, Jordan signed a free trade agreement with the United States and an association agreement with the European Union (EU). These measures, which provide Jordan with duty-free access to more than one billion consumers around the world, have attracted foreign investment and have helped to increase exports.

The apparel industry has grown in a relatively short time to become a very important economic sector in Jordan. Its development and success can be attributed to the above-mentioned trade initiatives undertaken by the Government of Jordan. In particular, the duty-free benefits for apparel under the QIZs and the U.S.-

FIGURE 1: U.S. Imports of Apparel from Jordan by Import Programme (in US Dollars)



Jordan FTA, have played a major role in the growth of a significant apparel manufacturing base in Jordan.

There are currently six active QIZs in Jordan that accommodate 98 apparel-manufacturing factories and employ a total of approximately 54,000 workers. In 2006, apparel exports accounted for US\$1.25 billion, or some 25 percent of Jordan's total exports and over 90 percent of Jordan's exports to the United States. Virtually all of the items produced and exported from QIZs are apparel items.

The economic success of the QIZs led to the signing of the U.S.-Jordan FTA in 2001. As the FTA becomes fully phased-in, it is expected that the percentage of exports entering under the QIZs will diminish and the percentage entering under the FTA will increase. Figure 1, based on data from the U.S. International Trade Commission (USITC), underscores the rapid growth of the apparel industry under the QIZs and the FTA. It also shows that U.S. imports of apparel entered under the U.S.-Jordan FTA increased to over US\$200 million between 2002 and 2006. Nevertheless, the largest amount of apparel imports from Jordan continues to originate under the QIZ program.

FIGURE 2: Workforce Composition by Nationality in the Qualifying Industrial Zones in 2006

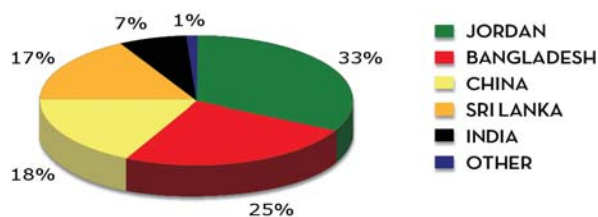


TABLE 1: Workforce Composition by Nationality in Four Qualifying Industrial Zones as of October 31, 2007

QIZs	Jordanian Workers	Sri Lankan Workers	Bangladeshi Workers	Indian Workers	Chinese Workers	Other Workers
HASSAN	7075	2822	4289	1299	5291	274
TAJAMOAT	2485	1485	4399	518	3825	139
DULAL	1827	3773	4139	1114	4	360
KARAK	1940	114	152	-	1953	-
TOTAL	13327	8194	12979	2931	11055	773

An important innovation in Jordan's trade agreement with the United States is that it was the first FTA to include obligations on labour and environment in the text. Indeed, the U.S.-Jordan FTA still remains the only such trade agreement endorsed by the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO). Under this agreement, Jordan willingly committed itself to be a responsible global trade partner and a model for future trade agreements.

LABOUR CHALLENGES RELATED TO GROWTH OF THE APPAREL INDUSTRY

The rapid development of the apparel industry in Jordan, while creating employment opportunities for Jordanians, has also created some new labour challenges. Specifically, the industry's rapid growth has created a need for a large guest worker labour force. These workers come from various countries in Asia, including Bangladesh, China, Sri Lanka, and India.

Assuring labour compliance and fair treatment of guest workers always raises additional challenges in any country, and Jordan is no exception. Therefore, the MoL's priority has been implementing the necessary incentives and training programmes to encourage Jordanians to enter the apparel industry workforce. According to Figure 2, approximately one-third of the workers in the apparel industry are Jordanian, and significant efforts have been made in the last year to develop initiatives to increase that percentage. This is part of the MoL's broader strategy to increase the overall employment opportunities for Jordanians through additional technical training and vocational education in addition to improving the job matching capacity of regional employment offices.





ACTION PLAN FOR LABOUR ADMINISTRATION AND COMPLIANCE

- **Spotlight** - Actions Taken by the Government of Jordan:
May to December 2006

I. Improving Working Conditions through Enforcement and Compliance Assistance

- Inspection Force and Compliance Mechanisms
- Regularization of Guest Workers Inside and Outside of QIZs
- **Spotlight** - The Case of Golden Fingers Apparel Factory
- Inter-Ministerial Coordination and Cooperation
- **Spotlight** - The Case of Cotton Craft Apparel Factory

II. Enhancing Institutional Capacity

- Ministry Changes
- Training Programmes for Inspectors
- Forced Labour and Trafficking Project
- Decent Work Country Programme: The First in the Middle East
- Launch of the Better Work Jordan Project: Improving Labour Standards and Competitiveness
- Other ILO Projects

III. Increasing Employment Opportunities

- Linking Jobs with Job Seekers
- Vocational Education and Training Reforms
- Vocational Education and Training Projects
- Employment Generation and Competitiveness

Actions Taken by the Government of Jordan

MAY TO DECEMBER 2006

- Launched five targeted inspection initiatives covering 400 workplaces: more than 2,500 fines and almost 500 warnings were issued, five factories were closed and 1,200 workers were relocated to more compliant factories.
- Developed the Golden List, a code of conduct for employers with specific labour compliance criteria. A revised draft of the Golden List is awaiting Cabinet approval as a Ministerial Regulation.
- Brought four court cases: two were won by workers and two dismissed after workers were compensated.
- Closed Pacific Garment Factory and transferred/repatriated guest workers. The equipment was seized by the court and used as collateral against outstanding wages.
- Established multilingual telephone hotline for worker complaints.
- Performed a four-month assessment and capacity-building project to determine next steps to bring the country in line with its own laws and with international labour standards. The project was funded by USAID.
- Updated labour laws with input from the social partners.
- Increased the apparel industry minimum wage from JD95 to JD110 starting January 1, 2007.
- Agreed on the development of a Decent Work Country Programme in partnership with the ILO to promote ILO working standards, expand quality employment opportunities and enhance the dialogue between employers, workers and the government.

THE GOVERNMENT OF JORDAN took the allegations in the NLC's May 2006 report very seriously and immediately launched targeted inspections and began the process of enhancing the labour compliance framework. While a number of the initial allegations were shown to be incorrect, some were accurate, and immediate corrective steps were taken.

Between May and December 2006, the Government engaged in a collaborative dialogue with relevant stakeholders, conducted an independent assessment of labour compliance, and demonstrated a commitment to punishing violators. The MoL launched new inspection initiatives, closed factories, assured compensation for workers, successfully assisted workers in bringing cases involving labour violations to court, established a multilingual complaint hotline, developed a code of conduct for employers, and provided the unions with funding to assist guest workers.

The MoL, with the assistance of the ILO, also formed a tripartite consultative committee that consists of government, union, and employer representatives. The committee made recommendations on amendments to the Jordanian Labour Law of 1996. The labour law reforms will be addressed by the new Parliament in the first half of 2008. The key amendments to the existing labour law are expected to cover wages, sexual harassment and assault, forced labour, freedom of association for guest workers, maternity benefits, employment contracts, and legal coverage for agriculture and domestic workers.

As one of its preliminary responses, the Government of Jordan and the U.S. Agency for International Development (USAID) coordinated an independent investigation of labour compliance in the apparel industry within the QIZs. The Joint Labour Assessment and Training Project (JLATP) assessment report presented an important baseline profile of the labour standards in Jordan's apparel industry and set the groundwork for the development of a comprehensive strategy for the Government. JLATP also provided the MoL with new training on how to conduct inspections and capacity building activities for the inspectorate.

In conjunction with the publication of the JLATP assessment report in March 2007, the Government of Jordan published its Action Plan to implement the necessary labour administration and compliance changes. The Action Plan, along with the updates and reports referred to in this document, are available on the MoL's website (www.mol.gov.jo). The Action Plan sets out a framework to better ensure compliance with national labour law and international labour standards. The Action Plan focuses on (I) improving working conditions through inspections and compliance assistance, (II) enhancing institutional capacity for labour administration and law enforcement, and (III) increasing employment opportunities for Jordanians. The subsequent sections of this document provide a detailed overview of the progress made by the Government of Jordan under each component of the Action Plan.

FIGURE 3: Government of Jordan - Action Plan



I. Improving Working Conditions through Enforcement and Compliance Assistance

In 2007, partly based on the findings and recommendations in the JLATP report, the Government of Jordan took action to improve compliance and enforcement of

labour standards starting in the apparel industry by intensively conducting inspections, improving existing compliance programmes, and increasing international monitoring cooperation.

INSPECTION FORCE AND COMPLIANCE MECHANISMS

The overall national inspectorate force includes 85 persons who work in teams and are responsible for all enterprise inspections across the country. Having developed the capacity to properly train inspectors during 2007, the MoL foresees hiring 60 new inspectors in 2008. As an immediate measure, a Core Inspection Force (CIF) was formalized as part of the MoL Inspectorate in the beginning of 2007. This force is currently composed of six inspectors who were trained by JLATP and two international monitors who speak Bangla and Sinhalese, respectively. The CIF conducts all Golden List and Intensive Inspection Surveillance List (IISL) inspections.

To better assure that apparel enterprises are acting in accordance with the law, the MoL, in consultation with the private sector, created a new monitoring mechanism called the Golden List. The Golden List sets criteria for working conditions, employment of guest workers and the recruitment of Jordanians

In May 2007, the MoL Inspectorate updated the requirements for Golden List eligibility, making it more difficult for factories to become listed. For instance, where previously local inspectors undertook Golden List inspections, these are now exclusively conducted by inspectors from the CIF to ensure quality and uniformity. The MoL is working on the required legal review of the revisions made to the Golden List in order to develop it into a Ministerial Regulation. Since the inception of the Golden List in 2006, some 40 apparel companies qualified for listing. This type of recognition has helped to build confidence among socially responsible members of the global business community; certain international buyers now only do business with companies on the Golden List.

ACTION PLAN

At the other end of the enforcement spectrum is the IISL. Formalized in March 2007, the IISL comprises those enterprises with the most severe labour violations. These factories are subject to regular inspections to ensure that compliance is enforced. To date, three factories have been placed on the list. In one case, workers were paid wages owed to them, conditions in the factory improved, and the factory was subsequently removed from the IISL. In the second case, reports of physical abuse and excessive working hours ceased after the factory was listed, but subsequent problems with wage payments prompted the MoL to close the factory. In the third case, working conditions initially improved after listing, but a relapse has recently occurred requiring additional oversight. The factory that remains on the list continues to be monitored on a regular basis to assure that required conditions are established and maintained.

Between March 30 and December 31, 2007, the CIF undertook 14 Golden List verifications and 11 IISL inspections. The inspection teams also completed 97 inspections of enterprises that were hiring guest workers. In addition, 10 inspections were conducted to verify allegations made by the NLC of worker rights violations, and 18 inspections were made in situations that required special attention, including strikes and specific complaints. Table 2 shows the number and type of actions taken by the MoL in the four main QIZs. These four zones

TABLE 2:
Ministry of Labour Inspection Actions between January 1 and October 30, 2007 in Selected Qualifying Industrial Zones

QIZs	ADVICE	WARNINGS	FINES
Hassan	221	54	1588
Tajamoat	48	1	108
Dulal	15	10	0
Karak	161	9	3
Total	445	74	1699

contain most of the apparel manufacturing factories in Jordan.

In the table, “Advice” indicates that the employer has been provided information concerning an existing problem and how to rectify it. Advice is given when a minor problem is noticed or if the employer has a good track record of following previous Ministry counsel. When advice is not followed, a warning or a fine may be issued. A “warning” indicates that an official written notification was given to the employer outlining non-compliance areas and a time limit within which the problems need to be rectified. It may also be accompanied by advice.

Inspectors may also impose fines on the employer. “Fines” are official written notices given when a serious non-compliance violation exists, or when advice and warnings are not followed. Fines also contain time periods for payment. They are sent to the courts and unpaid fines may lead to the arrest of an employer. Inspectors may impose additional fines if the situation does not change. The public prosecutor can initiate a court case, or the MoL can close a factory when the situation is particularly serious.

REGULARIZATION OF GUEST WORKERS INSIDE AND OUTSIDE OF QIZs

Enforcement and compliance with regard to the legal documentation of guest workers inside and outside of QIZs is also being addressed.

In July 2007, the MoL developed a protocol to regularize guest workers in the QIZs who did not possess valid work and residence permits. A situation had developed where a number of workers, despite entering Jordan without valid work permits, were still finding employment. Additionally, other documented workers had overstayed their permits, had left their designated employment, were abandoned by employers abruptly closing factories, or were transferred to other factories by the MoL following closure of their originally designated factories due to serious worker rights violations.

Whatever the reason, these workers were now in an illegal status and liable to be fined or even arrested.

Over 6,000 such workers have been identified in the QIZs since July 2007 and all were provided with temporary identification cards that allow them to move freely in and out of the QIZs. The MoL has been working with other government agencies to waive fines such workers would normally face, and to enable them to obtain valid work and residence documentation or to return to their home country without penalty. In addition, the MoL has been working with the Governments of Sri Lanka and Indonesia toward negotiating agreements regularizing the recruitment of guest workers from those countries.

In addition, the Government of Jordan made a substantial effort to regularize the largest group of guest workers outside of QIZs. Egyptians comprise roughly 70 percent of the slightly more than 300,000 legal guest workers in Jordan. They are generally employed outside of the QIZs and the apparel industry, primarily in the agriculture and construction sectors. The Government of Jordan and the Government of Egypt also signed an agreement in March 2007 regulating the migrant labour flow between the two countries. An amnesty period for unregistered Egyptian workers was declared between April 15 and June 7, during which some 120,000 workers registered and were subsequently provided with the required documents.

In a further effort to regularize guest workers, the MoL, in cooperation with the Borders and Foreigners Administration and the Public Security Department, organized a guest worker verification campaign to authenticate the documentation of all guest workers outside the QIZs. A total of 5,493 workers without proper documentation were detained in a campaign that started in mid-July and lasted through mid-September. The majority of detained guest workers were repatriated, while some were released for humanitarian reasons, which included those who are married to Jordanians, undergoing medical treatment or with children enrolled in Jordanian schools.

The Case of Golden Fingers Apparel Factory:

EXAMPLE OF MOL'S ENFORCEMENT ACTION

Interview with Mr. Nurul Amin, who brought to the attention of MOL officials a number of concerns at Golden Fingers factory:

- Two month backlog of unpaid wages
- Unexplained deductions of JD10 from each worker
- Management holding worker passports
- Ekama (residence permit) processing for the workers was stopped.

Action by the Ministry: After an unscheduled visit to the factory, Ministry of Labour (MoL) inspectors confirmed the alleged violations. Following meetings with management, workers and the MoL, it was agreed that management would pay all back wages and repay unauthorized deductions to the workers and that passports would be returned to the workers immediately after the processing of ekamas (residence permits).

Mr. Amin: "We were actually able to communicate with the authorities of the Ministry. We called Dr. Amin [Director of Inspections Department] and Mr. Munir [Bangladesh national/MoL monitor] and told [them] our problems and requested them to visit us. Dr. Amin and Mr. Munir visited us many times. They discussed our problems with management. They solved our problem to get our backlog of wages, unauthorized deductions and passports to the workers. [W]e got our residence card for the remaining workers. We are especially happy with Mr. Munir as we are able to talk about our problem in our [native] language with him. Mr. Munir helped us many times. We can call him frequently. Even without our call, Mr. Munir and MoL authorities visit [Golden Fingers] without prior notice."

INTER-MINISTERIAL COORDINATION AND COOPERATION

In order to enhance Ministerial coordination, the MoL also disseminated information on guest workers – clarifying legal provisions and procedures – to other Ministries and inspectorates. The selected Ministries received information in four key areas: (1) the need to obtain the opinion of the MoL prior to approving any changes in ownership of factories, (2) the responsibility of employers for workers who have run away, (3) the need to revise the 1929 Slavery Law into an Anti-Trafficking in Persons Law, and (4) discretionary judicial powers to combine multiple cases into one when they pertain to labour issues which can greatly expedite such matters but also limit an employer's liability. The MoL also sent directives to its inspectors that included information regarding the documentation they need to carry with them, the procedures to follow in cases of non-labour violations and the requirements for follow up in court cases.

To strengthen the Government's ability to respond to legal issues related to labour compliance, the MoL initiated the establishment of coordination committees that include other ministries and operate on multiple staff levels. For example, the Inter-Ministerial Technical Level Committee includes mid-level staff from the Labour, Justice, Interior, and Trade Ministries, and the Intelligence Department. Its purpose is to investigate and respond to non-labour law violations that include trafficking as well as cases of sexual and physical abuse.

In February 2007, the Inter-Ministerial Committee met for the first time and undertook an investigation of a factory called Cotton Craft. Each Ministry assessed the findings and provided recommendations for actions that it would take in resolving the violations. As a result, the Committee helped six workers file a case against three supervisors who allegedly used physical force against them. In May, the court found the supervisors guilty and sentenced them to a fine. This was the first time a physical abuse case at a QIZ enterprise was filed and won in a Jordanian court of law.

The Case of Cotton Craft Apparel Factory

EXAMPLE OF INTER-MINISTERIAL AND JUDICIAL ACTION

The Ministry of Labour (MoL) investigates all allegations about factory violations, including those published by the National Labor Committee (NLC), and it has followed this procedure in regard to Cotton Craft as well. The MoL has played an instrumental role in solving the workers' problems, in a situation where both the management and workers violated the law. The following is a recount of MoL's involvement in the Cotton Craft case.

Since the end of 2006 the MoL has been actively engaged with the workers and two subsequent owners of Cotton Craft in solving worker rights' violations. The NLC posted its first allegations in March 2007, in which it has mistakenly referred to Cotton Craft as Dawhyma. Throughout the year, the NLC published subsequent reports on the factory, all of which contain factual errors, some of a very serious nature. The MoL Inspection Reports indicating the NLC's errors are available on the Ministry's website (www.mol.gov.jo).

Some of the actual violations identified by the MoL at Cotton Craft fell outside the scope of Jordan's labour law; non-labour law violations include physical abuse and are investigated by the Inter-Ministerial Committee. The Committee visited the factory on February 13, 2007 and informed the management of the necessary measures to be taken by March 18, 2007.

In line with the recommendations made by the Inter-Ministerial Committee, the MoL assisted six workers in filing a case against three supervisors who allegedly had physically assaulted them. The workers filed cases on April 23, 2007, and on May 24, 2007 the court found the supervisors guilty and sentenced them to a payment of a fine. This is the first time any supervisors were found guilty in a court of law in relation to complaints of physical abuse in a company located in one of the Qualifying Industrial Zones (QIZs). However, during a follow-up inspection visit to Cotton Craft, the MoL inspectors found that limited progress had been made in implementing the Ministry's recommendations. Nevertheless,

physical abuse had ceased completely according to workers.

The company was sold in early June and the MoL oversaw the conclusion of an agreement on June 6, 2007 between new management and workers with regard to the payment of back wages and back social security contributions as well as the provision of work and residence permits. On June 11, 2007 the police arrested the previous owner of the apparel-manufacturing factory on charges of unpaid fines for labour violations. He was released from custody after paying the fines.

As part of the agreement made between workers and new management, workers would receive their back wages in installments. Before management could finalize the payment of the installments, workers raised an additional claim for unpaid wages under previous management, which they had not brought up before and for which there was no proof. Rather than negotiating with management under the auspices of the MoL, the workers went on strike on September 13. According to the Jordanian Labour Law, the strike was considered illegal by the MoL because workers did not give the required 14 day notice to management and the MoL before going on strike.

The MoL initiated a series of attempted negotiations, but the workers refused to negotiate. At one point, the workers physically restrained a Bangladeshi Embassy official as well as the Director of the Labour Inspectorate, requiring police intervention to secure their release. Eventually, the MoL assisted management and workers in reaching a payment arrangement. On October 13, the strike ended and workers were subsequently paid their wages up to September. However, in early December, the MoL learned that 16 of the workers had not been paid and subsequently ensured that all of these workers were paid. The MoL and the National Centre for Human Rights (NCHR) secured payment for these 16 workers on December 31. Unfortunately, at about the same time, the MoL learned that once again the wages had been withheld for two months. Consequently, the MoL decided to initiate procedures for closure of the factory. The factory was closed on January 16, 2008 and the workers were transferred to a factory with better conditions.

The MoL's immediate and continued response and active engagement in resolving the delicate situation in Cotton Craft illustrates the Government of Jordan's commitment to improving labour compliance and eradicating violations against workers in the country. In closing, some words from two Cotton Craft workers interviewed on December 5, 2007:

Interview with Milon and Suruj, Guest workers from Bangladesh

Factory: Cotton Craft (old Management until June 2007)

Period : March to December 2007

Allegations:

- Many workers used to be beaten and were physically harassed previously by management.
- Workers were afraid of informing police of the beatings.

Solution: The factory violated a number of domestic labour laws. Problems were resolved after several investigations, including interventions during and after a strike. However, others remained leaving the MoL with no choice but to close the factory. The MoL conducted both scheduled and unscheduled visits to the factory during the investigation. Regarding the physical abuse allegations, the MoL assisted six interested workers in filing cases against three supervisors who had beaten, slapped and harassed them. The court found the supervisors guilty and sentenced them to a fine with a warning.

Comments by the guest workers recorded on tape: "We used to get beaten frequently under the previous management. In the past year, the MoL helped us in many ways. Especially Ms. Khawla [MoL staff] and Mr. Munir [Bangladesh national/MoL monitor] assisted us in filing our complaint [against three supervisors] to the police without any fear. During our case in court, Mr. Munir and Ms. Khawla went with us to the court, took me to the hospital several times for various tests that the court had suggested. They [Mr. Munir and Ms. Khawla] used to come to the factory to warn our management about many violations. Now we are OK with our current situation with new management. We got all [our] dues and we were given our passport. We can call the authority of Ministry any time. Thanks to Munir Bhai that you are always with us."

On December 21, 2007 the National Labor Committee posted the following update on its web site:

"UPDATE: Good News From Jordan (12/21/07) One hundred and thirty-five foreign guest workers at the Cotton Craft factory in Jordan--who were routinely cheated of their overtime pay--are each now receiving hundreds of dollars in back wages legally due them. Needless to say, these poor guest workers who never expected to win are not only overjoyed but inspired to continue their struggle for justice."

II. Enhancing Institutional Capacity

In addition to the increased inspection efforts undertaken by the Ministry of Labour, the Government of Jordan is in the process of building the institutional capacity to ensure long-term improvements in labour compliance are sustained throughout Jordan's economy.

MINISTRY CHANGES

As a first step, the Government increased the budget for the MoL to JD5.6 million for 2007, from JD3.1 million for 2006. Combined with several training programmes, the enhanced resources and personnel will significantly assist the MoL to further improve overall compliance in Jordan.

Recommendations from the European Union (EU) led to the launch of the Institutional Strengthening of the Ministry of Labour of Jordan Project in the beginning of 2007. The project guides the overall restructuring of the MoL. Since April, a number of senior-level staff meetings were held to discuss reform recommendations, to make minor adjustments to them, and to start the implementation process. In October, a final decision regarding the organizational structure was made. Subsequently, a private consulting firm assisted the MoL in identifying the best candidates for senior-level positions within the new structure. In the beginning of this year, major changes were made to the MoL's administrative structure by consolidating 14 departments into five, thereby increasing efficiency. One of the new departments is strictly dedicated to issues related to guest workers.

In addition, with the assistance of USAID, the MoL has secured the services of an international social and labour compliance expert, who assists the MoL in implementing reforms and international programmes. Two international monitors are assisting the expert in this process. The expert also oversees some of the major capacity building projects that are supported by international donor agencies.

Finally, the IFC's Licensing and Inspection Simplification in Jordan Project aims to map and review the licensing and inspections system for selected Ministries and benchmark survey instruments, including those for the MoL. In December, it undertook an evaluation of the Labour Inspectorate, and made recommendations for the re-engineering of the Department, and implementation of new administrative processes within the Labour Inspectorate.

TRAINING PROGRAMMES FOR INSPECTORS

Between May and June 2007, an intensive one-week training course for labour inspectors was developed in cooperation with the ILO and the National Centre for Human Rights (NCHR). Judges, MoL staff, and international experts taught the course, which was completed by all inspectors in June and July.

In August and September, the newly trained inspectors were evaluated on how well they understood their new responsibilities, training, and inspection tools. Based on this examination and earlier assessments carried out by their local office directors, the inspectors were classified into three categories: A, B, and C. Group A was the largest and receives full monthly monetary incentives; it will be re-evaluated after six months. Group B will receive partial monthly monetary incentives and will be re-evaluated after 3 months. Inspectors in Group C failed to meet required minimum standards and were re-assigned away from the Inspectorate. The evaluations revealed an increase in knowledge among inspectors as well as the ability to enforce and advise when necessary. This was the first time that a performance-based system that included objective evaluation methods was implemented among MoL civil servants.

Separately, a group of 20 inspectors completed a two-week training course at the ILO Training Centre in Italy in May 2007, which focused on matters related to QIZs: principles and promotion of occupational safety and health, hazards and controls in the garment and textile industry, risk management, alter-

native strategies to promote compliance, and specific strategies for combating child and forced labour, among other topics.

In addition, the MoL and the ILO are continuing to collaborate in developing a comprehensive two-month training programme to be provided to each inspector beginning in March 2008. A training committee was established composed of representatives from the MoL, the ILO, the NCHR, and the Jordan and Balqa Universities, as well as judicial practitioners. Since June, the committee has met 13 times to determine the proper course content and select training instructors.

As part of the effort to provide further training, a new National Training Centre for Labour Inspectors has been established in Amman with the assistance of the ILO. The MoL funded the renovation of the facility and the ILO provided the initial technical assistance. Since August, an interim manager has been working on the development of the necessary operating procedures and requirements. The Centre has already hosted training courses and has been used for Labour Court sessions.

Finally, the MoL also has been collaborating with the USAID-funded Sustainable Achievement of Business Expansion and Quality (SABEQ) Program. Within the framework of its twin objectives to increase the number of jobs available to Jordanians and to enhance the competitiveness of Jordanian firms, the programme has provided general management training for the directors of regional labour offices in September and December 2007. The 23 regional offices provide employment, work permit and inspection services.

FORCED LABOUR AND TRAFFICKING PROJECT

The MoL joined efforts with the ILO on the Forced Labour and Trafficking in Jordan: A Pilot Programme on the Qualified Industrial Zones Project. This institutional capacity building project has been running since March 2007 and is scheduled to be completed in

March 2008. It is designed to spread awareness about forced labour and trafficking among employers and workers, increase the skill level of officials working on these issues, and coordinate law enforcement and prosecution. While the project falls under the second component of the Action Plan, it is closely related to the MoL's work in improving labour compliance assistance.

In cooperation with the Jordan Garments, Accessories & Textiles Exporter's Association (JGATE), the project organized a workshop for employers in May 2007 to raise awareness about forced labour and trafficking issues. In July 2007, an ILO mission was undertaken to develop a final work plan for the project. The mission included a representative from the Italian Carabinieri, who shared his agency's experiences in cooperation between the labour inspectorate and the police. In August, the ILO mission provided its recommendations. As a result, the MoL decided to upgrade the Inter-Ministerial Committee in September to give it a more permanent and high-level stature. The following month, letters were sent to different Ministries and other relevant government agencies inviting them to nominate representatives. Workshops for unions and the judiciary were also scheduled for November and January respectively. Finally, under this project a study was commissioned to identify Jordanian legislation related to forced labour and trafficking. The study was finalized in September.

DECENT WORK COUNTRY PROGRAMME: THE FIRST IN THE MIDDLE EAST

In August 2006, Jordan became the first country in the Middle East to sign an agreement with the ILO to develop and implement a Decent Work Country Programme (DWCP). The DWCP Jordan has since been finalized and is currently being implemented in partnership with the ILO. Through the DWCP, Jordan seeks to promote international labour standards, expand the quality of employment opportunities, strengthen labour administration, develop necessary legal and administrative mechanisms for guest worker management, and enhance the dialogue between

employers and workers. The DWCP Jordan includes ongoing activities already initiated on MoL reforms and other ILO projects, including building greater social dialogue between employers and workers.

Within the framework of the DWCP Jordan, the MoL has also started implementing new initiatives. In July, a high-level tripartite meeting was held to introduce the concept of an employment policy. Among those present was the Prime Minister, along with five other Ministers. A draft of the policy was completed by the ILO in September and will be discussed in early 2008. Additionally, in November 2007, the MoL decided to establish a Migrant Worker Department, which, with the assistance of the ILO, will develop the necessary policies and instruments to better address and coordinate MoL reforms on labour law compliance for guest workers. Lastly, the MoL is in the process of establishing an executive office that would provide the Minister of Labour with technical, management and strategic planning expertise. The ILO consultant developed a job description for each of the different positions in the executive office, and the MoL is currently searching for qualifying candidates.

LAUNCH OF THE BETTER WORK JORDAN PROJECT: IMPROVING LABOUR STANDARDS AND COMPETITIVENESS

The single most important initiative being undertaken to underline Jordan's commitment to meeting world-class labour standards in its apparel industry and throughout Jordan is the new ILO Better Work Jordan Project. The Government of Jordan is collaborating closely with the ILO and the IFC on this project, which was first pioneered in Cambodia. The project uses transparent public reporting to promote accountability and measure progress over time. Local factories can use project reporting to demonstrate compliance performance and make available remediation plans to their international buyers. The project uses advisory services and training components for workers and supervisors to bring

FIGURE 4: Better Work Jordan Strategy Overview



SOURCE: ILO BETTER WORK PROGRAMME

about improvements in working conditions as well as quality and productivity in the apparel industry. It will also facilitate broad stakeholder engagement and rigorous evaluation.

Since the agreement in principle to proceed with the project in May 2007, the ILO has worked with the MoL to finalize the project document and secure the necessary financing. The Government of Jordan has committed US\$1.05 million and USAID has committed US\$2.7 million. The formal launch of the project took place in early February 2008 in Jordan. It is widely anticipated that, together with the other relevant initiatives developed and implemented by the MoL, this programme will assure both enhanced compliance in the apparel industry and support its long-term global competitiveness.

OTHER ILO PROJECTS

The ILO is also assisting with a project called Strengthening the Social Partners' Capacity for the Promotion of Social Dialogue. This project has been in operation since 2003 and aims to improve the ability of

the Government of Jordan and its social partners to engage in dialogue and cooperation. It was extended with bridge-funding of approximately JD25,000 from the Government of Jordan in early 2007, and since September 2007, it has been operating with funding from the Government of Spain, expected to total €1 million, which will enable it to continue until August 2010. The project's focus includes labour law reform, industrial relations systems and labour administration. The project provides training and technical assistance that will promote sound labour relations and its work has contributed to efforts by the Government to create two bodies designed to improve social dialogue and decision-making: a National Tripartite Advisory Committee and an Economic and Social Council.

The National Tripartite Advisory Committee on Labour Affairs is in the process of being established. Its purpose is to facilitate consultations with employers and unions. In May 2007 the social partners, represented by the Minister of Labour, the President of the Chamber of Commerce, the President of the Chamber of Industry, and the President of the General Federation of Trade Unions signed a formal joint declaration indicating their intent to establish the Committee. The MoL subsequently prepared all of the legal documents to establish the Committee. The Prime Minister approved it in September, and the MoL appointed a secretary to assist in preparations for its first meeting.

The MoL is also in the process of creating an Economic and Social Council. The Council will serve as an independent consultative body to the Government on policy and legislative decisions that are related to social and labour issues. Representatives from the Spanish Council met with members of the Government of Jordan to further discuss the function and purpose of the Council, and how it can contribute to improving dialogue and an informed decision-making process. As a result, a draft regulation establishing the Council was adopted in October and implementation plans are currently being developed.

III. Increasing Employment Opportunities

The third element of the comprehensive three-pillar approach is to increase the availability of employment opportunities for Jordanian workers, including in the apparel industry, while reducing the country's reliance on guest workers. The Government of Jordan is engaged with a number of programmes to increase such employment opportunities for the domestic workforce.

LINKING JOBS WITH JOB SEEKERS

To improve the effort to connect Jordanians with employment opportunities, six regional employment offices were rehabilitated and a total of 13 regional offices have been computerized since April 2006. Currently, 18 of the 21 regional offices have the ability to link job seekers to potential employers as well as issue permits for guest workers. This represents a major enhancement to the existing employment services capacity nationwide for all industries. Between January and September 2007, 14,662 job seekers registered with these offices. Of these, 10,931 registrants were referred to employers and 8,088 of these candidates were hired.

In mid-November, IFP Jordan, a private company that organizes fairs, organized the Jordan Job Fair and Expo, in cooperation with the MoL and other partners and sponsors including USAID. The job fair attracted approximately 15,000 job seekers, with approximately 100 companies and training entities participating.

VOCATIONAL EDUCATION AND TRAINING REFORMS

The EU and the World Bank are supporting a reform process for vocational and technical education. The EU has finalized its pre-feasibility study for overall reform of the vocational education and training

systems in Jordan. Funding is proposed at €40 million with activities suggested to start in 2009. The European Training Foundation (ETF) has initiated a series of projects concentrating on the development of a human resource information system.

A national strategy and implementation action plan was developed and adopted by the Employment – Technical and Vocational Education Training (E-TVET) Council in August with the involvement of Jordanian stakeholders and interested donors. The required legal instruments to establish the new Human Resource Development Council and new E-TVET Council were developed with assistance from the World Bank and the EU and adopted by the Cabinet in August.

In December, the World Bank finalized formal preparations for implementation of three components of the overall reform program for the vocational education and training systems in Jordan: the Vocational Training Corporation, the Technical and Vocational Training Fund, and the E-TVET Council. Funding is proposed to be JD9 million.

Also in December, the Canadian International Development Agency (CIDA) informally agreed to assist with the establishment of a new Training and Employment Fund (TEF) based on a demand-driven funding mechanism geared towards the skills upgrading of in-service employees and providing prospective employees with relevant pre-service training. Funding is proposed to be JD2 million.

VOCATIONAL EDUCATION AND TRAINING PROJECTS

The Government of Jordan has been active in creating employment opportunities for Jordanians in different economic sectors. In this respect, the Government of Jordan has established a number of vocational and training programmes.

The National Company for Employment and Training

(NET) was established in July 2007 and its purpose is to train Jordanians in the construction industry. This private-public sector joint venture is composed of the MoL, the Jordan Armed Forces and the Jordan Contractors Association. It has an estimated budget of JD115 million for 2008. The first group of trainees started their training in January 2008. These trainees will receive a monthly salary of JD191, medical insurance, and social security in addition to accommodations and transportation.

Vocational training opportunities in the hotel and tourism industry are being provided through the USAID-funded Siyaha Project. The USAID, MoL, and the Vocational Training Corporation, in close collaboration with some of the largest hotels in Jordan, offer a 6-month on-the-job training position after a candidate completes their 6-month education at a vocational training institute. Once a candidate completes the full year of training, they are subsequently offered employment. In 2007, 10 vocational training centres were upgraded and currently accommodate 600 candidates. As of November, of the first 32 candidates, 30 have accepted jobs in the hotel and tourism industry.

The MoL, in collaboration with the Vocational Training Corporation and the German-Jordanian University, has partnered with Aramex, an international logistics company, to develop a vocational training programme for logistics in the city of Mafraq. The first semester started at the end of September with 30 candidates enrolled. The programme is designed to combine education with on-the-job training. A candidate who completes a three month study period at a vocational training institute is provided with a two month on-the-job training course at Aramex. Upon completion, graduates are offered employment by Aramex or other logistics companies that have recently become involved in the programme. The programme will be extended to other locations, including to Aqaba, which is strategically important as it is the only seaport in Jordan.

Within the framework of the Conservation of Medicinal and Herbal Plant Project implemented

by the Ministry of Planning and International Corporation, the USAID-funded SABEQ Program has initiated a vocational training project on herb production and processing. A number of local organizations took part in the project's development including the Jordanian Hashemite Fund for Human Development (JOHUD), the Cooperative Association for Women Agricultural Engineers (BAYLASAN), and Fair Trade Jordan (FTJ). The project was established in the Governorate of Irbid and aims to provide training to small hold farmers and to build partnerships between producers, exporters and buyers

Finally, the Government of Jordan has been working with the Governments of Korea and Singapore on other vocational training programmes. In partnership with the Government of Korea, the vocational training centre in the city of Zarqa will be rehabilitated and turned into a training centre for automobile repair. A number of managers and instructors from Jordan will be trained in Korea and the Government of Korea will provide equipment for the project. In addition, the Vocational Training Corporation is working with the Government of Singapore to rehabilitate a vocational training center in Amman. The centre has been renovated and the equipment provided by the Government of Singapore has been installed. Training of 15 candidates in technical skills will start in November 2008 under the guidance of an expert from Singapore.

EMPLOYMENT GENERATION AND COMPETITIVENESS

The Government of Jordan is also working with USAID under the SABEQ Program for the period 2006-2011. The objective of the project is to increase the number of jobs available to Jordanians and to enhance the competitiveness of Jordanian firms. It consists of four components: strengthening capital markets; improving the business-enabling environment; expanding trade and investment; and improving private sector competitiveness. The programme is designed to respond to the evolving needs in Jordan.



PHOTOS COURTESY OF JORDAN TOURISM BOARD NORTH AMERICA





CONCLUSION

Jordan faces many economic challenges including high unemployment amongst the young Jordanian population and a reliance on guest workers. But the \$30 billion economy is growing, thanks in part to trade agreements with the United States and the European Union. The apparel manufacturing industry is an important part of that growth and the Government of Jordan will do everything necessary to ensure that the industry remains healthy and continues to attract foreign investment. The most serious challenge for the future of that industry is the need to assure that the “Made in Jordan” brand is associated with world class labour conditions, which is why the Government of Jordan is working so diligently to improve and enhance the industry.

Pursuant to that objective, the Ministry of Labour has developed a comprehensive long-term programme that draws on stakeholder participation, the support of international organizations, and the enthusiasm of the Jordanian people to improve labour standards, compliance, and administration within Jordan. While there remains room for improvement, there can be no denying that the steps the Government is taking are producing real results – the situation in Jordan is improving quickly, and Jordan is on its way to becoming a model of labour compliance in the region.

The Government of Jordan is committed to seeing these improvements institutionalized – with a competitive apparel manufacturing industry fully compliant with Jordanian and international labour standards, and the effective application of these standards throughout Jordan’s economy. The implementation of the labor strategy and programmes now initiated will firmly establish Jordan as a leader on labour administration for the region and, and as a positive model for other growing economies in the world.





ANNEX

Main Labour Administration & Labour Compliance Reforms and Actions

TIMELINE SUMMARY: **JANUARY 2007 - FEBRUARY 2008**

Since 2006, the Ministry of Labour (MoL) has been working to improve labour administration and labour compliance in Jordan in three phases. Phase I (May 2006-March 2007) included certain immediate actions to address labour compliance problems and the development of an Action Plan to confront the various challenges; Phase II (March 2007-January 2008) focused on the implementation of various Action Plan items; and Phase III, which is currently underway, involves building upon and strengthening progress made thus far in addition to implementing other initiatives. This timeline summary focuses on the steps taken by the Government of Jordan and the MoL since January 2007, during which long-term initiatives were launched. The initial actions taken by the MoL during Phase III are also included in this timeline.

JANUARY 2007

- The legal minimum wage is increased from JD95 to JD110.
- The MoL budget is increased to JD5.6 million for 2007, from JD3.1 million for 2006.
- The formation of the Core Inspection Force (CIF), a highly trained labor inspectorate team, is initiated as a pilot programme and begins to conduct inspections across Jordan.
- The MoL, with the help of the United States Agency for International Development (USAID), secures the assistance of an international social and labour compliance expert to work with the MoL. Two international monitors are also hired to assist this expert.
- The European Union (EU)-funded Institutional Strengthening of the Ministry of Labour of Jordan Project is launched and guides the overall restructuring of the MoL. This program results in the adoption of a final organizational reform plan for the MoL in October.
- Implementation steps are taken on a reform program for vocational education and training systems previously initiated with the assistance of the World Bank and the EU.

FEBRUARY 2007

- Revisions to strengthen the Golden List procedures are initiated. The Golden List was created in June 2006 through a collaborative effort between the MoL and the private sector. A factory needs to fulfill specific compliance criteria in order to be placed on the list.
- An Inter-Ministerial Technical Level Committee is formed comprised of mid-level staff from Labour, Justice, Interior, and Trade Ministries and the

Intelligence Department. It convenes for the first time to investigate factory violations that are outside the scope of the labour code (e.g., physical abuse) at the Cotton Craft factory.

- A comprehensive inspections reform programme to streamline all inspection services in Jordan supported by the International Finance Corporation (IFC) commences activities.
- The Government of Jordan, with the assistance of the International Labour Organization (ILO) decides to study the establishment of an Economic and Social Council. The Council would serve as an independent consultative body to the Government for policy and legislation on social and labour matters.

MARCH 2007

- The MoL publishes a comprehensive Action Plan to improve labour administration and compliance in Jordan. The Action Plan is posted on the MoL's website (www.mol.gov.jo).
- The MoL drafts and sends advisories to other Ministries clarifying legal provisions and procedures related to the apparel sector and guest workers. It also sends new advisories to labor inspectors, updating working procedures and documentation.
- The CIF is formalized as part of the MoL Inspections Department. Between March 30 and December 31, 2007, it completes 97 inspections of enterprises that applied to hire guest workers. In addition, 10 inspections are conducted to verify allegations made by the National Labor Committee of worker rights violations and 18 inspections are made in response to special situations, such as strikes and specific complaints filed with the MoL. The CIF undertook 14 Golden List application assessments during this period.
- The Intensive Inspection Surveillance List (IISL) is formalized and includes the highest risk factories.

The CIF conducts 11 inspections for three factories placed on the list for severe violations. In one case, improvements lead to the factory being removed from the list. In the second case, improvements were made but subsequent problems led the MoL to close the factory. The third factory remains under surveillance.

- The Government of Jordan and the Government of Egypt sign an agreement to regulate the recruitment and status of Egyptian guest workers in Jordan.
- The ILO's Forced Labour and Trafficking in Jordan: A Pilot Programme on the Qualified Industrial Zones Project is launched and scheduled to run through March 2008.
- A delegation from the Spanish Economic and Social Council meets with relevant stakeholders in Jordan. Subsequently, the Government of Jordan, with the assistance of the ILO, develops a draft regulation to establish a similar institution in Jordan.

APRIL 2007

- In line with recommendations from the Inter-Ministerial Technical Committee, the MoL helps six workers file a case in a court of law against three supervisors, who allegedly had physically assaulted these workers.
- Representatives from the ILO regional office in Beirut, Lebanon, meet with social partners and relevant stakeholders to finalize the implementation plan for the ILO's Decent Work Country Programme (DWCP) Jordan.
- A third factory is placed on the IISL. Working conditions initially improve, but continuing problems lead the factory to remain on the list, which makes it subject to on-going inspections.
- The Government of Jordan declares an amnesty period for Egyptian guest workers without correct papers to apply for required documents without legal

penalty or fees. Some 120,000 Egyptian workers are registered between April and June.

MAY 2007

- The Golden List Committee agrees on draft revisions to the Golden List criteria. The Committee submits them to the MoL for the legal review that is required prior to issuing the criteria as a Ministerial Regulation.
- As a result of the assistance provided by the Inter-Ministerial Technical Committee, a court for the first time finds three supervisors guilty of criminal law violations against workers in the apparel industry and sentences them to the payment of a fine.
- A group of 20 inspectors completes a two-week training programme focused on labour compliance issues related to the apparel sector at the ILO Training Centre in Turin, Italy.
- The ILO, in cooperation with the Jordan Garments, Accessories & Textiles Exporters' Association (JGATE), as part of the Forced Labour and Trafficking Project, organizes a workshop for employers to raise awareness on forced labour and trafficking issues.
- The ILO Forced Labour and Trafficking Project commissions a study to review Jordanian legislation relevant to forced labour and trafficking. The study will also include recommendations on possible legislative reforms.
- A proposed ILO/IFC Better Work Jordan Programme is endorsed by the MoL. The project, based upon the successful model initiated for Cambodia's apparel sector, envisages using training and compliance assistance to improve working conditions, worker-management cooperation, productivity and quality, as well as establishing transparent ILO monitoring and public reporting for Jordan's industry.
- A draft implementation plan for the DWCP Jordan is developed. The Regional Director of the ILO visits

Jordan to discuss the plan with the Minister of Labour and the Prime Minister.

- Representatives of employers and unions and the Minister of Labour sign a formal joint declaration indicating their intent to establish a Tripartite Advisory Committee on Labour Affairs.
- Between May and June, the MoL, with the assistance of the ILO and the National Centre for Human Rights (NCHR), develops a one-week training course for inspectors.
- The National Training Centre for Labour Inspectors is established in the capital, Amman, with the assistance of the ILO.

JUNE 2007

- The MoL publishes the first update on the Action Plan, outlining the progress made in implementing the strategy to improve labour administration and compliance in Jordan. The MoL also publishes the first report on inspection actions taken by the MoL in addressing labour compliance problems at particular factories. Both documents are also posted on MoL's website.
- During June and July all inspectors complete a one-week course taught by judges, MoL staff and international experts, focused on improving the quality and uniformity of inspection procedures and inspection reporting.

JULY 2007

- The MoL develops a protocol to regularize guest workers in the QIZs without valid papers. Over 6,000 guest workers are identified and provided with temporary identification cards in August, which allow them to move freely in and out of the QIZs.

- The MoL, in cooperation with other governmental agencies, organizes a verification campaign to authenticate the documentation of guest workers outside of QIZs. The campaign lasts from mid-July to mid-September. Over 5,500 guest workers without required documentation are detained; most of them are repatriated, and some are released based on humanitarian reasons.
- The ILO, together with the MoL, finalizes the work plan for the Forced Labour and Trafficking Project.
- As part of the DWCP Jordan, a high level tripartite meeting, including the Prime Minister, is held to consider the development of a comprehensive employment policy.
- The National Company for Employment and Training (NET) is established with a mandate to train Jordanians for work in the construction sector.

- The Ministry of Interior establishes an inter-ministerial committee to develop a law to combat human trafficking.

AUGUST 2007

- An interim manager begins to work on the development of the necessary operating procedures and requirements for the National Centre for Labour Inspectors.
- With the involvement of Jordanian stakeholders and interested donors, a national strategy and reform plan for vocational and technical education is developed and adopted by the Employment-Technical and Vocational Educational Training (E-TVET) Council.
- The required legal instruments to establish the new Human Resource Development Council and new E-TVET Council are developed with assistance from the World Bank and the EU, and are adopted by the Cabinet.

SEPTEMBER 2007

- The evaluations of newly trained inspectors are completed and indicate improvements in the professional capacity of inspectors to both enforce the law and provide compliance advice to employers.
- The MoL upgrades the Inter-Ministerial Technical Committee, making it a permanent committee with higher-level membership.
- The study commissioned by the ILO Forced Labour and Trafficking Project to identify Jordanian legislation relevant to forced labour and trafficking is finalized.
- The first 30 candidates are enrolled in the vocational training programme for logistics in the city of Mafraq, under an initiative established by the MoL, in collaboration with the Vocational Training Corporation, the German-Jordanian University and in partnership with Aramex, an international logistics company.
- The Prime Minister formally approves the establishment of the National Tripartite Advisory Committee on Labour Affairs and the MoL appoints a secretary to help in preparations for the first meeting.

OCTOBER 2007

- The MoL publishes the second report on inspection actions taken by the MoL in addressing labour compliance problems at particular factories. The report is available on the MoL's website.
- The Cabinet adopts a draft regulation to formally establish the Economic and Social Council.
- Five additional regional employment offices complete computerization upgrades. Eighteen of 21 offices country-wide now have the ability to link job seekers to potential employers as well as issue permits for guest workers.

NOVEMBER 2007

- Thirty out of the first 32 graduates from the USAID-funded Siyaha Project, a vocational training program for the hotel and tourism industry, accept jobs in the hotel and tourism industry.
- From 13-15 November, IFP Jordan, a private company organizing fairs, organizes the Jordan Job Fair and Training Expo, in cooperation with the MoL and

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other partners and sponsors, including USAID. The job fair attracts approximately 15,000 job seekers, with approximately 100 companies and training entities participating.

- The EU finalizes its pre-feasibility study for overall reform of the vocational education and training systems in Jordan. Funding is proposed at €40 million with activities suggested to start in 2009.

DECEMBER 2007

- The MoL publishes the second update on the Action Plan. It outlines the progress made in implementing the comprehensive strategy to improve labour administration and compliance in Jordan. The update is available on the MoL's website.
- The MoL publishes the third and fourth report on inspection issues. They describe actions taken by the MoL in addressing labour compliance problems in particular factories. The reports are available on the MoL's website.
- The IFC undertakes an evaluation of the Labour Inspectorate, and makes recommendations for implementing a new structure and administrative processes within the Labour Inspectorate.
- The World Bank finalizes formal preparations for implementation of three components of the overall reform program for the vocational education and training systems in Jordan: the Vocational Training Corporation, the Technical and Vocational Training Fund, and the E-TVET Council. Funding is proposed to be JD9 million.
- The Canadian International Development Agency (CIDA) agrees to assist with the establishment of a new Training and Employment Fund (TEF) based on a demand-driven funding mechanism geared towards the skills upgrading of in-service employees

and providing prospective employees with relevant pre-service training. Funding is proposed to be JD2 million.

JANUARY 2008

- With assistance from the EU and advice from the ILO, the MoL's organizational structure is reformed from 14 to five departments to help streamline its operations and increase its efficiency. The new structure includes a new Department for Migrant Workers.
- In collaboration with the ILO, the MoL begins final preparation for a two-month training course for all inspectors that is scheduled to begin in March 2008.
- The MoL, with the help of USAID, secures the continued assistance, which commenced in January 2007, of an international social and labour compliance expert to assist the MoL in implementing reforms scheduled for 2008. Two international monitors will continue to assist this expert.
- The first group of individuals starts their training in construction skills through the NET.

FEBRUARY 2008

- The Better Work Jordan Project is launched.
- Workshops on forced labour and trafficking for judiciary and government officials take place under the ILO Forced Labour and Trafficking Project.
- A tripartite seminar on the issues related to the development of a national occupational health and safety strategy held in Amman. The seminar is organized by the ILO Training Centre in Italy.



