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▶ Industrial relations in the ready-made garment sector in Jordan



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- ▶ **Industrial relations
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► List of abbreviations

AMC	Agreement Management Committee
AOFWG	Association of Owners of Factories, Workshops and Garments
BOESL	Bangladesh Overseas Employment and Services Limited
BWJ	Better Work Jordan
CBA	Collective Bargaining Agreement
EU	European Union
FAIR II	Integrated Programme on Fair Recruitment (Phase II)
FGDs	Focus Group Discussions
FOA and CB	Freedom of Association and Collective Bargaining
GCC	Gulf Cooperation Council
GFJTU	General Federation of Jordanian Trade Unions
IE	Industrial Engineering
JCI	Jordanian Chamber of Industry
JGATE	Jordan Garments, Accessories and Textiles Exporters' Association
JLL8	Jordanian Labour Law No. 8 of 1996
JTGCU	General Trade Union of Workers in Textile, Garment and Clothing Industries
JUSTFA	Jordan–United States Free Trade Agreement
MFA	Multi-Fibre Agreement, 2005
QIZ(s)	Qualifying Industrial Zone(s)
SLCP	Social and Labour Convergence Programme
SMEs	Small and Medium Enterprises
TSIR	Transitional Stage of Industrial Relations
ULC	Union Labour Committee
UWC	Unified Work Contract
WIF	Work in Freedom

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The report was authored by Babu Matthew, Mohan Mani, and Kavya Bharadkar, of the Centre for Labour Studies, National Law School of India University. The research was reviewed and edited by Gaëla Roudy Fraser (FUNDAMENTALS, Geneva), Igor Bosc (FUNDAMENTALS, ROAS, Beirut), Suha Labadi (FUNDAMENTALS, WIF and FAIR programme, ILO Jordan), and Suneetha Eluri (FUNDAMENTALS, WIF programme, ILO Jordan). Special thanks for their extensive collaboration to Ambra Migliore (INWORK, Geneva), Arianna Rossi (BETTERWORK, Geneva) and Claire Sleight (BETTERWORK, Jordan).

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► Foreword

Industrial relations are central to the world of work, adding grit or grease to the gears of production across all industrial sectors and locations. The peaceful resolution of labour disputes underpins decent work and sustainable development, and conversely, unresolved social tension disturbs the realisation of sustainable business and decent work.

The garment sector today in Jordan counts some fourteen Qualified Industrial Zones in which factories employ over 75,000 workers. The exponential growth of the sector was prompted by the interest of several American garment brands in outsourcing production to Jordan, and the signature, in October 2000, of a free trade agreement by the Government of Jordan and the United States, facilitating the garment export business between the two countries.

The garment export industry went from formally employing a few hundred workers in 2001 to having over 10,000 workers in 2004. While some Jordanian workers were hired, employers began recruiting increasing numbers of migrant workers from Asia,¹ a practice that was already common in other industries.

By 2006, reports of abuses of migrants working in the sector² lead to the establishment of a dedicated programme by the International Labour Organization (ILO) in 2008, Better Work Jordan, to address those issues and promote decent work in the sector. The Government took other important decisions to prevent trafficking in persons, such as prohibiting recruitment to the garment sector by private agencies in Jordan. This paved the way for cooperation with public recruitment agencies in some countries of

origin, such as Sri Lanka and Bangladesh.³ With these developments, the recruitment of women increased, especially of women from Bangladesh, which quickly became one of the top contributors to the garment sector workforce in Jordan.

Another significant development, was, in 2009, the increase of the legal minimum wage by 36 per cent to 150 Jordanian dinars (212 US dollars). However, this increase excluded workers in the garment sector, for whom the legal minimum wage remained at 110 dinars (155 US dollars).⁴ In 2010, Better Work reported issues in relation to compliance with occupational safety and health standards, dormitory conditions, excessive working hours, freedom of association restrictions and concerns related to enforced night curfews.⁵ The minimum wage was raised to JD190 in 2012, but migrant workers in Jordan were excluded from the increase.

The sector continued to grow from 43,000 workers in 2010 to 60,000 workers in 2014. As the industry kept growing, employers sought to further diversify the nationality and gender of workers they recruited. As of 2015, the recruitment of male workers from India and both male and female workers from Nepal⁶ increased thus altering the nationality and gender composition of the workforce in many factories and modifying labour and social relations among workers of different nationalities and genders. In 2016, in response to the massive influx of Syrian refugees into Jordan, the European Union (EU) simplified its trade rules with Jordanian exporters to the EU to incentivize the employment of Syrian workers in the sector and their inclusion in the Jordanian labour market.⁷

1 This is especially true of Sri Lanka and India.

2 In May 2006, the National Labour Committee produced a report titled "Jordan Free Trade agreement descends into human trafficking and involuntary servitude", documenting incidents of sexual assault, physical abuse, excessive work hours and human trafficking.

3 The Bangladesh Oversea Employment Services Limited (BOESL) and Sri Lanka Bureau of Foreign Employment (SLBFE).

4 The exclusion of workers in the garment sector was first reported in the BWJ First Compliance Synthesis Report. The cash wage has now been increased to 125 dinars (176 US dollars).

5 First BWJ Compliance Synthesis Report 2010.

6 In April 2015, a devastating earthquake prompted outmigration from Nepal.

7 In 2019, the total number of Syrian workers in the factories registered to export to the EU was 409, of which 55 per cent were women (four garment factories and four non-garment factories). Jennifer Gordon, ILO Employment Working Paper (No.256), 2019.

With the diversification of the workforce and growing corporate interest in promoting fair recruitment practices in international supply chains,⁸ the ILO has given increasing attention to recruitment practices from several countries including Bangladesh (Rashid and Watson 2017), Nepal (ILO 2019), and India (Fishman and Verma 2020). The impact assessment of the ILO fair recruitment pilot implemented from Nepal to Jordan showed that while fair recruitment had positive outcomes on workers' self-assurance and wellbeing and on their performance at work, these benefits could be undermined in the long-term by poor working conditions.⁹ The reviews collectively found that improvements in living and working conditions would be needed to sustain positive outcomes resulting from operational improvements in recruitment practices from Bangladesh and Nepal.

With the support of Better Work Jordan (BWJ); national stakeholders negotiated and signed four sectoral collective bargaining agreements since 2013, covering more than 75,000 workers.

In 2016, the United States Department of Labour (USDOL) removed Jordan-produced garments from the Trafficking Victims Protection Reauthorization Act (TVPRA) list.

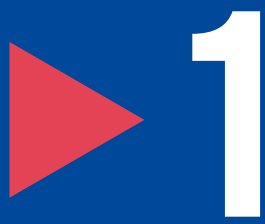
This study aims to shed light on the status of industrial relations in Jordan's garment manufacturing sector. It also seeks to inform forward looking efforts led by constituents and other stakeholders towards the continued establishment of a robust, sustainable system for addressing decent work deficits, and improving working and living conditions in the sector through social dialogue and respect for fundamental principles and rights at work.

Philippe Vanhuynegem

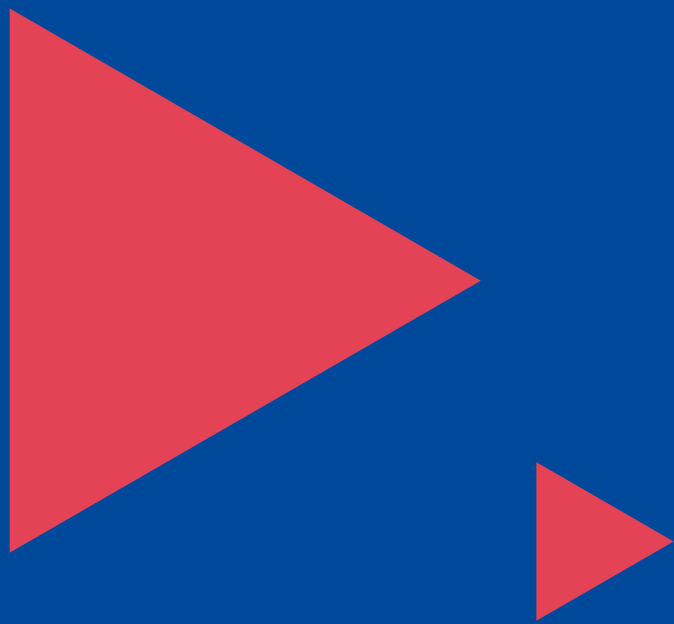
Chief,
Fundamentals Principles and Rights
at Work Branch (FUNDAMENTALS)
Governance and Tripartism Department
(GOVERNANCE)
ILO

8 World Employment Confederation, 2019. Defining the Business Case: Ethical Recruitment.

9 ILO 2019. [The Benefits of Fair Recruitment](#).



Background



1.1. The Jordanian economy and labour force

Jordan is classified as a middle-income country with a per capita income of US\$ 4,282 and a per capita gross domestic product (GDP) in purchasing power capacity terms of US\$ 10,355, ranking 142 at the global level for the year 2020. (World Bank 2020b) The United Nations Development Programme's 2020 Human Development Report gave the country a Human Development Index score of 0.729, with a ranking of 102 among 192 countries.

Despite being categorized a middle-income country, Jordan is plagued with high levels of unemployment. The country has a population of 10 million, of which two thirds are Jordanian nationals. There are 350,000 registered non-Jordanian workers, consisting mainly of migrants from Egypt, Syria and Bangladesh.¹⁰ The country had an estimated unemployment rate of 18.3 per cent in 2018 (ILO Regional Office for Arab States 2020), and government statistics revealed that this increased to 22 per cent in 2021.¹¹ One reason for this is possibly the influx of refugees, which perhaps puts pressure on the economy and employment situation. Besides, the country has a relatively low level of industry, with industrial employment contributing to only 10 per cent of total employment. Much of the employment is in services, with government services, trade and education – the largest employers – together contributing to more than 50 per cent of total employment. (The Economic Policy Council, n.d.)

Despite high unemployment rates, the country continues to have few women in the labour force. In 2019, women's participation was around 13.4 per cent, compared to around 61.2 per cent for men (World Bank 2020a). The figures for 2020 show a small increase in the participation rate, rising to 13.5 per cent for women and 60.8 per cent for men.¹² This low female participation contradicts a number of other social indicators for women with respect to health, education and egalitarian rights (Boustati 2020). Some reasons

for this low participation might be structural deficiencies, such as unequal access and rights under Jordanian laws and policies; a lack of adequate safe public transport and childcare support; and social norms restricting women's participation in labour (Hazar and Isadora 2020). Article 72 of the Labour Law stipulated that if the company/firm had employees with 15 or more children under the age of five years, the employer should have to provide crèche facilities. Before the recent amendments to the Labour Law, these facilities were offered only to children of married women employees, and employers used to get around this stipulation by employing fewer married women.

Unemployment among women, thus, remains high at 26.8 per cent in 2018 (ILO Regional Office for Arab States 2020), and the figure is 26.4 per cent as per 2020–21 statistics.¹³ High unemployment levels in the country and declining opportunities within the Gulf Cooperation Council (GCC) countries faced with their own economic downturns could make women's waged labour and earnings critical to many families. In this context, the apparel sector provides an important opportunity for the expansion of women's employment. The sector is very significant in the Jordanian economy, contributing to 22 per cent of export earnings (Better Work Jordan 2021). It employs an estimated 70,000 workers, most of them women, and has the potential to add another 30,000-plus jobs with an additional export potential of half a billion US dollars (ILO Regional Office for Arab States 2020).

The Jordanian garment export sector was set up with the signing of the Qualifying Industrial Zone Agreement in 1996; the agreement allowed products with a specified amount of Israeli content to enter the United States duty-free if manufactured in the West Bank and Gaza, and other qualified industrial zones (QIZs) in Jordan and Egypt. Currently, a large proportion of garment exports from Jordan go to the United States under the Jordan–United States Free Trade

10 According to the latest figures of the Ministry of Labour, Government of Jordan, the figure for the total number of migrants in 2020 is 221,833 (figure provided by ILO Jordan). This 36 per cent decline in the number of migrants was due to the COVID-19 pandemic given that many workers either left the country or became undocumented. However, what remains significant is the large proportion of migrant population.

11 See Table 2.8 in the *Employment and Unemployment Survey 2021*.

12 See Table 2.8 in the *Employment and Unemployment Survey 2021*.

13 See Table 2.8 in the *Employment and Unemployment Survey 2021*.

Agreement (JUSFTA). In 2016, the EU–Jordan Relaxed Rules of Origin Agreement, which is linked to the employment of Syrian workers in the production of goods, came into force, facilitating access to the European market.¹⁴

The Free Trade Agreement was critical to locating the garment industry in Jordan, given that the country lacked raw materials, a trained workforce in the sector and a large internal market for garments. Around three fourths of those employed in the sector are migrant workers, drawn primarily from countries in South Asia. Around half the fabric used is sourced from China, adding to production costs. Without the preferential market access, the sector would not be competitive.

The coronavirus pandemic (COVID-19) could have a significant impact on industry and employment practices in the region, including on the hiring of women. It could put pressure on supply chains and force industry to examine alternative sourcing routes to reduce the possibility of supply disruptions. There could also be stress on patterns of migrant workforce employment. These things can, in turn, put pressure on bottom lines and bring the viability of the industry into question. However, given the geopolitical significance of the region, it is likely the garment sector will continue to benefit from market access support and will continue to have importance. The Jordan 2025 vision document seeks to reduce the unemployment rate, bringing it down to 8 per cent by 2025; the garment sector will be an important contributor if this objective, especially as far as the employment of women is concerned, must be met (ILO Regional Office for Arab States 2020).

We have, so far, briefly laid out the context for the present study. Now, we will examine the current industrial relations in Jordan, with a special focus on the garment sector and migrant employment. The next section is an overview of the project set-up.

1.2. Studying industrial relations in Jordan

The present study was commissioned by the International Labour Organization (ILO). The terms of reference (TOR) sought “a diagnostic

assessment on working conditions and industrial relations in the Jordanian garment sector in order to enhance the knowledge and capacity of national stakeholders about decent work challenges, as well as inform strategies to address them.”

Following from the TOR and discussions with ILO representatives, this study focuses on:

- ▶ An analysis of industrial relations in the Jordanian export garment sector, focusing on “work deficits having an impact on the working conditions of both Jordanian and migrant workers”;
- ▶ Understanding the effectiveness of freedom of association and collective bargaining in the sector in the context of the Jordanian legal framework; and
- ▶ Suggesting recommendations from stakeholder perspectives for improved industrial relations and working conditions.

The findings of this study will be used to orient the current and future work of technical cooperation interventions in the country as well as of ILO specialists called upon to provide technical support in the realm of industrial relations.

One immediate objective of the study is to understand the capacity-building needs of ILO constituents – employers, trade union representatives and the Ministry of Labour – to engage in processes of fruitful dialogue and identify the most adequate target group(s) so that the impact of training activities to be conducted on different industrial relations’ topics can be maximized accordingly.

1.2.1. Coverage

The study seeks to understand the situation from various stakeholder perspectives and discuss the possibilities for long-term stability and growth of the Jordanian garment industry. The stakeholders are: garment workers, including local and migrant workers and Syrian refugees; trade unions representing worker interests; employers’ representatives; Jordanian labour department officials; brand

¹⁴ As per data quoted in the ILO Regional Office for Arab States (2020) report, 49 per cent of fabrics (knitted or crocheted) in 2018 were sourced from China; 87 per cent of the total export is sent to the USA.

representatives; representatives of the ILO, including subject matter experts, representatives of the Better Work Jordan Programme (BWJ), the Work in Freedom Programme (WIF II); the Integrated Programme on Fair Recruitment (FAIR II), consultants and various civil society representatives. Garment workers were interviewed as part of focus group discussions (FGDs) and other stakeholder representatives during individual or group interviews. See Annexure 1 for a detailed list of the FGDs. The study combines primary interactions with the examination and analysis of secondary source material.

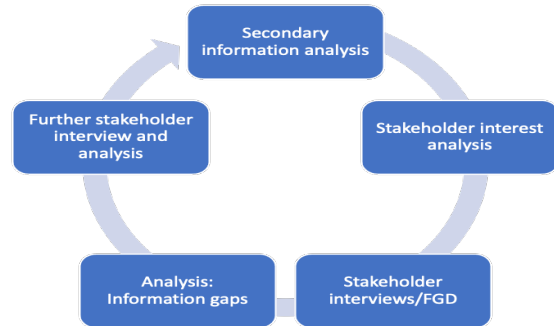
1.2.2. Methodology

A multidisciplinary team runs this project, combining professional skills and experience in labour law and administrative law, trade union practice, business management and the global garment supply chain, migration practices and policy analysis. Our team was able to bring these different skills to focus on different aspects of stakeholder concerns.

The study design followed a dialectic approach: we established a baseline of legal agreements and ground practice from secondary data reports and explored whether worker experiences and stakeholder actions provide evidence conforming to legal mandate and ground practice. Through the study, we therefore sought to gauge stakeholder interests and synergize growth and stability in the garment export sector in Jordan.

The study is primarily guided by a qualitative research methodology backed by secondary information from various sources. It follows an iterative process with reviews of secondary information leading to preliminary stakeholder interest analysis and the design and conduct of stakeholder interviews/FGDs; a preliminary analysis of stakeholder interviews to identify information gaps; and therefore establishes the need to seek out further secondary information and experts/stakeholder groups for interviews.

► Figure 1. The research process



Source: Authors' analysis.

Figure 1.1 outlines this iterative process. Stakeholder interactions were conducted using open-ended discussion schedules. The interaction process was supported and helped by the ILO group in Jordan along with the FAIR II and the WiF II projects (ILO group). The group also helped the study team with a preliminary baseline analysis of the industry and the sourcing of secondary resource materials.

The baseline study analysed the industry, employment patterns and conditions at work, the regulatory framework and the structure of tripartite engagement in the industry. Source material studied included the Better Work Jordan Annual Report for 2021; the Al Hassan Workers' Centre Report (internal document), Jordanian Labour Law No. 8, Social Security Law 2014, and the collective bargaining agreements (CBAs) of 2013, 2015, 2017 and 2019, along with several other ILO reports and scholarly studies on the garment export sector in Jordan.¹⁵ The study also examined various brand compliance codes with respect to migrant workers in the garment sector. Secondary material from the ILO Legal Database on Industrial Relations (IRLex) database was also used.

The list of stakeholders identified included:

- ILO experts, including representatives of BWJ and several subject matter experts;
- Manufacturer representatives, including manufacture associations;
- Brand representatives;

¹⁵ The study also consulted the ILO-Tufts University assessment report on the impact of the fair recruitment pilot in the Nepal-Jordan corridor. (The Benefits of Fair Recruitment – Result of the impact study on the Nepal-Jordan corridor/ILO, Fundamental Principles and Rights at Work Branch (FUNDAMENTALS), Labour Migration Branch (MIGRANT), Geneva: ILO, 2019)

- ▶ The General Federation of Jordanian Trade Unions (GFJTU) and sectoral trade union representatives;
- ▶ Labour department representatives (Labour Relations, Legal Affairs and Labour Inspection);
- ▶ Civil society representatives, including former ILO staff, Labour Department experts and ILO consultants; and
- ▶ Groups of workers (migrant workers, Syrian refugee workers and local workers).

1.2.3. Interviews and FGDs

Given the situation of the COVID-19 pandemic and restrictions on travel, all interviews were carried out virtually. The ILO group provided contacts and arranged virtual meetings for the interviews and even interpreters where necessary. The interviews were recorded whenever interviewees gave their consent, and these recordings were passed on to the project team for their reference.

Detailed interviews were held with representatives of stakeholder groups, who were identified with the help of the ILO group, and FGDs were held with workers' groups. The decision to maximize responses using discussions was taken in consultation with facilitators from the Workers' Centre; we believed that workers were more likely to speak up over the virtual medium while in a group rather than individually.

The interviews and FGDs were spread over a period of more than five months;¹⁶ the first of interactions was held with ILO representatives to clarify the TOR and the focus of the study in June 2021, and the process continued till the first week of November 2021.

Individual interviews were designed to last one hour, but none of the interviewees were interrupted because of time constraints. FGDs were designed to take an hour and a half. Many interviews and most FGDs (except those in Hindi) required the help of an interpreter; this ate into the allotted time, and there was occasionally some translation-related confusion.

In the FGDs, we typically brought together five to eight workers from the same country after ensuring that they all spoke the same language/s. The discussions were held at the Al Hassan Workers' Centre, and one took place at a QIZ with the participating workers sitting around a computer monitor. A round of introductions helped ease the conversation. The sole woman member of the project team led the discussions with women workers in order to decrease the gap in perceived hierarchy. This member came with substantial research experience in conducting interviews and FGDs with migrant worker groups in India. The presence of the Workers' Centre members was critical to the opening up of discussions.

Table 1 shows the list of stakeholders/ stakeholder groups with whom interviews and FGDs were held. Annexure 1 provides a detailed list of the FGDs conducted.

▶ **Table 1. Primary research among stakeholders**

Stakeholder group	Number of interviews/FGDs
ILO representatives	8
Trade unions	4
Brand representatives	5
Manufacturers and their representative	9
Civil society and consultants	7
Labour Department	1
Migrant worker FGDs	8
Jordanian worker FGDs	2
Syrian worker FGDs	1
Total interviews/FGDs	45

Source: Author's data, elaborated in Annexure 1.

1.2.4. Phasing of the study

The interviews were held in phases with the different stakeholder groups. The first group included various ILO experts (including former ILO employees) who gave us a broad understanding of the employment relations in the region, the garment industry in Jordan and the roles of various stakeholders. This was

¹⁶ All the interviews and FGDs were conducted by members of the project team. This eliminated potential communication gaps between data collection, analysis and report writing.

followed by discussions with the GFJTU and the garment trade union, brands, employers and their representatives, and Labour Department representatives – together, they described the tripartite structure of the industry. Meetings with representatives of civil society organizations were conducted next to gain an outsider perspective.

Open-ended and semi-structured interview schedules were prepared for the different stakeholder groups. The broad issues addressed included the following.

For individual interviews:

- The background of the garment sector in Jordan: the industry and the garment export sector;
- Employment in the garment export sector: migrant and local workers;
- Recruitment practices;
- Regulation of employment: the overall legal regime, employment regulation including the “sponsorship” system, earnings regulation, dispute resolution and social security;
- Freedom of association and collective bargaining rights; collective bargaining agreements;
- Workplace issues: productivity demands and workplace harassment, workplace rights and regulation, and the monitoring of workplace rights;
- Brand expectations and responsibilities;
- The impact of COVID-19 on the garment sector: short-term effects and long-term projections; and
- The Jordanian state and the garment export sector.

For the FGDs:

- Recruitment practices;
- Workplace issues;
- Workers’ expectations and their reality in Jordan; and
- Future plans, including impact of COVID-19.

Each phase of stakeholder interviews helped develop a clearer understanding of the industry, allowing better clarity and focus for the next phase of interviews. After each set of interviews, the core team of researchers reflected on the data that emerged and thought about the new questions that could be raised in subsequent interviews. The interviews also helped identify other stakeholders to be interviewed.

1.2.5. Analysis of primary and secondary data and report writing

The expert interviews gave the authors a holistic picture of the garment export sector, in terms of both its structure and practices. They helped the authors understand the patterns that emerged from the secondary data analysis, at times underscoring differences in perceptions. For instance, while secondary and interview data suggested the local workforce was not interested in the sector, the FGDs with local workers and with Syrian refugees painted a different picture. Similarly, while the factory managers we interviewed maintained that workers were fully informed of the issues they could expect at work in Jordan, a majority of the migrant workers said the reality they faced was very different from the mental picture they had while first joining work.

The report writing process was started three months into the study, with the collation of interview notes and content analysis. The process of report writing brought some research gaps to the fore that required either secondary data research or more expert group interviews.

The authors are grateful to the ILO FAIR II and WIF II group for their constant help throughout the process. They helped understand the sector, access data and identify interviewees.

1.2.6. Limitations of the study

The original study design envisaged a team of consultants from the Centre for Labour Studies visiting Jordan to hold extensive discussions, spread over two weeks, with various stakeholder groups. Because of the restrictions on travel during the pandemic, however, the discussion had to eventually take place virtually mode. This change in methodology impacted the study, and the resulting limitations are discussed here.

The absence of direct, face-to-face interaction meant that the discussions had to be mediated through communication channels, which

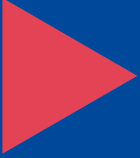
were not always stable. The requirement for translation added to the difficulty. The impersonal nature of Zoom conversations placed restrictions on the consultants' ability to build a close rapport with interviewees. Translation and rapport building were particularly critical to workers' FGDs. In the absence of visits to their factories and the QIZs, the consultants had to picture the workers' physical surroundings, including factory and dormitory situations, by relying on descriptions and pictures shared by the workers. A free ranging discussion on factory shop floors with managers, supervisors and workers might have given us a different and more nuanced understanding.

There was one positive outcome from the change in methodology due to COVID-19, though. The

time frame for the study was liberalized; the extra study time and interactions helped the project team develop a deeper understanding of the sector and its issues.

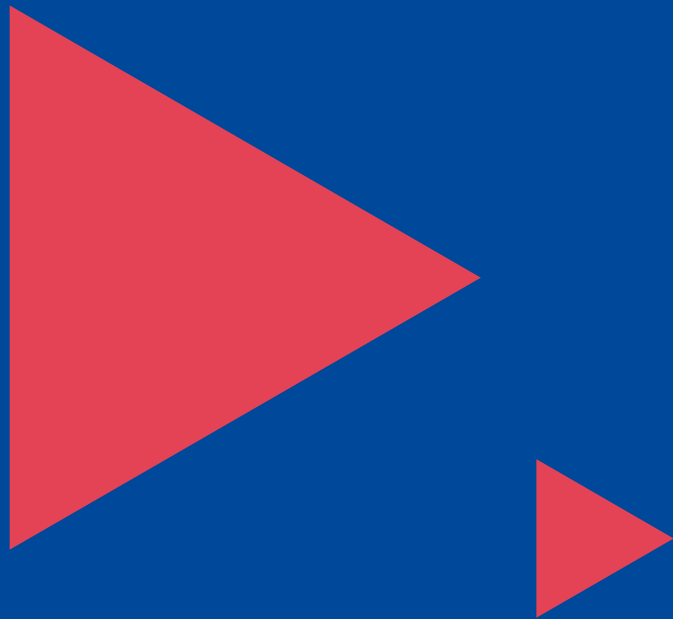
1.3. The structure of the paper

In the chapters that follow, there will be a discussion of the structure of the garment sector; the legal framework and its impact on stakeholders, including major issues of disagreement in employment relations – for migrants, Syrian refugees and local employees in the sector; and the stakeholder views in the sector. The final chapter seeks to give some suggestions for promoting sustainable industrial relations in the garment industry in Jordan.



2

Structure of manufacturing in the Jordanian garment sector



The export garment industry in Jordan can be grouped into three categories: the largest ones that directly sell to brands and are located in the QIZs; smaller subcontracting factories that produce for Israel, the West Bank and some GCC countries; and those that produce for large export companies on demand. The satellite units affiliated to the large companies are located outside the industrial zones in rural areas. They employ Jordanian women workers and are used to fulfil the local employment quotas.

All exporters seeking to access the markets in the US and Israel have to be registered with the Better Work Jordan (BWJ) programme. As of December 2020, there were 42 garment factories, 21 satellite units of large companies and 21 subcontractors, totalling 84 garment factories, registered with BWJ. According to BWJ, these cover nearly 95 per cent of all the garment-sector workers in Jordan as the majority of these workers are employed in factories engaged in exports to the US, and therefore in factories registered with it (BWJ 2021). While this registration ensures some degree of regulation and better working conditions in the exporting factories, there are still reported cases of violations.

Production in the garment export industry is dominated by a few large garment manufacturers. According to Mr Sanal Kumar, the chairman of Classic Fashions, the 10 biggest companies contribute to most of the export production and turnover. He claimed that these companies were fully compliant with all labour laws, and most of the violations were from a few smaller sub-contractors/exporting units.

► Box 1. Concentration of ownership

The ready-made garment export sector in Jordan is characterized by a high concentration of manufacturing capacity ownership. Classic Fashions, the largest producer of ready-made garments in Jordan, has around 27,000 workers, including 21,000 migrant workers working in 14 factories within the Al Hassan QIZ and 1 in ASEZA Aqaba, and 6,000 Jordanian workers in 8 satellite factories. With a turnover of US\$806 million,¹⁷ the company contributed to nearly 40 per cent of garment exports, and over a third of employment in the sector in Jordan in 2021. Other large companies employ between 1,000 to 3,000 workers in factories within the QIZs and satellite units. Many of these factories have been set up by non-Jordanian entrepreneurs.

We see another form of the concentration of production practiced by a prominent brand in Jordan. The brand sources from three manufacturing locations exclusively set up for its requirements by Chinese and Malaysian entrepreneurs, operating to the brand's global compliance standards. The three production units together employ 3,000 workers.

In addition, there are factories manufacturing for the local market, which are known as small and medium enterprises (SMEs) and microenterprises. There are estimated 150 SMEs and 1,000 microenterprises in Jordan, mostly owned by Jordanians. (ILO Regional Office for Arab States 2020) These are not registered with the BWJ.

2.1. The workforce in the garment sector

It is difficult to get reliable estimates of workforce numbers in the garment sector, other than in relation to the exports part of it, in Jordan. In 2018, estimates of employment in the whole garment sector varied from 73,000 workers, according to the Jordanian Chamber of Industry, to 77,000 workers, an estimate

¹⁷ The turnover cited for the last year was reported by Mr Sanal Kumar in discussions with the study team.

given by the Centre for Promotion of Imports from Developing Countries.¹⁸ The export sector alone, BWJ suggests, employed around 68,300 workers in 2018.¹⁹ From these numbers, we estimate that SMEs and microenterprises of garment manufacturing had anywhere between 5,000 and 9,000 workers in 2018. Evidently, small manufacturers account for only around 10 per cent of the total garment sector employment; we can therefore expect that the focus of policy will primarily be on the export garment sector. Further, employment in the sector has been considerably impacted during the coronavirus disease (COVID-19) pandemic.

Nearly three fourths of the migrant workers in Jordan are from South Asia. They are employed mainly in factories within the QIZs and form the backbone of garment exports. The composition of these workers is roughly as follows. About 45 per cent of them, consisting of mostly women, are from Bangladesh; 24 per cent are Jordanian locals, with the majority being women; 14 per cent are Indian and mostly men; 9 per cent, which includes an equal number of men and women, are Sri Lankan; 4 per cent are from Nepal and 2 per cent are from Myanmar, with mostly women workers too (BWJ 2021). There are also a small proportion of workers from Syria, Madagascar, Pakistan and China.

A large proportion of Jordanian workers in the export sector are employed in satellite garment factories in rural areas. SMEs manufacturing for local Jordanian markets primarily employs local workers.

In the export sector, the employee cost is around 20 per cent of the production value.²⁰ This figure is comparable to the garment manufacturing in South Asia. The employee cost proportion of the production output in the sector in Jordan declined from 2014 to 2017, suggesting that

efficiency and profitability had improved in the sector (ILO Regional Office for Arab States 2020). However, as discussed later in this paper, the lack of skill standardization, low skill levels and the limited tenures of migrant workers might place a limit on productivity gains through improved technology and processes.

Migrant workers in Jordan are typically employed for a three-year period and have to return to their origin countries when their contract expires, but the employer has the right to extend the contract on a yearly basis. The restricted tenure ensures a constant supply of migrants for the employers, typically through the mediation of recruitment agents.

The recruitment of workers, therefore, is an important component of the supply chain for the export garment industry in Jordan. There are laws in place to regulate recruitment, through which the government hopes to prevent the trafficking of workers; the Collective Bargaining Agreement (CBA) 2019, for instance, prohibits the charging of recruitment fees from migrant workers. Several international brands sourcing from Jordan also have their own stringent regulations on the recruitment of the migrant workforce. However, there is no uniformity in the manner in which factories interpret these restrictions; there are also variations in the regulations pertaining to the recruitment of workers based on their countries of origin. As a consequence of this lack of uniformity in regulations, there have been several complaints around the difficulties faced by the migrants.

2.2. The sponsorship (*kafala*) system and tied work

All Jordan-based migrant workers from South Asian countries, including those in the garment sector, are employed under the sponsorship

18 The STED Report by the ILO Regional Office for Arab States (2020) quotes the Centre for Promotion of Imports from Developing Countries, which estimates that there are 77,000 garment workers employed in 1,300 garment manufacturing enterprises, of which 85 are large factories, 150 are SMEs and 1,000 are microenterprises; and the Jordanian Chamber of Industry estimates 73,148 workers.

19 BWJ (2021) estimated that 68,300 workers were employed in the garment export sector in early 2019. BWJ (2019, 10) was cited in Skill for Trade and Economic Diversification (STED) in the Garment and Leather Manufacturing Sector in Jordan (ILO 2020, 1). The STED Report states: "Better Work Jordan (BWJ) estimates that the exporting garment industry alone employs 51,500 migrant workers, accounting for 75 percent of total employment in the garment industry that reached 68,300 workers in January 2019."

20 This data was shared by the Department of Statistics Jordan, as quoted in ILO Regional Office for Arab States (2020). As per the data, the employee cost for woven apparel in proportion to production declined from 25 per cent in 2014 to 22 per cent in 2017; for knitted and crocheted apparel from 35 per cent to 17 per cent in the same period. We estimate that the employee cost should average around 20 per cent across all types of garments. A rough calculation based on total employment in garment exports in 2021 suggests that 66,000 workers, with a wage of 220 Jordanian dinars, and with a yearly garments export turnover of US\$1.6 billion gives a wage cost of around 16 per cent of the production value. On including overtime costs, this number should also be close to 20 per cent.

system. This means that a migrant worker is allowed to come to Jordan only on a work permit that effectively ties the worker to the employer sponsoring the permit. One sector providing ready employment is the garment industry. After coming to Jordan, a worker is not legally allowed to change their employment status to another employer or sector of employment without the approval from their current employer; the Ministry of Labour too has to approve the transfer. Therefore, even though the minimum wage in the garment sector, 220 Jordanian dinars, is more than 18 per cent lower than for other sectors of employment, a worker is not allowed to change their employment status. The sponsorship also forces them to return to their origin country at the end of the contract unless their employer agrees to extend the work contract.

Even though the Jordanian law does not force the worker to stay in the dormitories provided by the employer, the contract could, and often does, mandate this arrangement. The CBA clearly stipulates that “in-kind wage” is part of the total wage for all migrant workers (Article 6 Clause D). CBA 2019 fixes the deductions from wages for all workers residing in a factory-run dormitory, and it is applicable to those in the garment industry too.

Further, work and residency permits are legal requirements by the worker. The worker is held accountable for the non-issuance of a work permit, although the employer is responsible for this.

The migrant garment worker is therefore tied to their employment status during their tenure in Jordan on multiple counts. This nature of the employment makes the worker even more vulnerable and, therefore, often subject to exploitative work conditions, including long work hours and high work pressure. The work permit issue only adds to this vulnerability.

2.3. Intensity of work

There is one significant difference between the work conditions of migrant workers in the QIZ and those of local workers in satellite factories. The work hours of the factories in the QIZ are significantly longer than the satellite factories. According to BWJ data, before the pandemic, for most of 2019, workers' hours ranged between 60

to 70 hours per week for migrants and between 40 to 45 for local workers. In 2020, the work time dropped because of the pandemic, but the average was still 57 hours per week for migrants against the 40 for local workers.²¹

There appear to be two reasons for this nearly 40 per cent difference in the hours worked. First, for local workers, satellite factories are located near their homes. The location helps the enterprises comply with the regulation that requires that at least a quarter of the workforce are Jordanian, the large majority of which are women. While it may seem that Jordanian women workers are at an advantage here, they still have to balance work at the factory and their domestic work as a result of their homes and families being nearby. One employer even concluded that the local workforce lacks the discipline of an industrial workforce, leading to higher absenteeism among the former.

Another way of looking at it, though, is that the migrant in the QIZ is shielded from the everyday social demands of community and family life as they leave their families and friends behind when they migrate. Such a worker's life revolves around the factory and the earnings made from work through six, and on occasion even seven, days a week. They are therefore usually more able and willing to work long hours to maximize earnings, which often is the basic objective of migrant workers.

The second reason for Jordanian workers to have fewer work hours is economic. As per CBA 2019, the minimum wage in the garment industry is 220 dinars per month. Workers are allowed to work overtime at 1.25 times the normal payment on working days and 1.5 times on holidays. This might not be a big incentive for the local workers, given that they already do receive more money in hand as a consequence of not paying for accommodation, besides having other household responsibilities to shoulder. Among local workers interviewed, many said that they already spend considerable time away from home for work and on their commute, and the monetary incentive had to be better for them to take up overtime work.

However, for the migrant worker, the cash wage after deducting boarding costs (the in-kind wage component) is 125 dinars per month. When they work overtime, there is no in-kind

²¹ See Figure 17 in the Better Work Jordan (2021) report.

component to the wage. In effect, the overtime wage prorated per month is therefore 275 dinars for ordinary days and 330 dinars for holidays, which is significantly higher as compared to their usual earnings. The overtime wage rate is, therefore, in effect, 2.2 times the rate for regular working days and 2.64 times for holidays. The sample calculation below explains the working of overtime rates.

► **Table 2. Overtime vs. normal wages**

Overtime rate vs. normal wage rate	
Description	Quantity
Normal hours per month (26 days x 8 hours)	208
Overtime hours assuming two hours per day	52
Total wage during normal work hours (in dinars)	220
Cash wage during normal work hours (in dinars)	125
Hourly normal total wage (dinars/hour)	1.06
Equivalent hourly normal cash wage (dinars/hour)	0.60
Hourly overtime wage at 1.25x hourly normal total wage (dinars/hour)	1.32
Ratio of overtime wage rate to normal cash wage rate	2.2

Source: Authors' analysis.

This is a substantial incentive for the migrant worker. So, in effect, their major earnings come from overtime work.

To reiterate, while the minimum wage is the same for migrant and local workers, migrants live in factory-provided dormitory residences, for which an in-kind component of wage is deducted. Their cash wages are, therefore, only 56 per cent the cash wage taken home by a local worker. The overtime wage is consequently much more attractive to them than it is to local workers. Besides, as mentioned before, removed from their families and household responsibilities, migrant workers are "free" to work much longer hours. For the garment industry, the migrant worker is, thus, critical to increasing capacity utilization and per worker productivity per month.

2.4. Work pressure in subcontractor factories

There are smaller garment factories within the QIZs in Jordan that supply to markets in Israel and the GCC countries and subcontract orders from larger factories. These factories are also registered with BWJ as part of the export garment supply chain. The dependence on getting business from larger factories, and smaller, less secure orders from the region, results in higher variations in production schedules in these subcontractor factories. According to the BWJ programme manager, the average work available to workers in the subcontractor factories is often less than in the main factories; however, it is likely that variations in workload would be significantly

► Box 2. Intensity of work

The standard work week for most migrant workers ranges from 60–72 hours, with overtime work of 3–4 hours each day. As a worker in Verve Garments stated, without overtime work, there would be little difference in the wages in Jordan and India in the garment sector. Therefore, the stress of migration and living far from one's family and community makes sense only if overtime work is available. At Verve, work intensity was ensured through multiple forms of compensation. First, there was the overtime work with the migrant effectively receiving more than double the standard wage; second, a point system that linked each worker's output per month with the production target, where workers were compensated for achievement beyond the target; third, there was an attendance bonus for full attendance during the month. Several employers in large- and medium-sized factories had incentive schemes linked to productivity both for individual workers and the group on a production line.

At another smaller factory supplying apparel to Israel and taking subcontracted orders, workers reported the overtime rate was five hours each day. There was also a daily production target, and workers unable to meet it had to suffer a wage cut equivalent to the money earned for one hour of work.²²

22 This information is based on worker interviews.

higher. A worker's routine could vary considerably between periods of low work pressure and of high work intensity with long work hours. This absence of a fixed routine, and therefore uncertain access to overtime earnings, may add to the stress of work for these workers. At the same time, workers in subcontractor factories might benefit from lower levels of supervision and greater work flexibility than in large factories.

Discussions with the managers at these smaller factories brought out another facet of industrial relations and employment relations. The Samantha Fashion and A Plus factories were suppliers to Israel and the GCC countries; they employed 70 and 110 workers respectively, and the proportion of local workers was nearly half. For example, at A Plus, the number of workers employed before the pandemic was 320, with 200 migrants and 120 local workers. Thus, both factories had a substantially greater proportion than the mandated minimum of 26 per cent local workforce employment. A manager at A Plus explained that the costs involved and the accountability was considerably lower with local workers. They were employed on yearly contracts as opposed to the longer contract for migrants under the sponsorship scheme. This gave factories greater flexibility in both laying off workers when the demand was low and balancing the workforce better against production needs. The more expensive recruitment process for migrant workers, on the other hand, would not allow companies to adopt similar short-term contracts in their case.

2.5. Supervision of work

A factor critical to maintaining the high work intensity is supervision on the shop floor. The global garment sector is known for its predominantly male supervisors and the harassment that the largely female workforce face to obtain high levels of work output. In this regard, it is of interest that in the garment sector in Jordan, on average 51 per cent of the supervisors are women.

Employment and supervision

► **Table 3. Representation of women in Jordanian garment manufacturing (in per cent)**

Category	Employment in sector	Women workers	Women supervisors
Exporters	85	73	51
Subcontractors	6	56	20
Satellites	10	90	63

Source: Better Work Jordan 2021.

The pattern of employment and supervision suggests a few things. First, around half the local workforce are employed in the satellite factories located in rural areas; among them, garment employees are mainly women workers. Second, the proportion of women supervisors is highest among the satellite factories; this ties in with work intensity being lowest in these factories. Third, in the subcontractor factories, the proportion of men is highest, both in the workforce and among supervisors.

2.6. Sexual harassment

The experiences from the garment industry across the world suggests that work pressure leads to gendered harassment in factories. A larger proportion of women supervisors might reduce the incidence of such sexual harassment. However, discussions with civil society representatives suggest that this is still a significant issue. In its 2020 survey, BWJ discussed how 18 per cent of respondents said that they or co-workers were concerned about sexual harassment; 8 per cent said that they had personally experienced quid pro quo sexual harassment (BWJ 2021).

At Classic Fashions in Jordan, the company resorted to technology with a "human capital management" mobile app-based system to address the issue. Each worker was asked to download the app and could use it to raise a complaint, either in person or anonymously, after which they would be given advice on the app within 24 hours to help them resolve the issue. The company also held pre-employment interactions with workers to educate them on harassment and complaint procedures. The company had a strict policy that if a supervisor got involved with a worker, even if the involvement was consensual, the supervisor would be immediately sent back.

In the context of migrant workers living in dormitories arranged by the factories, the dormitories become extensions of the workplace. The employer, therefore, bears responsibility in ensuring a space free from harassment for workers to stay in.

BWJ had their own gender training programmes for supervisors and managers, and several companies said their staff participated in them.

Sexual harassment, however, often happens within the framework of asymmetric power relations, and the worker does not always complain for fear of reprisal. A local worker facing harassment finds it easier to leave the factory and seek out alternatives rather than confront the issue. Changing jobs is not an easy option for the migrant worker, who fears deportation even if company policy states otherwise. In this context, having non-hierarchical committees to deal with sexual harassment and including independent civil society representatives on them could be more effective.

In Jordan, labour law amendments on sexual harassment are still to be passed by the government. Both employers and trade unions claim that there is a very low incidence of workplace sexual harassment.

However, given the vulnerability of the migrant worker, more participatory forms of addressing the issue might help reduce incidences further. The launching of the BWJ programme in Jordan in 2008 was primarily an industry response to address large-scale complaints of trafficking in recruitment and forced labour. The 2019 CBA includes a provision against violence and harassment at work in line with the Violence and Harassment Convention, 2019 (No. 190).

2.7. Minimum wage

The statutory minimum wage covering a variety of employment scenarios where it is applicable – except for the garment sector – is 260 dinars per month, and it is fixed by a tripartite committee. However, in the case of the garment sector, it is separately determined by a bipartite CBA. At 220 dinars per month, the prevailing garment sector minimum wage is 18 per cent lower than the general minimum wage.

As discussed earlier, the minimum wage in the garment sector is the same for both local Jordanian workers and migrant workers, with the only difference being that the latter stay in company dormitories and so have two components of wage: a cash and an in-kind component to cover the cost of boarding and lodging at the employer-provided dormitories.

It is useful to understand how the minimum wage came to be fixed over the last two settlements. When the 2017 Charter of Demands (COD) was being negotiated, there was a difference in the wages of migrant and local workers; the migrant worker was paid 190 dinars (a cash wage of 110 dinars and an in-kind wage of 80 dinars), while the local worker was paid 220 dinars. At the time, it was decided that through the 2017 COD period, the minimum wages in the sector would be equalized in two stages; the minimum wage for migrant workers would be increased to 205 dinars in 2017 and 220 in 2018. However, in effect, the wage benefit for the migrant workers was only half the total minimum wage increase as 15 dinars out of the 30 dinars increased was absorbed by the in-kind component, which was also raised. This was a notional increase for the worker as no additional benefits were provided towards board and lodging.

In 2019, the minimum wage was fixed at 220 dinars per month; this was the same as the amount determined by the earlier agreement, which was applicable from March 2018. Therefore, the new minimum wage of 2019 actually reduced the real wage by around 4.5 per cent instead of giving workers in the sector a raise.²³ The CBA 2017 did not contain any increment clause, but CBA 2019 did give workers an annual increment of 5 dinars, which translates roughly to 2.3 per cent. However, this increase does not take into account the effect of inflation. New migrant and local employees in the sector recruited in 2021 would receive a minimum wage of 220 dinars, which in real terms is 5 per cent lower than that of a garment worker employed in April 2018. It would thus appear that the wage formula under CBA 2019 might not have been very beneficial to garment workers. Garment workers' wages are determined through a CBA at an industrial level, as opposed to the reported

²³ The inflation rate for Jordan as per the Central Bank of Jordan was 4.5 per cent in 2018; it decreased to 0.8 per cent for 2019 and 0.3 per cent for 2020 (as per data provided by ILO Jordan).

practice of the construction workers' union, where company/factory-level wage bargaining helps set wages and employment conditions particular to the company/factory.

2.8. The in-kind component of wage for migrant garment workers

CBA 2017 put forward an in-kind component covering stay and food of 95 dinars. The break-up for the in-kind component was given as: 56 dinars per month for lodging (including rent and all utility charges) and 39 dinars for food (including breakfast, lunch and dinner). The in-kind wage was calculated based on the recommendations of

an external consultant, Ghoshseh & Co Chartered Accountants. Article 6 of CBA 2017 stipulated repeating the study to ascertain the in-kind wage and its components every two to three years. While CBA 2019 continued with the same in-kind wage component of 95 dinars, it did not provide the break-up for the in-kind wage between stay and food. We might assume that a new study was not conducted to revise the in-kind wage, and therefore the stay and food components remained the same as previous CBA 2017.

While there are no norms for the food component of the in-kind wage, the norms for the stay component are prescribed in the

► Box 3. Accommodation for migrant workers in dormitories

How does the cost attributed to the stay component of in-kind wage compare with normative housing costs in Jordan? Going by data for 2017–18, the average annual expenditure per capita for housing, including rent, water, electricity and gas for a family of 5 or 6 people was 534.5 dinars; for 7 to 8, it was 392.7 dinars; for 9 to 10, it was 294 dinars; and 11 to 12 was 274 dinars (Department of Statistics, Government of Jordan. n.d. [b]).

The standard prescribed by the Jordanian Government, as per a Ministry of Health notification of 2013, is 12 persons per room with a minimum of 1.7 square metres of floor space per worker when they were lodged in rooms with two-tier bunks.

As reported by managers during the study, several factories provided dormitories with eight residents per room. Several workers also confirmed this in their interviews. The in-kind wage component per year for housing, including electricity, water and gas for migrant workers, calculated at 56 dinars per month, is 672 dinars. This is around 70 per cent more than the average per capita housing cost of 392 dinars for a family of 7–8 people. Note that a family of this size is likely to reside in a house with more than a single room.

At the largest garment manufacturer, Classic Fashions, the chairman said that eight workers share a dormitory room with one kitchen on each floor. The representative from one large brand said that in compliance with their global codes for the employment of migrants, workers in their three exclusive factories were lodged in dormitories with four to six workers in a room, and the room size was adequate to provide the four-square metre floor area per worker, which is more than twice the stipulated minimum floor area as per the Jordanian rules.

As mentioned earlier, the average per capita annual housing cost in Jordan in 2017–18 for a family of 5 to 6 people was 534.5 dinars. The housing budget (of 672 dinars per annum) in the in-kind component of the minimum wage is 20 per cent higher than this average cost. Accordingly, it should be possible for the Jordanian government to increase the minimum standard and provide a dormitory facility with five to six workers per room, thus with more floor space per worker. This will be a small improvement over the present norm, which already seems to be eight workers to a room in many factories.

CBA 2017 stipulated a revision of the in-kind norms every two years. The next revision, which is already overdue, could be used to improve the minimum standards for housing.

Ministry of Health Directive of 2013. The Directive only specifies norms for housing in a dormitory room.

It is evident that congested living spaces do not make for healthy living conditions; they restrict the privacy of workers and could add to their physical and even emotional stress. This, in turn, could adversely impact the productivity of workers too. The importance of adequate housing conditions, with well-ventilated rooms and sufficient space for physical distancing, is even more relevant during the COVID-19 pandemic. The requirement of good housing standards is also important given that workers have to live there for at least three years. We also should take into account that several vendor codes of conduct specify more stringent living standards for their suppliers. The comparatively low government standards for migrant housing in the Jordanian garment industry would, therefore, also contribute to a poor market reputation.

2.9. The legal framework for social security

Jordanian labour laws and practices do not always fully address the interests of migrant workers. For instance, these workers have the right to trade union membership but restricted representation rights. In addition, a comparison of average housing costs in Jordan suggests migrants are overcharged for housing through the in-kind wage component. Workers are also excluded from access to full benefits under laws governing social security. Under social security laws, savings is an important component of what the migrant worker takes back at the end of their tenure; the fixed tenure of three years denies the migrant a large proportion of social security savings. The details are described in the box 4.

The contribution to social security from the worker and the employer should, by right, be classified as part of their earned wage. While restrictions on the worker being allowed to access savings prematurely might be a rational means to encourage a worker to stay in the labour market till retirement, this cannot rightfully apply to a migrant who, by law, is allowed only a limited tenure. As per the 2020

► Box 4. Social security and the migrant worker

Under the Jordanian Social Security Act, a total of 21.75 per cent of the total wage of the worker is deducted as a contribution to social security, 7.5 per cent as the employee contribution and 14.25 per cent as employer contribution. The workers are entitled to post-retirement benefits along with a gratuity amount proportional to the contributions made at the time of their leaving employment. However, if the number of monthly contributions to the social security fund is 120 dinars or less, Article 70B of the Act limits workers' entitlement at the time of leaving employment to 10 per cent of their wage for each year of employment from their accumulated balance. This means that on leaving employment, any worker who has worked less than 10 years (120 months) is only eligible for only 10 per cent of their accumulated wage.

As most migrant garment workers are only employed on three-year contracts, they would be entitled to only 10 per cent of the 21.75 per cent of their wage that is accumulated each month. In effect, this means the worker foregoes 11.75 per cent, or 25.85 dinars, each month of what is actually part of their earned wage. If we compare this with the cash wage component, they effectively lose 20 per cent of their potential wage savings from normal working hours. This loss of accumulated savings is also likely to impact local workers as they do not stay on in the sector for many years. Locally, however, workers have the option to carry forward their social security contributions to any future employment in the garment sector or in any other sector of employment.

The migrant worker also requires a "No Objection Letter" from the Ministry of Labour before accessing their social security entitlement at the time of leaving employment.

annual report of the Social Security Corporation, of the 260,051 workers currently receiving pension, 97.1 per cent were Jordanians (Social Security Corporation 2020). Only around 7,500 migrant workers were beneficiaries – and of these, none would be garment workers. Around 139,000 migrant workers were members of the Social Security Corporation in 2020 (Social Security Corporation 2020). The pension provision does not discriminate only against migrant garment workers, but against most migrant workers across sectors.

The quantum of social security savings denied to migrant garment workers amounts to 1.3 million dinars, or US\$1.8 million, per month – assuming there are 50,000 migrants and the amount of denied social sector savings every month is 25.85 dinars per worker. This, in effect, is a tax on the migrant workers. The imputed tax in the sector is therefore around 15.6 million dinars, or US\$21.6 million, annually. This amount is more than 40 per cent of the tax paid by the export garment industry on its production value. The Social Security Corporation had an income of around 1,819 million dinars and an expenditure of 1,430 million dinars (Social Security Corporation 2020), thus having a surplus of 378 million dinars. This indicates that the corporation can afford to increase the end-of-tenure social security payment of 15.6 million dinars to migrant garment workers. Allowing workers to have greater share of their social security contributions will add to worker morale and benefit the employers at no extra cost.

There is another aspect to the Social Security Insurance Regulation which is of concern. Migrant workers on their first work contract in Jordan can avail of the end-of-contract social security at the time of leaving employment. But if a worker were to return to Jordan a second time under a new contract, they would have to complete two years of service before being eligible to access their savings. If they were to return a third term, they would be eligible for the social security benefit only after the retirement age of 55 years – this is a near impossibility for almost all migrant workers. In effect, this clause in the social security regulation places a restriction on a worker seeking to change employers, as with each return to Jordan on a fresh employment contract, a worker's eligibility to claim their social security benefit gets restricted further. The regulation might also inhibit the freedom and the right of the worker

to seek fresh employment, even if the present contract has been against the interest and well-being of the workforce.

2.10. Skill categories of workers

The largest employment in the apparel industry is in the category of “multi-skilled sewers”. There is no further categorization of workers by skill. This hampers the regulation of employment in the sector, in particular regarding ensuring proper remuneration standards for different skill levels. Thus the industry has only one minimum wage covering all employees.

A study of the Jordanian apparel sector found that while the “multi-skilled sewer” category had the highest employment opportunities, it lacked proper occupational standards (ILO Regional Office for Arab States 2020). In discussions, a representative of the Jordan Garments, Accessories and Textiles Exporters' Association (JGATE) said that during recruitment, individual employers took the experience and skills of recruits into account while deciding on the remuneration. They also explained that employees could through their skills become machine operators, team leaders in the production line, or even supervisors.

However, most employers we talked with said they did not seek specific skill categories at the time of recruitment. Further, the absence of the proper classification of occupational standards could negatively impact the standardization of employment practices within enterprises and across the industry, consequently having a negative impact on worker morale. The absence of growth opportunities would also serve as a disincentive for most workers to support skill development programmes, including new forms of work structure under lean production systems.

The manager of a large garment factory exporting to the USA concurred that there was no skill categorization during the recruitment of migrant workers. All workers were absorbed in the same category, and the wage differential among workers was only because of the annual increment, placing workers with different levels of experience at different pay levels. He however acknowledged the importance of skill on the shop floor, stating that he could not put unskilled Jordanian workers on machine operation jobs as they were not skilled to operate machines.

A different perspective was provided by the chief executive at Hi-Tech Textile. The company has been in Jordan for 20 years, and it employs 1,534 workers in its main factory in a QIZ and 354 in one satellite factory. The company emphasized the need for skills and skill training, and it has a strong industrial engineering (IE) department. The chief executive described modern apparel manufacturing as following the principles of an engineering production line and needing the same principles. So, each recruitment exercise was planned by the IE department in terms of the skill and experience mix required, and efforts were made to ensure the recruitment followed this plan. One industrial engineer always accompanied the recruitment team. The company placed workers in one of three categories: A, B and C. Wages and incentive levels for the workers varied according to their skill category.

A similar, strong emphasis was also placed on skills by the manager at MAS Kreeda Al Safi. The company's IE department was fully involved in the recruitment of both migrant and local workers. It emphasized the significance of in-house skill training for all workers.

Another impact of the insufficient categorization of the skill sets required by most companies in the sector that we interacted with is the inadequate development of skill development centres within Jordan. An ILO survey of skills

and employment in the sector identified the "multi-skilled worker" category as having the best potential for new job creation, particularly for women (ILO Regional Office for Arab States 2020). Skill training in Jordan is provided mainly through vocational training centres. Again, here, the availability of skill categories would help tailor training to different job requirements. This is particularly relevant to the sector, given the identification of the garment export sector as an important, potential job creator for local Jordanians and for the Syrian refugee population.

2.11. Employment of Jordanian women

During discussions, the JGATE representative suggested that Jordanian nationals, in particular the women, would not be interested in seeking employment in the garment industry. This perspective was echoed by some employers during the discussions held as part of this study.

In a subsequent written communication, the JGATE representative clarified that garment factories in rural areas created almost 8,000 jobs, providing employment to local women. They also said this measure brought economic development to these areas. Therefore, it was important for the government and governorates to help bring about a cultural shift within local women to take their jobs in factories more seriously.

► Box 5. Local workers in the garment export industry

According to the chairman of Classic Fashions, the major issue with Jordanian women workers was the lack of industrial discipline. Workers took time off for festivals, family functions and various other reasons. Thus, an absenteeism level of 12 to 15 per cent in a week was not unusual. The impact of this absenteeism was not merely reduced production on account of the absent worker, but a cumulative loss of production due to the disruption in the flow of work in the assembly line. His suggestion was to employ Jordanian women from tribes of far-flung regions who could be housed in dormitory establishments linked to satellite factories, to ensure factory discipline.

A manager at a large factory said local workers came in without any experience in the sector and could not be trusted with skilled jobs. It was expensive to train them as there was a very high turnover among local women; the attrition rate among local workers taken onboard as trainees could be as high as 80 per cent. Managers from two subcontract factories that undertook subcontracting as well as exported to Israel also expressed similar issues with skilling costs. The manager of one of these factories said the factory already had a nearly 50 per cent local workforce, and they would be prepared to increase this proportion if the government had good vocational training institutions to train garment workers.

Ivory Garments employed around 1,000 workers in the main factory in one of the QIZs and 170 workers in a satellite unit. While the main unit produced 360,000 pieces per month, the production

from the satellite unit was only 36,000 pieces – a tenth of the production at the main unit. The manager explained that the local workers in the satellite units were mainly untrained hands. They needed to develop skills before being put on machine operations. Most preferred to stay on as helpers, which was perceived as an easy job, as compared to the discipline of standing at a machine for a full eight-hour shift.

While absenteeism was not significant among the local workers in the satellite units, the turnover of workers was high – they left when they got married or had children. They often did not even serve out a notice period to allow a replacement to be found. This caused disruption of the production lines.

Hi-Tech Textiles employed around 2,000 workers – around 1,534 in its main factory in a QIZ and 345 in its satellite factory. Fifteen per cent of the workers in the satellite factory were migrant workers, and they were provided with dormitories. These workers had the skills critical to ensure reasonable productivity and consistent quality from the satellite unit. The per worker output from the satellite unit was around 20 per cent lower than the output of the main factory. The chief executive linked this difference in production capacity with a few factors: one, migrant workers came with better skills; two, the absenteeism levels were much lower among migrants (around 0.5 per cent compared to around 8 per cent for local workers). However, he also said that in the context of COVID-19, the benefits of employing local workers were evident.

The benefit of increasing the local workforce was echoed by the manager at MAS Kreeda Al Safi. The company manufactured products for a large global brand. It employed 1,100 workers at its main factory, of whom 270 were locals, and 525 workers – all Jordanians – at its satellite factory. It provided a crèche facility for the workers at the satellite factory. The company addressed the question of low industrial skill levels among local workers through its in-house training and careful recruitment from government-run vocational training centres. The manager explained that they were in constant discussion with the local community elders to allow workers to extend the working hours to at least an hour or two of overtime each day. If the workers were willing, the company would also move to provide additional facilities, including extending the hours at the crèche and transport facilities where required.

We need to consider why the workforce participation rate among Jordanian women is so low. What are the factors restricting their participation? Are there measures that could encourage higher participation? Would, for instance, better crèche facilities help? Is there a need to provide better and safe transport facilities for women, particularly if they need to work overtime? Would it help to align the minimum wage for the garment sector to that of other sectors in Jordan? Would skill training and the consequent opportunities that open up serve as an inducement? After all, in the absence of skill categorization and pay incentives to develop skills, why would workers want to move up to the skilled category when the more skilled jobs required more concentration and discipline?

Discussions with local workers revealed some of the problems hindering women's ability to work

away from home. Primary among them were the travel duration to work and back and, in that context, the absence of any childcare facilities.

Workers said wages in the garment sector were extremely low, making it difficult to manage household expenses, even when there were two earning family members. Women workers reported that many women in their neighbourhood sought employment as a second wage was necessary to make ends meet.

The garment sector wage of 220 dinars per month (i.e., 2,880 dinars per annum) likely put the family of garment workers in the household total wage bracket of around 5,000 dinars with two earning members. Among the women we met during the FGDs, there were two women garment workers whose husbands earned less than them and one who was the sole wage earner for the family. For the country, this

represented the lowest 20 per cent income bracket (20.2 per cent Jordanian households earned in the 2,500–5,000 dinar or the < 2,500 dinars per annum wage brackets as per a survey in 2017–18). Note the data is for 2017–18, when the garment wage was only 190 dinars per month (i.e., 2,280 dinars per annum).

One woman worker who was the main family earner, as her husband was disabled, detailed her monthly expenditure as shown in table 4 below. Note this did not include expenditure on health care, transport, entertainment and emergencies. We can conservatively assume the annual expenditure to be at least 5,000 dinars per annum.

► **Table 4. A Jordanian worker's monthly household expenditure**

Expense head	Dinars/month
Rent	80
Day care for youngest child	30
Tuition for two older 2 children	60
Utilities	20
Food (average 7 dinars daily)	210
Total for month	400

Source: Interview with a worker.

The worker said her family of five was barely able to meet their expenses even with the combined earnings of her and her husband. The expenditure put them in the lowest 10 percentile

► **Box 6. Responses from Jordanian workers**

A discussion with a group of eight Jordanian workers raised many important issues of work in the garment sector. The main issues raised are highlighted below.

Most of these workers had been working in the sector for over two years. One worker had been working for 18 years; her husband was now working in the same factory for the past four years. Another worker had six years of experience. All the workers, except one student who was paying her way through college, were married and had children. The married and had were unanimous that without family support, it would be impossible to continue working.

A woman with six years' work experience was a single mother; she now had older children, but she had asked for help from her parents when the children were younger. The woman with 18 years of work experience now had grown-up children. She was able to keep working as her husband helped with work in the home. Another woman had three young daughters, who went to school and then to her parents' home.

In this context, the women said the provision of a crèche facility was vital to allow women to work when their children were young. However, they said that having a crèche at the factory premise was not the solution as dragging children to the workplace early in the morning was not an option. Instead, if they were paid a childcare allowance, they could make arrangements in their communities.

The objection to childcare at the factory was linked to a long commute. The factory bus typically left workers at the pick-up point near the main bus terminal. Many local workers among those we interviewed had to find further transport to reach home. This could mean as much as an hour and a half each way, meaning that several women woke up at 5 a.m. to get their children ready, drop them to school and then proceed to work, returning home as late as 7 p.m. This made overtime work impossible, even though they were willing to work overtime if they could afford to make childcare arrangements.

The workers were unanimous that they needed the employment to make ends meet. They said that the wage of 220 dinars was too little to survive on, even with two salaries in the family. They particularly said men were willing to work in the garment sector only if they could get overtime work each month.

The worker with 18 years of experience claimed her current wage was only 240 dinars, and her husband with four years of work experience received the minimum wage of 220 dinars. Other

workers with one to two years of experience also said they were still being paid only the minimum wage. They did not know why they were not given the annual increment mandated under the CBA.

All the workers except the woman with 18 years of work experience were on short-duration work contracts. Workers said that prior to the spread of COVID-19, they'd had one-year contracts; some even had open-ended contracts. However, due to the pandemic, their contracts were for three and six months' durations. This brought a substantial insecurity to work. If they refused overtime work, the management threatened them with the non-renewal of contracts.

Leave was an important issue for workers. They said that they were earlier granted sick leave if they got a certificate from a private doctor; now the factory management only accepted certificates from government hospitals, which, in many instances, were far away. Even then, one day's wage was deducted as workers were able to call in sick only on the day of falling ill, and the management demanded prior notification of a day for leave. Workers also had several functions in the community and family where their absence was impossible. However, all demands for leave other than for sickness were generally refused.

In addition, the absence of medical insurance was a huge cost for workers. The factories only provided medical care at their clinics, which were of no benefit to workers living at a distance.

The workers said that local workers generally did not face harassment at the workplace as they had Jordanian supervisors. One worker explained that they were not required to operate the tailoring machines, but worked in the finishing department, where their workload depended on what the earlier sections had finished.

Only two of the eight workers in the group were union members. Even these two workers said they did not know who the factory union representative was. Their contribution was automatically deducted from their salaries, and that was the only union interface. All workers said no union leader or activist had ever talked to them about the union or asked them to become members. It is probably not surprising that despite the many demands, workers were not able to voice them to the management.

of the income brackets (10.5 per cent of all Jordanian households spent 2,500–5,000 dinars and were in the < 2,500 dinars expenditure bracket per annum in 2017–18).²⁴ It is evident that among the poorest sections of the population in Jordan, women deciding to work is not counter to social norms as it is a necessity.

A discussion with Syrian workers brought out many similarities in the issues they, Jordanian workers and Asian migrants faced. They said that while wages were low, this was the only job available to them. Travel was a big issue for them – the factory bus took about an hour to drop them off at their residences. However, for those living in the refugee camps, there was a 30-minute-long walk from the camp gates. The women we interviewed said they effectively left their homes at 5.30 a.m. and only got back by

around 6.30 p.m. One married woman had to depend on parental support to take care of her children while she was away.

A male worker said that his normal shift in the print shop was 12 hours; however, he sometimes had to work an extra six hours. When he complained at the Labour Office, the officer advised that he abide by whatever work demands were made if he wanted to retain his employment. The workers also complained about the lack of access to healthcare as they were not Jordanian citizens and could not use public hospitals in Jordan. The factory generally refused any demands for leave, and they ended up losing the day's wage. They also said there was no safe drinking water available at the factories, and they had to buy their own bottled water.

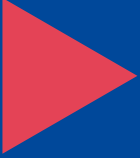
24 See table 4.1 in the report by ILO Regional Office for Arab States (2020).

All the Syrian workers interviewed were members of the trade union; they, however, had never been approached by the union and had no real say in it despite the dues being deducted from their wages. They did not know who the union representative in the factory was. It is evident that many of the issues raised by them could have been taken up by the union at the factory; however, the absence of any union democracy probably denied them this space.

The managers at Atlanta and another subcontracting factory said their local workforce included male workers. These workers were willing to stay on for overtime work, and they also did the heavy work of loading and unloading. This suggests that with rising unemployment, the garment sector with its steady employment and the formality of factory work might not be a totally closed option, even for the young men in Jordan. The manager at

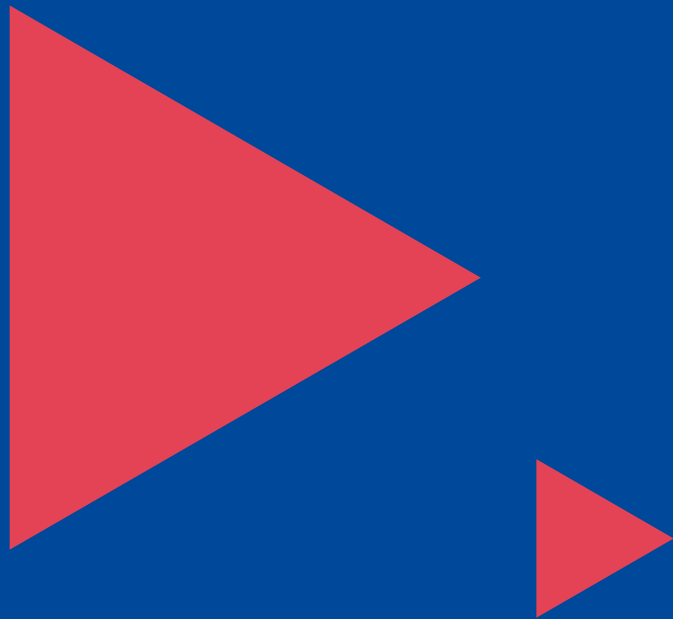
a factory manufacturing for a major sports brand also explained that while many other sectors of industry in Jordan were not growing, the garment sector represented growth opportunities for workers. Even while the initial minimum wage was less than the general wage in other sectors, a local worker who stuck with the industry had the potential for long-term growth.

In the post COVID-19 world, the dangers of workforce disruption because of travel restrictions are becoming evident. In addition to employers, some brands have stressed global thinking in the industry to reduce uncertainty in the supply chain. This is also likely to impact the garment industry, making the employment of a greater proportion of local workers a necessity rather than a regulatory imposition. This is an issue for the employers, trade unions and the Jordanian government to take up jointly.



3

The legal framework governing Jordan's garment sector



The legal regime that regulates the garment sector in Jordan is determined by four separate mechanisms, each covering different aspects of regulation. These are: the Jordanian Labour Law No. 8 of 1996 (JLL); the Collective Bargaining Agreement (currently CBA 2019 is in force); the union bye-laws; and the Social Security Law (Law 1 of 2014). In addition, for the migrant worker, the sponsorship system (the *kafala* system) has an overarching presence, impacting several aspects of regulation. There is another aspect that lies outside the Jordanian labour regime and of the regulatory mechanism for the out-migration of workers from source countries. We will not deal in depth with this regulation in this paper.

One important aspect of the legal regime is the manner in which certain legal provisions applicable to the garment sector have been modified, often resulting in discrimination. As a result, while the Jordanian Labour Law prescribes a tripartite minimum wage for different categories of workers, determined by a statutory Minimum Wage Committee (Article 52 of the JLL) “in particular for a region or occupation or certain age group”, the garment sector has been left out. The sector wage is determined by a bipartite wage negotiation between the union and employers’ associations. The argument could be made that the garment sector with its migrant workforce requires a different wage structure with in-cash and in-kind wage components for migrants. However, the rationale for a lower minimum wage than the general minimum wage for the sector can only be a nod to the competitive advantage of employers.

However, this same rationale of exceptionalism is not carried over to other aspects of employment for the sector. Thus, for social security, the same norms are applicable to garment workers as they are to employees in other sectors, even while their employment under the *kafala* system differentiates them from other workers. Most of the benefits become applicable only when workers have at least completed 10 years of service, while migrants in the sector are typically employed for only 3 years; even local women workers stay in employment only for limited tenures. The rules of entitlement of social security also change with changes in

employment contract, pushing workers to stay with the first or second employer even when the employment might be oppressive. The norms of entitlement for social security, therefore, could reinforce forced labour conditions under *kafala*.

The discrimination of migrant workers extends also to representation in the trade union. While the United Trade Union bye-laws, of which the General Trade Union of Workers in Textile, Garment and Clothing Industries (JTGCU) is a part, only limits candidacy to the Administrative Board to Jordanians (Article 45 of bye-laws) and extends voting rights to all workers (Article 17), the migrant garment worker is excluded from this right to vote in union elections. We see how, in significant provisions, garment workers in general, and migrant garment workers in particular, are discriminated against. The vulnerability of the migrants under *kafala* would further undermine their access to the dispute resolution mechanism common to all workers.

The following sections highlight and analyse the provisions that significantly impact garment workers, including local and migrant workers, under each of the four regulatory mechanisms. They comment critically on the regulatory framework for recruitment for migrants. They also look at the procedures for dispute resolution, for both individual and collective disputes, and how they might impact the rights of migrant and local garment workers. Where relevant, they draw on interviews with workers, the 2020 BWJ Annual Report and Al Hassan Workers’ Centre Report.

3.1. Collective bargaining and freedom of association

Jordanian Labour Law allows for limited unionization and collective bargaining. Trade unions can only be founded by Jordanian nationals, though membership has been extended to workers regardless of nationality.²⁵ The labour minister is tasked by law to ensure that each sector has no more than one workers’ union,²⁶ preventing the formation of a multiplicity of trade unions and making a diverse workforce reliant on a sole union for the representation of their diverse interests. These factors

²⁵ Trade union membership was extended to migrant workers through an amendment to the Jordanian Labour Law in 2012.

²⁶ Article 98(d) of Law 8 of 1996.

make the garment workers a very complex constituency to represent. Jordanian Labour Law contradicts several dimensions of the freedom of association. It prohibits the multiplicity of trade unions and therefore prevents the creation of new organizations of the workers' choosing.²⁷ It also does not allow migrant workers to contest in trade union elections²⁸ and choose their representatives.²⁹

Workers' freedom to join the (permitted and only) trade union is legally protected.³⁰ Employers are prohibited from retaliating against union leadership on account of their activities under the mandate of the union. Representatives of the workers' union are protected from civil, criminal and tortious liability for the valid actions they take under the mandate of the union in good faith.³¹ Administrative matters of the union are determined through internal bye-laws drafted by the GFJTU, the centralized umbrella for 17 such workers' unions.³² The JTGCU is represented at the factory level by a union labour committee (ULC). All the nationalities present in the workforce find pro rata representation in the ULC. Union activities are totally centralized – the central body of the union controls everything about the enterprise-level committee, including its composition, elections and operations.

Discussion: Although migrant workers can participate in the ULC, they are not allowed voting rights by the JTGCU bye-laws and therefore have little say in the affairs of the union. This stifled manner of representation

breeds a lack of faith in the ULC and trade union in the minds of many migrant workers.³³ Employers perceive this as a threat to industrial relations for a different reason – in the absence of a sense of collective representation, workers could resort to striking without regard for the union mandate.³⁴ Unlike union-led dispute resolution, which preserves workplace productivity, such industrial tension is likely to cause greater strife, prolonged strikes and business losses, and unpredictability. Multiple successful employers referred to stronger collective bargaining and freedom of association as valid demands for ensuring industrial peace and productivity in the garment sector.³⁵ These form the prerequisites and fundamental rights at work whose attainment contributes to industrial peace and social peace more broadly. As per the 2008 ILO Declaration on Social Justice for a Fair Globalization, they are considered to be “enabling rights”.

Collective bargaining is recognized by law as one of the many objectives of trade unions.³⁶ Workers are entitled to the same rights under national labour legislation in Jordan regardless of their nationality.³⁷ The collective agreement similarly offers all migrant workers in the garment sector uniform labour standards at work, incorporated into their individual contexts in the form of a unified work contract (UWC). The UWC, based on the CBA, creates a minimum floor of entitlements at the sectoral level, and companies are at liberty to adopt higher standards than those set out in the CBA.³⁸ The ULC can advocate and

27 The Committee on the Freedom of Association declared that workers have the right to form new organizations independent of existing ones and that preventing the coexistence of two (or multiple) enterprise unions contradicted the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87) (Paras 475, 479, 480 of Compilation of decisions of the Committee on Freedom of Association).

28 Para 623, Compilation of decisions of the Committee on Freedom of Association declares this right.

29 Para 624, Compilation of decisions of the Committee on Freedom of Association declares this right.

30 Article 97 of Law 8 of 1996.

31 Article 111 of Law 8 of 1996.

32 The Federation is established by law as per Article 110 (A) of Law 8 of 1996, which reads: “Trade unions must establish the General Federation of Jordanian Trade Unions (GFJTU) which shall have its own juristic personality, and where each union shall maintain its own rights.”

33 As gathered from FGDs with several migrant workers.

34 This view was corroborated by an international buyer, who also narrated an incident of this variety occurring after the death of a few workers due to COVID-19.irate workers carried out a flash strike and engaged in vandalism, and they were very unwilling to speak to the union.

35 Opinions expressed by employers during interviews.

36 Article 99 of Law 8 of 1996.

37 Article 2 defines employees simply as people, subordinate to an employer, performing work for a wage. Article 4 of the Social Security Law of 2014 more categorically states that it applies regardless of nationality, duration, form of contract, and so on.

38 Article 1B of the CBA enables employers to negotiate with the union for higher standards.

negotiate for these at the enterprise level and along with employers, it can enter into legally binding agreements as the result of such a process. Two employers among the nine we interviewed reported adopting higher standards than the CBA – especially with respect to wages – through productivity-driven incentive systems, seniority or skill-based increments and so on.³⁹ However, we do not know if these are bargained agreements or unilateral productivity measures adopted by the companies. Our impression from discussions with factory management was that the productivity measures were unilaterally designed and implemented by the factories.⁴⁰

The sectoral CBA doesn't seek to displace or contradict labour law, and in fact, heavily borrows from it. The 2013, 2015 and 2017 CBA cast primary responsibility upon the union for administering this agreement and getting the workforce to conform to it. They created the Joint Union Management Committee at the enterprise level, having equal representation from the union and the management. The committee was expected to meet every month and to ensure implementation of the CBA.

But the ULC may not always be a truly worker-centric body – the lack of regulation results in human resources representatives or company employees finding themselves on the committee.⁴¹ In any case, the check-off system for the payment of union dues alters the relationship between the union and the employer, creating a dependence on the latter and pushing the former into a position of amenability.⁴² At the enterprise level, collective

bargaining may sometimes even result in accepting conditions below the standards set by the CBA – and while sometimes such agreements are a pragmatic necessity during times of crises, they are sometimes entered into during ordinary times too.⁴³

The Jordanian Labour Law highly regulates industrial action in the form of strikes and lockouts. A valid strike can only be carried out after a written notice of 14 days (the notice period extends to 28 days if the enterprise is a public service) has been served.⁴⁴ Strikes and closures are prohibited when the dispute is referred to a reconciliation representative,⁴⁵ council or labour court.⁴⁶ Where the CBA is in force, the union can't go on strike for matters that have been settled between the employers' association and the union at the sectoral level.⁴⁷ Similarly, it can't raise collective disputes on matters settled through the CBA.

Jordanian unions aren't required to report specifically on trade union finances to their general body. There is no formal mechanism to ensure transparency and accountability among rank and file members – this contradicts the third pillar of the UN Guiding Principles on Business and Human Rights.⁴⁸

3.2. Anti-discrimination

The anti-discrimination provisions under the CBA have been expanding in scope since CBA 2013, which prohibits discrimination at the factory level based on "race, creed, religion, colour, national origin, sex, age, citizenship status, disability, or membership in or activities on behalf of the

39 The views here were expressed by employers such as Mr Sanal Kumar of Classic Fashions during interviews.

40 The management representative from Hi-Tech Textile said they had skill-level grades with grade-wise salary levels; the representative from MAS Kreedaa Al Safi discussed various childcare facilities and incentives for local workers at satellite factories and at the main factory in a QIZ.

41 View expressed by Phil Fishman, an ILO expert during an interview.

42 View expressed by Phil Fishman, an ILO expert during an interview.

43 View expressed by a senior specialist at the ILO.

44 Article 135 of Law 8 of 1996.

45 A reconciliation representative may be appointed from within the staff of the ministry by the Labour Minister, under Article 120 of the Law 8 of 1996. The representative is empowered to mediate collective disputes.

46 Article 134 of Law 8 of 1996.

47 Article 17 of the CBA stipulates that any conflict between the workers and an employer (at the factory level) shall be resolved through mediation by the ULC, failing which the bipartite AMC shall attempt to mediate. Failing this, the matter will be treated as a collective labour dispute under Articles 120–131 of JLL 8 and undergo formal mediation and litigation. Conflict between the unions and associations (the parties to the CBA at the central level) must similarly be referred to the AMC and later undergo formal resolution via Ministry-led mediation and litigation. Striking for disputes that have been referred for reconciliation or judicial resolution is illegal under Article 134, JLL.

48 Opinion expressed by an ILO consultant during an interview.

Union” and promotes intercultural harmony. CBA 2019 is the first to mention the Fundamental Principles and Rights at Work (elements of which do partially appear in previous CBAs). The 2019 agreement has a wider anti-discrimination clause, preventing discrimination on various grounds, and prohibiting employers from hindering equal opportunity or equal treatment at work (implying affirmative measures to address inequality).⁴⁹ It incorporates protections for persons with disabilities, taking a strong stance against discrimination in recruitment and training and encouraging employers to create an accessible and disability-friendly working environment for them.

In law and in practice, wages remain one area of differential treatment between local and migrant workers. While the minimum wage of 220 dinars per month is promised to all garment workers, migrant workers receive a portion of this (125 dinars) in cash, while the rest is deducted in lieu of in-kind benefits (food and accommodation). We are unaware of any system of transparency or accounting that ensures that these deductions are equivalent to the expenditure borne by companies in the provision of these services.

Discussion: The 2022 BWJ Annual Report notes the existence of discriminatory treatment in some factories between local and migrant workers, especially in matters of bonus payments. Workers believe that discrimination based on national identity does happen at the enterprise level, especially with respect to human resources policy. Some factories don't follow a standardized policy in matters of overtime work allotment, productivity targets, incentives, etc., and workers think that treatment they receive from management depends on their nationality (and their relative numeric strength within the factory). Malagasy and Burmese workers feel very disempowered within the collective context and that Bangladeshi and Indian workers are treated with more deference by the management. Their food preferences are also often not accommodated by the management.⁵⁰

Some companies, in contravention of the 2019 CBA, don't follow internal policies to prevent harassment and violence in the workplace. Many of the workers interviewed reported

the use of abusive and degrading language by their supervisors or middle-level management to compel them to reach their targets. The use of gendered insults, slurs and identity-based attacks seems prevalent in some units despite attempts to create a better working environment.

The 2021 BWJ Annual Report takes note of this issue, arguing that one out of every three workers in the garment industry reported being unhappy with verbal abuse, and one out of every five factories were non-compliant in matters of bullying and the harassment of workers. Interestingly, Figure 12 in the BWJ report, which denotes workers' perception of mutual trust between them and the management exhibits variance across nationalities, shows that Indian workers report the least mutual trust and Bangladeshi workers the most. Several cases documented by the Al-Hassan Workers' Centre in 2019 exhibit the prevalence of verbal abuse and discrimination. Gender-based discrimination is discussed in greater detail in a subsequent section.

3.3. Prohibition of child labour

Though previous CBAs do not specifically refer to the core labour standards, they do incorporate child labour protections. The 2013 and 2015 agreements prohibit the employment of children and adolescents, except as permitted by local law. The 2017 agreement regresses from this standard and maintains a curious silence on the issue. Protection against child labour is strengthened by CBA2019, which adopts a comprehensive response to the issue, explicitly prohibiting the employment of persons below the age of 18 and carries specific mandates for recruiting agencies to ensure the same. It even provides a separate set of directions to deal with any instances of child labour discovered by the employer despite their best efforts to prevent them.

3.4. Prohibition of forced labour

The 2013, 2015, 2017 and 2019 CBAs all refer to forced labour in the context of mandatory overtime and assert the worker's right to perform overtime work on a voluntary basis.

49 Article 8(4)(B) of the 2019 CBA.

50 Opinion shared by workers during an FGD.

CBA 2019 also refers to forced labour in a general sense and prohibits employers from taking possession of workers' passports or personal documents for any reason except for the renewal of the work permit or residency card.

Discussion: While important, this protection is quite limited as other compulsions or subtle forms of coercion do exist. Work in the garment sector carries a high entry cost for recruitment and immigration. Even though the CBA prohibits the payment of recruitment fees, nearly all workers interviewed mentioned paying them to agents, agencies or other representatives. Depending on the country of origin, this amount ranges from 120 dinars to about 700 dinars. A majority of the workers fund this expenditure from family savings or informal borrowing and report that it factors into their decision to complete their three-year contracts despite frustration with the conditions of work.⁵¹ Workers from countries facing distress or anti-emigration measures, such as Madagascar, often adopt irregular means of emigration, and they opt against returning to their home countries for fear that they may not be able to return to Jordan. A minority of the Malagasy workers we spoke to had not met with their families for over eight years due to such constraints.

The Instructions for the Conditions and Procedures of Bringing and Employing Non-Jordanian Workers in the Qualified Industrial Zones document makes employers responsible for arranging the repatriation of their workers after the termination of the work relationship,⁵² but the CBA does not clearly indicate which party should bear this cost. Most companies design their own policies on eligibility to try to avoid coughing up the cost of flight tickets. Some, like Classic Fashions, provide workers one return ticket for every three years of completed service (the duration of the employment contract).⁵³ Others provide the return fare only if the worker renews the contract.⁵⁴ The cost of travel to

their home countries is an exit barrier for some workers. This cost is often levied on workers who wish to terminate their contracts before the expiry as documented extensively in various ILO reports.

A significant threat to the freedom to work is posed by Article 26 of the JLL 8 of 1996 – the termination of limited period employment contracts before their expiry carries significant costs upon the party seeking termination. The legislation levies outstanding wages for the remainder of the term upon the employer/s if they seek advanced termination. Similarly, it levies damages upon workers seeking termination, provided that such damages are estimated by the court and not be in excess of half the monthly wage for the remainder of the workers' term.

A narrow set of exceptions justify such termination from either party, in which case such wages/damages may not become due. Employers often subvert the legal procedure and directly levy an arbitrary amount upon workers seeking to resign for personal reasons.⁵⁵ This demand is often justified by the company as reimbursement of the money spent for recruitment and immigration, even though this amount is not statutorily guaranteed to the employer under law.

While the forms of coercion discussed here are mostly economic and implicit, the 2021 BWJ Annual Report notes rising non-compliance with protections against forced labour post the COVID-19 pandemic. Violations include the withholding of workers' passports and identification documentation in company lockers by management members who believed that "if workers are allowed to keep their passports, they will run away". While the BWJ interceded on behalf of the workers, the report notes the lack of conviction that their intervention had really enabled workers to freely access their documents. Other egregious forms of

51 As reported in nearly all the FGDs.

52 Article 9B of the Instructions for the Conditions and Procedures of Bringing and Employing Non-Jordanian Workers in the Qualified Industrial Zones.

53 As reported by workers during an FGD.

54 As reported by workers from a large factory during an FGD.

55 This was documented in the Al-Hassan Workers' Centre Report for 2019. Several workers reiterated similar experiences during FGDs. A male worker from Myanmar spoke about an employer forcing his wife to resign when she was pregnant. After she gave in, she was even made to pay to terminate the contract and return to the home country – despite the fact that it was not her choice to resign.

forced labour, such as threats to withhold food or wages in order to force workers to reach their production targets, non-payment of entitlements, restrictions on mobility were also reported.

3.5. Women's employment

CBA 2015 refers to the establishment of nurseries for children as a measure to promote the employment of women in the garment sector. None of the CBAs make any reference to the legally protected maternity leave with respect to female workers. CBA 2019 is the first to mention the contours of a "suitable" working environment (it does so in a general manner and is not specifically targeted at women). It directs employers to promote a working environment free of violence, harassment and discrimination, and to adopt a Ministry-approved internal policy for this purpose.⁵⁶ The policy prohibits physical, psychological and economic violence, including assault, abuse, threats, harm and sexual harassment.

CBA 2019 further commits to increasing the representation of women in the sector, by providing them an enabling and supportive environment and guaranteeing equal rights at work in relation to career advancement and employment security. The agreement also prohibits some egregiously harmful practices prevalent in the sector, such as the use of pregnancy tests during recruitment or recruitment decisions being made based on pregnancy. It also directs employers to forbid recruitment agencies from carrying out such tests on migrant workers, unless their origin country's laws demand such testing.

Discussion: Several practices prevalent in the garment industry raise concerns about the employment of women, especially migrant ones. The sector employs a large proportion of women, with Bangladeshi women forming the largest and most coveted group. Bangladeshi workers attribute the widespread preference for their nationality to the perception of the group as a hard-working and malleable segment, which delivers targets no other nationality (not even

male Bangladeshi workers) can. The migration of female workers from Bangladesh is incentivized over male workers, and the latter are charged higher commissions by agents while women are charged none.⁵⁷ These workers describe themselves as very timid and vulnerable, and lacking in collectivization as a community.

Burmese workers reported undergoing pregnancy testing in their home country before moving to Jordan. It is not clear whether this was in accordance with national regulations, but it serves as a tool for the exclusion of pregnant workers. Women workers were quite forthright about discrimination against pregnant women in employment, stating that pregnancy would undoubtedly lead to termination from work. Though workers are recruited as individuals, some migrant workers do manage to live together secretly in Jordan. When such couples experience pregnancy, it often results in the repatriation of the female worker.⁵⁸ This practice, and the national regulation against medical termination of pregnancies, causes immense distress to female workers, often driving them to seek unsafe termination from private medical practitioners at great economic and psychological costs.

CBA 2019 is the first to mention sexual harassment as discrimination at work as a prohibited practice. An ILO senior specialist speaks passionately about the prevalence and invisibility of sexual harassment at work in Jordan, the deep social stigma which inhibits reporting, and the adoption of measures that prevent and redress it. BWJ has been making steady progress in bringing this issue to the notice of employers. Their advocacy includes the adoption of trainings that pre-empt and address the practice and a mapping exercise to understand the grievance redressal system in instances of gender-based harassment. Advocacy by women's rights groups and the ILO has also led to the drafting of a penal provision against sexual harassment (its adoption into law is awaited, but it addresses an important legal gap – the absence of sexual harassment prohibition in employment law in Jordan).

56 The internal bye-law was promoted extensively, and tripartite constituents and the ILO worked on drafting such a policy/bye-law. But Suha Labadi from the ILO reports that the Ministry did not adopt it.

57 As stated by a Bangladeshi group during an FGD. A similar statement also appears in the 2021 BWJ Annual Report.

58 Reported by a worker from Myanmar.

Owing to the social stigma and secrecy surrounding the issue, workers were very hesitant to discuss sexual harassment. A small but significant number of women workers interviewed did acknowledge its prevalence, especially in the form of *quid pro quo* harassment by members of the middle management. Employers deny the existence of this issue entirely, interpreting the fact that they haven't received any formal complaints about sexual harassment as proof that it doesn't exist at all. The reporting of these incidents is very low due to the fear of reprisal, the unwillingness of colleagues to testify in favour of the victim, and the social stigma among the workforce about this form of harassment. The annual BWJ reports for 2019 and 2020 acknowledge their own methodological limitation in reliably capturing the prevalence of the issue in two-day visits.

3.6. Employment security

Previous CBAs have tried to address employment instability. CBA 2013 stated that layoffs for economic or technical reasons would only happen in accordance with the Jordanian Labour Law, and workers would be entitled to re-enter their roles within one year of being laid off. CBA 2015 prohibited layoffs through subcontractors, binding subcontractors to the standards adopted through the CBA. It specified that workers cannot be terminated by any employer in the first 90 days (the probation period) without fair and sufficient cause, and it also mandated a gradually escalating scale of disciplinary action based on the Punishments Bill. Only certain egregious actions like theft, property damage, attacks on colleagues or public disobedience would result in termination, if it were implemented.

This protection was omitted from the subsequent CBAs of 2017 and 2019. CBA 2017, however, mandates the creation of a joint committee at the enterprise level to determine the mechanism (presumably procedure and compensation amount) for terminating the services of a worker who submits their resignation before the expiry of a fixed-term contract. Even this provision was omitted from CBA 2019.

Discussion: These omissions indicate regressions from a worker-friendly approach and a turn towards layoffs, terminations and resignations. They create ambiguity and unpredictability in these matters at the enterprise level, leaving individual workers vulnerable to the whims and

the occasional generosity of their employers. The Al Hassan Workers' Centre Report for 2019 takes note of an unconventional form of layoffs that defies the legal protection against it without visibly violating law – the denial of work to willing workers in retaliation for their actions or as a punishment for low productivity. It takes note of the use of termination to threaten or punish workers even for minor infractions or disagreements, sometimes even without any provocation.

This report and the 2021 BWJ Annual Report both note irregularities in the sector in matters of termination of contracts, including illegal termination, denial of reimbursement for unused paid leave, and denial of social security pay-outs after termination (many of which can't even be remedied due to incomplete documentation). FGDs with workers revealed their anxieties about the industrial practices with respect to the termination of contracts. Most workers interviewed were hesitant when discussing their working conditions for fear of termination.

3.7. Social security

The Jordanian Social Security Law provides for comprehensive social security with a very broad coverage. Workers can benefit from the social security system regardless of their nationality, tenure or nature of work. The contributory system relies on the employers, who are responsible for registering workers and paying the social security contributions of both parties.

The employment injury and maternity compensations are funded through contributions from the employer. Unemployment insurance is funded through compulsory contributions from the establishment (firm) and the worker. The employer is expected to deposit 1.5 per cent of the monthly wage of the worker each month, of which 0.5 per cent is paid by the firm and 1 per cent is deducted from the worker. Old age, disability and life insurance are all funded through compulsory contributions from the firm and the worker and account for 17 per cent of the workers' monthly wage.

Discussion: The Jordanian social security system adopts formal equality between native and foreign workers in matters of social security. The country has partially ratified the Equality of Treatment (Social Security) Convention, 1962 (No. 118) with respect to maternity benefits, invalidity benefits, survivor's benefits and employment

injury benefits. The law categorically states that nationality, tenure or profession may not be a barrier to the access to social security. But the qualifying criteria for certain benefits, based on the duration of contributions, are a barrier to the enjoyment of social security measures by foreign workers.

Employment injury benefits are not qualified by any minimum criteria, and workers excluded from the social security system are also guaranteed employment compensation from the employer under JLL 8. In cases of injury or death arising during employment due to reasons unconnected to employment, the worker should have contributed into the social security system at least 24 times for natural death pension or 60 times for disability pension. Migrant workers are partially excluded from this benefit.

Eligibility for maternity benefits depends on the beneficiary having contributed to the social security system for at least six months before they raise a claim, which appears to be a reasonable restriction. But access to these benefits is hampered by the use of pregnancy tests in some factories during the recruitment of workers and for the termination of pregnant female workers.

Unemployment insurance may be availed only by workers having contributed into the social security system at least 36 times (the unified work contract for migrant workers in the garment industry lasts for an equivalent number of months). However, termination from work automatically results in the termination of legal residency since a worker's immigration status is tied to her employment, and migrant workers face deportation if they opt to stay in Jordan after termination. So, seeking employment insurance during irregular residence is unlikely. Thus, though they contribute 1 per cent of their monthly wage into the unemployment insurance system, this benefit is not accessible by migrant workers. Their contributions sadly only serve to

buttress the unemployment corpus for native workers.

Similarly, the old age and early retirement pensions require workers to have contributed into the social security system for at least 15 years, a condition that migrant workers are extremely unlikely to meet. The withdrawal of a lump sum compensation⁵⁹ from the social security system remains the only benefit guaranteed to migrant workers under this system. This compensation is paid out after deducting any social security dues from the worker.

3.8. Access to justice for individuals

The CBA also offers pathways for the resolution of individual and collective labour disputes. Migrant workers covered by the CBA may opt for the intervention of the ULC before their employers. The worker may also approach the JTGCU if the ULC fails to resolve their dispute within five days.⁶⁰ If this mediation fails, or if workers do not want to approach the ULC at all, they are free to take the legal route to dispute resolution discussed below.

Individual labour disputes can be filed before a Magistrate's Court in the form of a written claim. Jordanian Labour Law No. 8 of 1996 waives the filing fees in respect of labour disputes arising from individual labour contracts.⁶¹ The Magistrate's Court is expected to hear the case on a fast-track basis (within three months).⁶² Despite the legal safeguards promising speedy dispute resolution, labour disputes often drag across multiple years in the Magistrate's court.⁶³ This is particularly of concern to migrant workers, whose stay in the country is tied to their employment status and inherently limited. Employers are prohibited from altering the conditions of employment for any worker or dismissing any worker without written approval of the authority hearing the case during pendency. It is unclear how effective this protection is, especially among smaller factories.

⁵⁹ The lump sum compensation amounts to 10 per cent of the total wage earned under Article 104.

⁶⁰ Clause 19 of the Unified Work Contract.

⁶¹ Section 137 of Law 8 of 1996.

⁶² Section 137 of Law 8 of 1996. This was also confirmed by representatives of the Labour Department in an online interview.

⁶³ Stated by both Linda Al Kalash from Tamkeen and an ILO staff member and acknowledged by officials of the Labour Department, who attribute this to a high pendency of cases before the metropolitan courts.

Claims involving wage disputes may be filed before specialists authorized by the Labour Ministry to hear them.⁶⁴ While workers could only file such claims when they were in active employment, this provision was amended in 2019 to enable workers to file claims within six months of termination.⁶⁵ The Wage Authority adopts a model endorsed by the law for the mediation of civil disputes. Workers may submit their claims individually or collectively and may choose to be represented by a lawyer before the Wage Authority.

Discussion: Workers are usually aware of the person representing their nationality, but they are mostly unaware of the operations of the ULC on the whole. Workers gain de-facto membership of the union upon their recruitment – the trade union membership form is one of the many handed to workers during their on-boarding process.⁶⁶ Some employers indicate to workers that membership is voluntary, and workers do opt out of joining the union.⁶⁷ Non-members can request the union to do so in exchange for a small fee. But not all workers express faith in the ability of the ULC to advocate for their interests. A majority of the workers that we interviewed mentioned that approaching the Al Hassan Workers' Centre seemed their most favourable option in the event of a crisis or a labour law violation. The Centre provides a safe space for workers to discuss social and work-related issues and to understand their rights under the law. It can also mediate employment disputes and advocate on behalf of migrant workers.

The road to litigation is described by Linda Al Kalash, the executive director of Tamkeen, as a very lonely one; workers find themselves isolated and ostracized by their co-workers and supervisors who all fear retaliation. The accessibility of courtroom justice is further impacted by the language barrier faced by foreign workers in the event that translators are

not made available to them.⁶⁸ The translation made available isn't always accurate, and the translation services accessible within the Court might not cater to all linguistic groups in the migrant workforce. The Wages Authority works in Arabic, and pleadings and evidence presented before it must be made in Arabic.

The Wage Authority as well as Metropolitan Courts require advocates to file petitions involving wage dues above 1,000 dinars.⁶⁹ While workers can file other claims without legal representation, an advocate becomes very central to navigating judicial procedure and linguistic impediments, but Jordanian labour law does not guarantee vulnerable migrant workers free legal counsel except when they are charged with serious criminal offences.⁷⁰ The cost of legal advice may deter workers from availing this route, especially since adopting an adversarial position before a Court may result in severance of the employment relationship.

The Al Hassan Workers' Centre has been tremendously helpful to workers in navigating these practical barriers by making the services of interpreters and counsellors and legal aid available to workers, mostly through informal mediation. But the accessibility of legal services within the QIZ is very limited, and civil society organizations don't have free access to the QIZ. The Jordanian legal environment may be hostile towards civil society groups, and employers often resort to criminal complaints against persons intervening in disputes on behalf of workers.⁷¹

3.9 Resolution of collective disputes

The CBA creates a framework for the resolution of collective disputes in the garment sector. These are defined as "every dispute that arises between the union on the one hand and an employer or employer association on the other hand over the application or interpretation of a collective labour contract, or that pertains to

64 Section 54 of Law 8 of 1996.

65 Article 54 of Law 8 of 1996.

66 As reported in multiple FGDs.

67 As reported in interviews with employers.

68 Concern shared by Linda Al Kalash from Tamkeen, corroborated by a legal expert and former staff of the Ministry of Labour.

69 Information shared by a legal expert and former staff of the Ministry of Labour.

70 Stated by both Linda Kalash from Tamkeen and an ILO staff member and also acknowledged by officials of the Labour Department.

71 Staff members of the Workers' Centre have faced such prosecution.

the circumstances and conditions of work".⁷² Disputes that are raised by multiple workmen without the support of the trade union may not fall into this same framework.⁷³ The ULC is denoted as the first body to attempt amicable resolution of disputes with the employer. If they fail to reach a satisfactory outcome, the dispute will then be referred to the Agreement Management Committee (AMC) created under the CBA. The Committee has equal representation from the Trade Union and the Employers' Association and is responsible for supervising the implementation of the CBA at the sectoral level. The efficacy of this arrangement is in question as the AMC has not met even once. Disputes between the parties to the CBA are also supposed to be resolved by the AMC, failing which they proceed to the labour department as a collective labour dispute.

Jordanian labour law provides for the resolution of a collective dispute through a reconciliation officer appointed by the Labour Ministry at the first instance. If the officer is unsuccessful, the case may then be transferred to the Labour Minister's office for their mediation. If both these paths fail, the Labour Department may then constitute a Reconciliation Council for the resolution of such disputes, consisting of an equal number of representatives of the Workers Union and the Employers' Association, along with one independent member. The Reconciliation Council may try to resolve the dispute fully or partially within 21 days. If they are unsuccessful in doing so, such a dispute will then be referred to a Labour Court, which is composed of three civil judges. While the parties to the dispute are prohibited from being represented by a lawyer in all the stages before this final stage, they may opt for legal counsel before the Labour Court. The Labour Court will deliver its verdict within 30 days. Such a verdict is final, and can't be appealed before any other forum.

Discussion: While the law provides time-bound resolution of a collective dispute, in practice the dispute can drag on. Given the limited tenure of migrant workers, disputes that drag on works

to reduce their ability to access justice. In this context, an effective ULC and AMC would be a better option.

3.10. Migration of workers and the *kafala* system

Migration to Jordan is strictly regulated. Employers wishing to hire non-Jordanian workers are required to conform to two guidelines concerning their recruitment. The residential permits of workers are tied to their employment – that is, the employer is responsible for their arrival into and exit from the country. Workers in QIZs aren't even allowed to move from one employer to another. The termination of the employment relationship automatically results in termination of the work permit. Even if workers want to seek work with another employer, they need to acquire quittance from the original employer if the employment contract is still in force.⁷⁴

The employer holds sole legal responsibility for securing employment permits for workers – the latter aren't entitled to or empowered to do so on their own. Given the geographical constraints, irregular immigration/entry into Jordan is extremely rare. A majority of regular migrants in Jordan *turn* irregular, either because they leave the employer (who is required to declare them to the police in this instance), or because their employer fails to secure or renew their work permits.⁷⁵ The CBA mandates that workers moving to Jordan should not have to bear any fees or commissions connected with immigration. It also compels employers to only hire workers through private recruiting agencies that align with the domestic laws of the source country and the conditions of the CBA.

Discussion: Jordan does not officially acknowledge the *kafala* system, even though it is enforced very strictly in the country. A senior specialist at the ILO perceives this unwillingness to acknowledge the system as the biggest barrier to its reform.⁷⁶ The Jordanian garment sector is highly dependent on migrant workers for

⁷² This was defined through Article 2 of Law 8 of 1996.

⁷³ This was corroborated through an interview with an anonymous source connected to the labour department.

⁷⁴ Terminated workers cannot seek extension of their residency permits, even if they find another willing employer, and must return to their home countries and go through the immigration procedure again.

⁷⁵ Opinion shared by a legal advisor during an interview

⁷⁶ Opinion shared during an interview

its productivity and profitability. While the immigration picture is clearer at the Jordanian end, recruitment and emigration from the source countries remains a space without much transparency. Though workers share information in this regard, their employers are unwilling to divulge much information without focused international pressure. Human rights due diligence, which is at the core of the UN Guiding Principles on Business and Human Rights, is not adequately focused on in recruitment.⁷⁷

Recruitment and emigration from Nepal and Bangladesh occurs through more regulated channels due to domestic initiatives that seek the elimination of middlemen and establishment of safe migration. The ILO senior specialist regards this agreement as quite the model, especially given the tripartite nature of the discussions involved in its formulation, its gender sensitivity and its implementation.⁷⁸ Bangladeshi migrants are recruited through the government-run recruitment agency Bangladesh Overseas Employment and Services Limited (BOESL). After the Egyptians, Bangladeshi workers form the largest group of migrant workers in Jordan across all sectors and dominate the ready-made garment industry.

Despite the highly regulated migration channels, most Bangladeshi workers we spoke to disclosed paying a commission to an agent to emigrate to Jordan. Unofficial *dalals* still exist in the migration corridor and prey on the least literate (mostly rural) workers (Fishman and Verma 2020). BOESL's involvement with migrant workers ends upon their emigration – it has no presence in

Jordan. The Bangladeshi Embassy's resources are stretched thin, and it focuses on domestic workers more closely. Workers are often unaware of the full terms of their engagement despite interventions from BOESL.⁷⁹ The pre-departure training, while probably not adequate, could provide workers with some knowledge of basic issues to expect in Jordan.

Workers are dependent on employers for the renewal of their work permits and are often unaware of the exact procedure or progress with that application. When non-renewal is detected, the employers face a monetary fine and may even be blacklisted from recruiting non-Jordanian workers in the future.⁸⁰ But workers who become irregular migrants are also persecuted by the police and prosecuted, and on occasion, they even face deportation for no fault of their own. The Jordanian government runs an amnesty scheme every few years to enable such workers to return to their home countries without prosecution. However, migrant workers might not be aware that the law then prohibits their entry into Jordan for three or five years. A worker who spent two years in Jordan without a work permit reported facing police intimidation outside factory premises. His employer has been putting off securing a permit for him and is unwilling to give him consent to transfer to another employer. The employer is now waiting for the amnesty scheme to be declared so the worker can be repatriated.⁸¹ Employers sometimes use police action to threaten or punish outspoken workers.⁸²

77 Opinion shared by an ILO consultant during an interview.

78 Opinion shared during an interview.

79 Fishman and Verma 2020. This was also mentioned during an FGD.

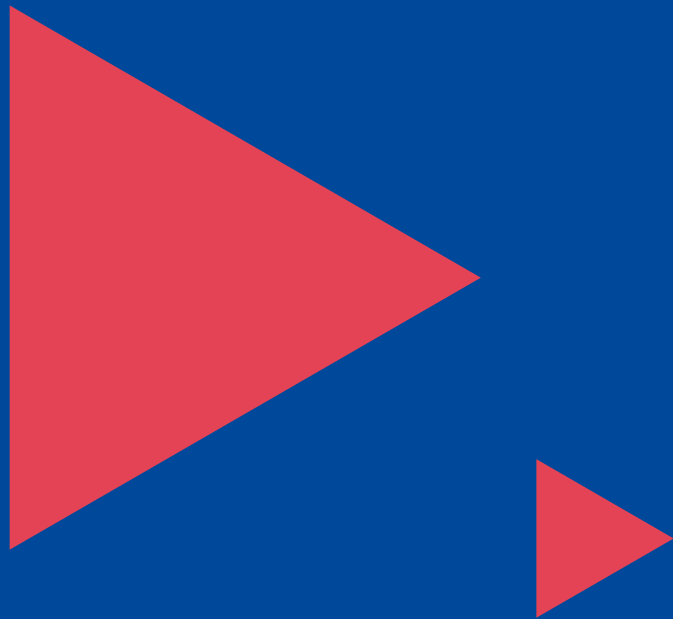
80 Suha Labadi from the ILO stated that the ILO reported being unable to recall any such case of blacklisting in her experience, indicating that the legal penalty may not be widely used for this variety of violation.

81 Interview with a worker.

82 Opinion shared by an ILO staff member with respect to a recent arrest in the Sahab industrial area.

▶ 4

Stakeholders in the garment sector in Jordan



4.1. The Jordanian state

The establishment of the garment industry in Jordan was done with the signing of the Qualifying Industrial Zone Agreement in 1996; the industry expanded after the cessation of restrictions under the Multi Fibre Arrangement from 1 January 2005. Given the paucity of entrepreneurial talent and skilled workforce in the sector, much of the large investment and employment generation has been from outside Jordan. Besides providing employment to around 16,000 local women workers, the state has been contributing to export earnings (the sector earned around US\$1.6 billion in the year 2020, contributing 22 per cent of the annual exports from Jordan for the year). In addition, the sector contributed nearly US\$50 million in taxes to the exchequer for the year 2017. In the context of rising unemployment, particularly among women job seekers in Jordan, the sector can contribute to increasing employment for local women.

The Labour Department of the Jordanian government⁸³ is responsible for managing good labour relations and ensuring labour law compliance. BWJ has worked with the Labour Department to build capacity in governance, and all the assessments conducted in the last two years were done at least jointly between BWJ and the Ministry of Labour, and some were done independently by the Ministry. The expectation from brands is that BWJ should continue to play the role of facilitating compliance in the sector. To quote from the 2021 BWJ Annual Report: "During the 2017 Buyers' Forum, Better Work Jordan presented the Phase III strategy, including the eventual handover of core service delivery to national stakeholders. Buyers expressed some reservation about this possibility, and were particularly concerned about who they would be able to communicate with in Jordan with regards to labour standards" (Better Work Jordan 2021).

The reliance for compliance certification on BWJ was also evident in discussions with various brand representatives. In this context, the issue is not only one of capacity building within the Labour Department, but also of creating a mechanism for good regulation within the

Ministry of Labour, which has the confidence of other stakeholders.

The grievance redressal platform "Hemayeh", which provides workers with a channel to anonymously bringing violations to the notice of the Labour Department, is one example of the possibilities within the Labour Department to ensure better regulation and build confidence among workers. However, given the structural limitations imposed by the sponsorship scheme in employment and the limited rights within the trade union, these platforms might have only limited impact. Fundamental structural changes within the collective bargaining structure are needed, and they must be implemented and facilitated by the Labour Department to ensure lasting change in industrial relations in the sector, and to strengthen the Department's own role as regulator of good industrial relations.

4.2. Industry

Around 95 per cent of all production of apparel in Jordan is for the export market, primarily to the USA (Better Work Jordan 2021). The export factories can be grouped into three categories: the largest factories employing up to 3,000 workers are owned by large companies which sell to brands and are located in various QIZs; the satellite units owned by the large companies are located outside the QIZs in rural areas, employ Jordanian workers, and are used to fulfil the local employment quotas; the smaller subcontracting factories produce for the large exporters on demand. As of December 2020, there were 42 large factories and 21 satellite units of the large exporters and 21 subcontracting factories, employing 66,000 migrant and local workers (Better Work Jordan 2021). Most of the factories manufacturing for the export market are owned by non-Jordanians. The largest company in the sector, Classic Fashions, employs 27,000 workers in 14 factories located within the QIZs and 8 satellite units in rural Jordan; it contributed more than a third of the employment and turnover of the sector.

The local garment factory owners produce primarily for the Jordanian market. There are between 50 and 100 SMEs, all located outside the QIZs. These factories are not members of the

⁸³ The Ministry of Labour in Jordan has separate a Labour Inspection Department and a Labour Relations Department. For the purpose of this report, we use the term Labour Department to interchangeably refer to both departments.

BWJ programme; they are poorly regulated, and workers typically do not have the benefit of social security.⁸⁴ However, workers would have the choice to arrange their own accommodation and food, not have any forced deductions from their wage on account of the “in-kind” component or social security.

4.3. Employees: locals and migrants

The composition of employment in the garment sector has been discussed in the earlier sections of this paper. It would be useful, however, to reiterate that garment workers broadly fall into three categories: local workers employed in SMEs; local workers employed in the export garment sector factories within the QIZs and satellite factories; and migrant workers employed in the export garment sector. In many respects, workers might thus be seen as belonging to three different stakeholder categories. This is important when we consider that while all garment workers are included under the same CBA covering the garment sector, the clauses defining wage vary significantly for these workers. Similarly, we can see a divergence in the treatment of migrant workers regarding trade union representation and their access to social security. Further, the sponsorship system brings an additional element of vulnerability to the migrant worker.

However, workers are also united by several common demands: better wages; a harassment-free workplace; mitigation of work pressure; and a more transparent understanding of their rights and employment situation.

4.4. Brands

Several of the large brands supplying to the US markets source from Jordan, given the preferential access benefits to products manufactured there. The brands highlighted two factors favouring sourcing: the cooperation and support of the Jordanian government, and the presence BWJ, which plays a key role in regulation of employment practices, both in terms of assessments and continuous remedial measures. Most brands sourcing from Jordan

were therefore content to leave the assessment responsibility with BWJ as they find that this arrangement – with its reduced multiple brand audit processes – creates better vendor satisfaction.

During interviews, several brand representatives also expressed satisfaction that BWJ intervention indirectly brought approval to employment processes and relations in the sector. While some brands highlighted the easy access to government officials, even at the ministerial level, they also said the government could be slow in taking decisions. For instance, one representative related how, even when the worker and employer were agreeable about extending the work permit beyond three years, governmental permission was always slow to come by.

Several representatives highlighted good, informal information exchange and formal coordination between brands at the Annual Buyers' Forum, where brands and manufacturers come together. They also found BWJ a forum for coordination between all stakeholders in the industry.

During interviews, some brand representatives expressed caution that post the spread of COVID-19, there might be global concern about stressed supply chains, making locations dependent on the migrant workforce and outside supplies of raw materials and intermediate goods vulnerable to production disruptions. In one instance, a factory manager explained there was a shortage of workers as they had returned home before the pandemic lockdowns, and travel restrictions were making finding replacements difficult.⁸⁵ The brands also hoped that BWJ would continue to function in the sector for some more time, to stabilize systems, before passing on their support role to the Jordanian labour department.

4.5. Trade unions

Under the Jordanian Labour Laws, there can be only one trade union federation in the country; the number of trade unions is also limited (there are currently 17), with just one for each

⁸⁴ This was learnt from a discussion with a senior specialist at the ILO.

⁸⁵ A manager from a large factory related that the factory that normally had a workforce of 3,000 workers now had a shortage of nearly 700 workers, and thus they had more orders to complete than in either of the previous two years. He said even with overtime work, the targets were difficult to meet. A brand representative also explained there was a spike in demand for apparel, to replenish the inventories depleted during the pandemic and cater to reopening of the economy in the US.

sector. The Jordanian JTGCU is thus the sole representatives of all garment workers, both in the export sector and the SMEs supplying to local industry.

While membership of trade unions is voluntary, workers cannot take up disputes before the Labour Department except through a trade union. This might be one of the key reasons for workers joining the union. Besides, among migrant workers, the lack of Arabic language skills and the collection of membership dues through a check-off system could rob workers of their agency in joining the union. For most migrant workers, the act of joining the union was therefore a mechanical part of the formalities for joining work. Further, while the Jordanian law does not explicitly deny workers the right to representation, the bye-laws of the General Federation prohibit migrant workers from voting or standing for election to union office. This further restricts migrant representation in the union. Thus, migrant workers, who constitute significantly more than half the total workforce (both apparel export and apparel for local markets), do not have direct representation.

The bilateral CBA 2019 between JTGCU and the associations of garment exporters (JGATE and the Association of Owners of Factories, Workshops and Garments [AOFWG]),⁸⁶ included the setting of a ULC within each factory as a representative body of all workers. This clause within the CBA allowed some degree of direct representation for migrant workers. However, the Jordanian Labour Laws (amended in 2010) recognize only the trade union as a body to negotiate collective disputes; no association established by agreement is granted this right. The union labour committee therefore does not effectively confer any legal right of representation to the migrant workers.

4.6. Industry associations: JGATE, AOFWG, Jordanian Chamber of Industry

The Jordanian garment sector has an oligopolistic structure; 95 per cent of all production is meant for export, primarily to the USA, made feasible because due to JUSFTA. A few large companies are responsible for most of the employment

and turnover in the export sector. The largest company, Classic Fashions, employs around a third of the workforce and controls nearly 40 per cent of the total export turnover; the largest 10 companies contribute to more than 90 per cent of the export. These companies do not require the association to represent their interests. The Jordanian Chamber of Commerce (JCI) and the AOFWG also operate in a different and much smaller market; the members do not share the same demands as members of JGATE. As a result, the garment employers' associations in Jordan are weak. This, in turn, limits collective bargaining at the industrial level, restricting the possibility of substantial changes through the triennial collective bargaining agreements.⁸⁷

4.7. The ILO in Jordan

4.7.1. Better Work Jordan

The BWJ programme was established in the year 2008 in the wake of reports of growing incidences of migrant worker abuse in the garment sector in Jordan. The programme describes itself as a partnership of the ILO and International Finance Corporation (IFC), set up at the request of the governments of Jordan and the US (BWJ 2021). While the BWJ does not have any formal regulatory function, it derives power from the requirement that all factories exporting to the US under the JUSFTA mandatorily have to be members of BWJ. The membership requires factories to cooperate with assessments and remediation programmes of BWJ.

The BWJ 2021 Annual Report summarizes a report card on the state of industrial relations in the sector and highlights abuses of workers' rights among exporting apparel factories. Company/factory-specific evaluation reports are also available for brands to purchase. For brands, this mechanism works well as they have access to a mechanism for factory assessments and factory remediation measures. The ILO stamp adds to the value of the assessment programme.

Several brands expressed satisfaction working with BWJ in the sector. The annual BWJ project advisory committee meeting brought together various stakeholders, employers, the trade union and government representatives,

⁸⁶ JGATE represents the garment exporting factories covered by JUSTFA, while the JCI and AOFWG represents the interest of the local garment SMEs typically supplying garments to the local market and the GCC.

⁸⁷ A discussion with a senior specialist of the ILO brought this to light.

along with brand representatives. One brand representative claimed sexual harassment was not widespread in the Jordanian garment sector as BWJ intervened early and took preventive actions, which included training for enhanced cooperation and communication for employees and officers at the factory; skill training for supervisors; and preventive training for managers.

4.7.2. Integrated Programme on Fair Recruitment (FAIR II)

The Integrated Programme on Fair Recruitment – Phase II (FAIR II) is a global project of the ILO which seeks to contribute to the promotion of fair recruitment initiatives across migration corridors in North Africa, the Middle East and South Asia. The project strategy is based on: 1) establishing fair recruitment corridors to prevent the abuse and exploitation of migrant workers; 2) providing migrant workers with access to reliable information and improved services through the recruitment process; and 3) producing and disseminating innovative research and knowledge on fair recruitment through the media.

These components are implemented through several initiatives at the global and country levels. Target countries include Tunisia, Jordan, Nepal and the Philippines. In Jordan, the project aims at promoting fair recruitment into decent work – with a focus on eliminating deceptive and coercive recruitment practices in the apparel industry – and reducing the vulnerability of migrant workers to labour exploitation.

4.7.3. Work in Freedom Programme (WIF II)

WIF II is an integrated programme to support mobility by choice among women and girls from India, Bangladesh and Nepal. It helps them find decent jobs that offer safety and dignity to workers in the destination countries of India, Lebanon and Jordan through fair recruitment processes. The overall aim is to reduce vulnerability to trafficking and the forced labour of women and girls across migration pathways leading to the care sector and textiles, clothing, leather and footwear industries of South Asia and Arab States.

The programme addresses key drivers and vulnerabilities of human trafficking, such as gender and other forms of discrimination, distress migration and poor working and

living conditions. It does this through an integrated prevention strategy of: (1) targeted social protection and empowerment; (2) fair recruitment practices; and (3) evidence-based policy advocacy for decent work options.

4.8. Discussion on stakeholder interests

One central aspect of stakeholder interest would be the stability of the ready-made garment industry in Jordan, in particular the export garment sector that contributes nearly 95 per cent of the turnover and 90 per cent of the employment in the industry. The interest of the manufacturers is evident given their substantial investment in assets. Brands similarly make substantial investments for the development of a stable and viable supply chain, with reasonable levels of compliance to national and international standards of good governance.

To reiterate, the garment export industry in Jordan received a boost with the signing of the Qualifying Industrial Zone agreement in 1996. The primary interest at that time was for the US to facilitate better relations for Israel with Arab countries. However, the US was also concerned with employment relations in the sector, as is evident from the MOU of 24 October 2000 on labour cooperation between USA and Jordan, which came into force on 17 December 2001 with the establishment of a free-trade area. While the agreement was non-binding, it referred to the implementation of the ILO's core labour standards among other measures within the QIZs in Jordan. It also made reference to migrant workers in relation to their recruitment and the regulation of their employment.

Clauses in the MOU included strengthening the institutional capacity for labour administration and improving labour law enforcement capabilities in Jordan. It is also of interest to note here that in response to reports of violations of the rights of migrant workers, the USA worked with the ILO in setting up an alternative compliance mechanism through the BWJ programme, which remains an important component of the industrial relations regulatory mechanism for garment exports.

A majority of the apparel brands sourcing in Jordan explained how the BWJ system of assessments and remediation suited their interests. They explained how the ILO name also gave them more confidence in the assessment process. They appreciated, during interviews,

the single-point compliance assessment lending, which enhanced the ease of doing business and took away the pressure of repetitive assessment exercises for their vendors. However, the process should not lead to brands reducing accountability.

The major issue with the trade union representing all workers in the sector is that the largest group of workers among them, migrant workers, are excluded as per its bye-laws from holding any office or even influencing election processes. Union membership among local workers appears extremely low, similar to the situation in the garment sectors of other exporting countries; some employers reported that very few local garment workers in their factories had joined the union.⁸⁸ There is near total union membership among migrant workers, although it was possible that some of them did not even understand the full import of what the membership implied or even what they were signing on. This would also suggest the proportion of migrant worker membership could even exceed their 70 per cent representation in the total garment workforce in Jordan. However, the restriction in representation mandated by union bye-laws could weaken migrant worker involvement in the union decision-making processes. This might in turn adversely impact industrial relations in the workplace.

The chief executive at Classic Fashions articulated this problem from the employer perspective. He said that a strong trade union was essential to bringing about better discipline at the factory and industry levels. He added that recent work stoppages during the pandemic, and even before that, were primarily due to the absence of good communication addressing the anxieties of workers and could have been prevented by a strong and responsive trade union.

The JTGCU highlighted obtaining the right to join trade unions for migrant workers and the UWC as two important victories on behalf of workers in the garment export sector. However, the denial of migrant workers' voting rights and the right to hold trade union office would weaken their participation in the trade union;

given that migrants constitute the majority of the workforce, their restricted participation would also mean the democratic functioning of the union would be hampered.

Our interactions with experts indicated that there were shortcomings in the representation of membership interest by the two garment associations, JGATE and AOFWG. The weak representation might be reflected in the ineffectiveness of the AMC constituted under CBA 2019, which has not met even once.

The extent to which worker interests – of both migrant and local workers – in the sector are being met can be a point of contention. There are several aspects in relation to which garment workers could feel discriminated. For instance, while the tripartite committee, mandated under Jordanian law, fixed a common minimum wage for the workforce in all sectors of the country, the garment industry alone had a bipartite fixing of the minimum wage at 18 per cent lower than the general minimum wage. In addition, for the migrant worker, the fixing of the in-kind component was done through “expert” evaluation and not through a negotiated settlement. The “expert” evaluation done as part of the CBA 2017 was to be repeated every two to three years; however, no revaluation has yet been carried out.

The absence of skilled local workers and the consequent dependence on migrant workers was highlighted by many employers among those interviewed. Some employers explained, during interviews, that the costs of skilling workers was high, particularly as local workers did not stay in a job for very long.⁸⁹ They further claimed that local workers could allow greater flexibility of labour, which is useful given the seasonal nature of demand in the industry. Given the Government of Jordan has expressed interest in increasing employment in the manufacturing sector to address growing unemployment, focused attention on skill training might support to employer interests. From the workers' perspective, increasing the minimum wage to bring parity between the sector and other

88 According to the general manager at Ivory Garments, only 2 workers out of the 49 local workers in their factory in a QIZ, and 3 of the 170 workers in the satellite unit were union members. This was less than 3 per cent union membership among the local workers at a sub-contracting factory we studied.

89 The claims of employers seem to contradict the practices of local workers being employed on shorter duration contracts post the COVID-19 pandemic.

sectors would also be an important policy support.

Another cost is implicit in the industry not being able to address absenteeism and labour turnover among local workers. The industry is forced to carry more workers on its rolls to compensate for temporary workforce fluctuations along the production line. However, short-term employment for local workers, made shorter after the pandemic, might not be the way to address this issue.

The Social Security Corporation in Jordan denies the full benefits of social security to migrant workers. A substantial proportion of benefits only accrue to the worker, for instance, only after women workers attain retirement age, 55 years. But most migrant workers cannot stay in the sector long enough to avail these benefits given the rules governing their recruitment. Consequently, migrants end up having to forego more than half the social security savings accrued under their names. Most local workers also find their benefits from social security similarly constrained as they do not stay long with the sector. The rules do not benefit the employers either, as they have to pay their contributions towards social security for the workers, and this contribution gets socialized into the general funds of the Social Security Corporation. Both employers and the garment workers would benefit from these rules being rationalized: the workers would have improved savings, and the employers would gain from the greater motivation of the migrant workers they employ. The rationalizing of rules might also benefit the local garment workers, given that many workers reportedly do not stay with employment in the sector for long.

The COVID-19 pandemic has brought in its wake a new set of concerns. It has raised questions on the viability of global supply chains, given the threat of disruption to the movement of goods and services. This did also impact the Jordanian garment sector, given its dependence on short-term migrant labour. The industry might be forced to explore the possibility of longer contract terms for migrant workers. Managers, both at the Atlanta factory in Sahab and a subcontracting factory in Al Hassan claimed they gave workers the option to extend their contracts, and many chose to stay on for another two to three years. At a large factory, some workers stayed on for even up to 12

years and had been made line leaders and even supervisors. Workers might be more willing to opt for a longer contract if they had better employment conditions, including improved living conditions. Less congested living facilities may be possible to achieve, even within the current in-kind wage budget. The pandemic requirements of greater physical distancing would also bring up this issue as a health concern.

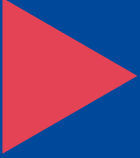
Large companies like Hi-Tech Textile and MAS Kreedat Al Safi stressed the importance of increasing local employment to deal with the post-COVID-19 situation. Their experiences in employing and skilling local workers seem to question some dominant views in the industry about local workers, such as the idea that they cannot be integrated into factory work in the garment sector. The future stability of the sector might depend on the ability of employers to achieve a better balance between local and migrant workers; and to be able to get both categories of workers to gain skills and remain motivated to stay with the company and contribute to the continuity of workforce, which is essential for lean production techniques and improved productivity.

The BWJ programme has played a critical role in improving industrial relations in Jordan, but it does not seek to remain in place permanently. BWJ suggested, in 2021 Annual Report, that it ought to phase its intervention out. However, this might raise the question of how prepared the Labour Department in Jordan is to completely take over their role. The response of brands and even exporting companies might suggest they would like the programme to continue. Evidently, it will not only be the readiness of the Labour Department but also the other stakeholders that will decide how effectively BWJ can be phased out. In all this, improved representation of migrant and local garment workers' interests will remain a critical element if better industrial relations in the sector have to prevail.

Our discussion with workers brought out many important issues. First, local workers were clear that they needed the job to meet family expenses; many of the workers interviewed said this was the only job available, given the limited employment opportunities in Jordan. This contradicted the broadly held view among other stakeholders that local women were not interested in working in the sector. However, the

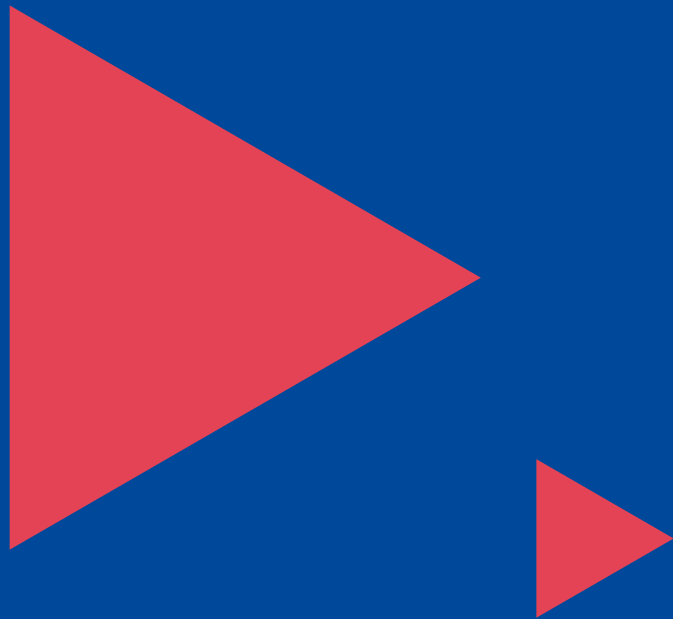
low wages and lack of wage growth were huge disincentives. Second, both local and migrant workers lacked an understanding of the CBA and their legal rights. Workers had no role to play in preparation of CBA 2019. A majority of migrant workers interviewed claimed that their only source of legal advice was the Al Hassan Workers' Centre. They also complained of high

work pressure and harassment to achieve targets. Finally, workers across nationalities said the union never approached them to discuss issues; they did not even know who the union representative for their factory was. Their testimonies call for a broader conversation on the JTGCU's role and capacity to serve as an effective voice for all its members.



5

**Towards a transition of
industrial relations in the
garment sector of Jordan**



A good system of industrial relations must do justice to all stakeholders in a particular society. It must also understand current realities along with contemporary practices and carry a transformative perspective, with innovative content to meet the needs of the future.

We approach our present assignment in this spirit. At the outset, it must be recognized that Jordan has been responsive to the needs of our time and open enough to welcome the ILO's contribution. The best evidence of this change is the fact that the garment sector contributes significantly to the export-oriented growth of Jordan.

We recognize that important externalities have contributed to good signs. Jordan is already seen as "an island of stability", and this has been achieved over several decades involving social, economic and political changes, including a constitutional order, good international relations with leading Western countries, such as the USA, UK and France apart from the European Union and many Arab countries, coupled with a peace treaty with Israel.

We take note of the valuable JUSTFA with the US, which guarantees access to the American market along with access to the European market. It has helped the Jordanian garment industry achieve reasonable levels of export.

Yet Jordan cannot rest on its oars.

Our recommendations will address the immediate needs of the industry, but we also hope to have a longer-term perspective, especially keeping in mind relevance and sustainability from the immediate-, medium- and long-term point of view. Such an approach raises questions related to a time period trajectory, which we will clarify as we go along. Readers must therefore consciously adopt a comprehensive and visionary lens in order to evaluate the coherence of our recommendations from a period-of-time perspective.

5.1. The present

Migrant labour forms the bulk of the workforce employed in the garment sector in Jordan. Their wages, working conditions, fringe benefits and social security as they are at present naturally deserve careful and immediate attention. We will, of course, make detailed recommendations for this purpose.

Simultaneously, we address the subject of the future of this sector in Jordan. For multiple reasons, including questions relating to poverty and unemployment in Jordan, the government (including the Ministry of Labour), along with other stakeholders, needs to reengineer the garment sector in order to facilitate a strategic, futuristic transition within the industry. This transition should also take into account global perspectival changes regarding the structure of the industry post pandemic. Such a transition will require a package of reforms. Broadly speaking, these reforms must look at:

- ▶ Revisiting the industrial relations paradigm, enabling (effective) freedom of association and collective bargaining – and seeking to achieve higher productivity with reduced working hours through workers' participation in production planning;
- ▶ Wages, service conditions and fringe benefits; and
- ▶ Localization of the labour force.

This process of re-engineering must be consciously provided for and be accelerated over the medium term. It should commence immediately – with the next CBA engaging with transition issues during its period of application – and extend into the long term. We recognize this process and this period as the transitional stage of industrial relations (TSIR), and it is this perspective which constitutes the fulcrum of our recommendations. The medium term must facilitate the enhanced recruitment of local labour and the utilization of migrant labour, to balance production lines with necessary skills, so as to complete the transition in a phased manner without disrupting production, productivity and profits.

The most important transition in industrial relations will have to involve creating an impetus for higher productivity based on new forms of motivation generated through worker participation, gradually replacing productivity induced through top-heavy processes and stretched overtime.

There is evidence of companies introducing better systems using a strong IE Department for (i) recruitment of workers with specific skills required on the shop floor; (ii) deploying workers based on matching requirement and

skills; and (iii) rewarding workers according to their skill levels, and not just at the minimum wage level. The managers said they gained from this investment in systems and in appropriate training. What we suggest is one more step in this direction towards increasing productivity through scientific management by gradually replacing productivity increases with increases in the work day and work intensity. This will also lead to better industrial peace.

There are instances of industrial action in some factories where the cause was laid on workers not being in the know of things. Better systems would help rectify this information gap. Collective bargaining isn't an intermittent, ad hoc event, but rather a continuous process of participation and negotiation among employers and workers' representatives. It helps bridge information gaps, including those that may be invisible to the management and can therefore help improve production processes at the departmental level. Two major employers mentioned interest in adopting this climate of industrial relations into their own factories.

It is only through a combination of best practices introduced in a climate of participation brought about by democratic trade union involvement that the Jordanian garment sector can move forward efficiently. Greater worker participation can lead to improved labour relations. The issue of production loss due to flash strikes has been articulated by employers; and workers have complained about the debilitating effects of prolonged working hours and have spoken up about their need for rest to recuperate before getting back to work. Replacing long hours of overtime, without losing out on productivity, will be required to attract local labour to the production process, increasing the stability of the sector during times of the pandemic.

The future of the industry must increasingly consist of local labour. Feminization of the workforce is a welcome part of the development process since it undoubtedly contributes to social change and quality of life within the new kind of family. At present, this labour force is neither entirely ready nor capable of satisfying the needs of productivity (through the present mode of extended overtime) as that is presently extracted from the foreign labour force through the retention of the camouflaged essence of the *kafala* system. During the period of TSIR, the veil of the camouflaged *kafala* system must be lifted

in order to decipher its constitutive elements and transform the present model of industrial relations so that it can begin to look more like the ILO model, which recognizes, internalizes and provides for both "core labour standards" and "decent conditions at work".

However, this should be accompanied by increasing worker participation in the management of work; the participation of women in leadership positions on the shop floor, in middle and top management; and greater participation of women in the higher ranks of the trade union and among the Labour Department officials responsible for the regulation of work. It is only by deepening women's participation that lasting changes can be brought about in this sector where women form the bulk of productive forces.

It is clear that migrant labour is recruited in order to access and deploy workers from abroad with enough experience and skills to run production lines with ease, ensuring uninterrupted production. However, this alone does not address the demand for higher productivity. So, to ensure this, a combined facility is created wherein a hostel-like accommodation is provided along with food. This facility induces workers to make themselves available for overtime work to the maximum extent they can – up to even 72 hours a week.

The maximization of productivity is thus achieved by building into the contract of employment many elements that could be seen as coercive in essence, and which are very close to conditions of forced labour. This includes a de facto, rigid tenure of three years, with exceptions such as unexpected emergencies that require a worker to return home immediately, often at the cost of losing the return fare and perhaps even the social security workers are owed on termination. The provision of food and accommodation woven very tightly into the system of remuneration, strictly distinguishing the payment of wages in cash from payment in kind translates into workers compensating for lesser wages by working well beyond regular hours to make the employment sufficiently remunerative; the prevailing industrial relations system, with its lack of a cap on overtime hours, aids this coercion. Verbal abuse on the shop floor adds to a coercive (or toxic) environment in which the absence of clearly defined laws defining and restricting forms of harassment including

sexual harassment impinges of the regulation of workplace coercion.

At the centre of this system of international relations is the trade union, and the trade unions in Jordan benefit from a fairly large membership, particularly among migrant workers. The advancement of trade union democracy cannot be undertaken by the union alone but would require tripartite engagement. In particular, in the context of the government's role in defining the role of the union in industry, its support for the process of opening trade union democracy would be vital. As acknowledged by the chief executives of one of the largest garment manufacturers, the presence of a representative and well-functioning, democratic trade union would be beneficial not only to workers, but also to the industry because it promotes industrial peace and consequently productivity.

The ILO, through the BWJ programme, plays a critical role in the present system. However, in the transition, while the BWJ will continue to have a significant hand-holding role, eventually the central players, which are the workers represented by an effective trade union(s); the employers, both individual enterprise and industry associations; and the Jordanian state in an efficient tripartite engagement, will all have to take over.

The foregoing section defines the process of making recommendations for the industrial relations transition. As we move towards concretizing our recommendations, we adopt a "triple axis" analytical design, consisting of three reference points.

The "first axis" is the ground reality, meaning the existing practices at the sites of recruitment in the country of origin before the workers' induction into employment. This is followed by the reality at the shop-floor level and in the production lines. We will also look at the living conditions in the dormitories for migrant workers and employment conditions, including travelling to work for local workers in their communities. In this context, the earning capacity afforded by the sector and the adequacy of this earning will also be examined.

The "second axis" is the existing regulatory regime, consisting of Jordanian Labour Law and the rules made thereunder by the Labour Department; the standards and practices evolved through collective bargaining with due reference

to the textual and the practical; and the social security regime.

The first two axes will be subjected to a brief analysis to understand the various shortfalls emerging from the ground reality and the regulatory regime.

Finally, we will use the "third axis", proposing recommendations either through amendments or through new notifications to the existing Jordanian Labour Law and the rules therein, or to the next round of newly empowered CBAs using best practices known in the area of industrial relations and in ILO standards on the relevant subject matter.

We have categorized the foregoing analysis into eight broad issues for operational convenience. These are detailed in the sections that follow.

5.2. Recruitment

5.2.1. The ground reality

Most of the migrant workers we interviewed said they had to pay agents recruitment fees in addition to covering the costs of travel documents and other arrangements. The fees, in some instances, were quite substantial, and workers had to sign agreements indebting themselves to the agents till they had paid off the fees. While women workers said they were not subject to pregnancy tests by employers in Jordan, Burmese workers claimed they had to submit to tests by the recruitment agency.

Most workers interviewed said there was no recognition of their skills at the time of recruitment, and all of them joined at the same category and wage. Only two out of nine employers had strong IE departments, and recruitment was planned with specific work requirements in mind.

There is no informed consent while contract papers are signed. A majority of the workers reported that upon their arrival in Jordan, employers handed them a sheaf of documents to obtain their signatures without giving them an explanation or the time to read them. Most employers, on the other hand, claimed that workers were made fully aware of work responsibilities, conditions and rights even before reaching Jordan, and the contract papers were made available to them at time of recruitment in their home country.

Employers who indicated a preference for migrant workers explained that local workers lack the requisite skills, are unwilling to work overtime, and tend to terminate employment or move on before employers can capitalize on their training investment. They represent a cost to the employers as they also do not often stay on after being trained and gaining experience.

5.2.2. The current regulatory regime

The immigration regime governing migrant workers is basically covered by the *kafala*, or sponsorship system, codified in Law 24 of 1973. The system makes the employer responsible for the annual renewal of the worker's residency permit at a cost of 30 dinars; however, workers whose residency permits are not renewed are penalized. There are other restrictions that make it difficult for workers to leave their employment without the permission of the employer. There are no regulatory measures under the labour laws governing recruitment. Some of these are addressed by CBA 2019.

Article 9 of CBA 2019 clearly mandates there should be no recruitment fees for workers and that source countries should have legislation complying with the UWC. Article 9C states that the conditions of recruitment have to be in the language of the migrant and must be provided at the time of recruitment. The CBA also bans pregnancy tests, either by the employer or by the recruitment agency. It further bans any practice that denies a worker employment based on a pregnancy test result. CBA 2019 mandates, in line with the JLL, that a nursery be set up at any workplace having employees who have 15 or more children under the age of 5. Article 6F of the CBA also discusses a "corporate ladder" for all workers.

5.2.3. Analysis

Discussions with workers and stakeholders, and data from the BWJ and Al Hassan Workers' Centre Report, bring out specific issues of the violations of recruitment criteria laid out under CBA 2019. The violation can take place in the country of origin through the mediation of the recruitment agent, for which, however, the employer still bears responsibility. The *kafala* system places restrictions on the worker that might amount to forced labour. The work permit under the system, where the employer is responsible for compliance but where the worker is penalized for

non-compliance, clearly goes against principles of natural justice.

The absence of skill categorization also works against workers' interests as they are denied compensation for their skills and experience. In turn, this could also demotivate local workers from investing in skills acquisition. Participation in skill training before or during employment carries no benefits. In the absence of nurseries, many married local workers are forced to quit, to be able to make time to care for children, unless they have family support. The law on the provision of nurseries too might misfire and result in young mothers losing out on employment opportunities as businesses are likely to think of them as liabilities.

5.2.4. Recommendations

Recruitment practices and regulations under the sponsorship system for migrant workers should be modified to ensure better compliance with the recruitment criteria under CBA 2019, and reforms in rules governing childcare for local workers ought to be brought in. Therefore, we would offer the following recommendations.

- ▶ Fair and enforceable recruitment guidelines should be included under the Jordanian Labour Law; deviations from the norms should be identified by the trade union and periodically corrected by the Labour Department.
- ▶ Skill categorization and recruitment, and planned skill upgrading of migrant and local workers, can benefit employers who wish to develop rational shop floor skills and promote productivity increases through technology absorption. The Jordan Government can facilitate and incentivize skilling programmes for the sector.
- ▶ The terms of employment and conditions at work should be clearly spelt out for the benefit of all workers through a letter of appointment in a standard format. A booklet recording these details must be given to each worker to keep in their own custody.
- ▶ In the long run, there must be a revision of the sponsorship system, giving migrant workers more freedom to choose employment within reasonable visa restrictions.

5.3. Wages

5.3.1. The ground reality

Wages paid to migrant garment workers are equivalent to the sectoral minimum wage, but composed of two parts: an in-kind component of 95 dinars and a cash component of 125 dinars. The accommodation provided is cramped, with generally eight workers sharing a room. There is considerable variation in accommodation and food quality. The local worker staying in their own accommodation, on the other hand, is paid a cash wage of 220 dinars, the minimum wage. The minimum wage of the sector is less than that of other sectors with wage regulation (260 dinars).

The workers are also eligible for a 5-dinar increment each year. While the migrant workers interviewed said they were paid the minimum wage during their first year at work, some reported not getting the increments every year. A majority of migrant workers interviewed said the trouble of migration and living away was only made worthwhile if they worked overtime to compensate for the low cash wage component. Jordanian workers were perceived as uninterested in overtime because of social norms. However, in the course of our discussions, many of the Jordanian workers interviewed highlighted the need for a second wage in the family to make ends meet. Local workers also said they did not always get an annual increment. Workers further complained of short employment tenures, reduced from one year before COVID-19 to between three and six months afterwards.

5.3.2. The current regulatory regime

As per CBA 2019, The minimum wage for the garment sector was fixed at 220 dinars; the same wage as 2018, in the last year of CBA 2017. As CBA 2019 is for three years, as per Jordanian law, the minimum wage can be revised only in CBA 2022.

The in-kind wage component of 95 dinars was determined in CBA 2017 as per a study by an external consultant. The method and norms for determining the component do not appear to have been a participative exercise. At the time of increasing the in-kind component, the prevailing valuation of the same was 80 dinars. The consultant's report said that the valuation should be revisited every two years.

The only norm available for accommodation is the Ministry of Health notification of 2013,

mandating a maximum of 12 men per room and a minimum of 1.7 square metres floor space per worker. Some brands specified their own minimum norms for migrant worker accommodation; one brand specified at least 4 square metres of floor area was to be given per worker; another specified a maximum of eight workers in a dormitory room.

Overtime regulation is 1.25 times the normal wage, beyond 8 hours work, on normal working days and 1.5 times normal wage on holidays. There are no norms for incentives, including profit-sharing incentive.

5.3.3. Analysis

The migrant worker finds migration beneficial only if they get overtime work. They therefore demands more work, leading to self-exploitation. Given the low cash wage, the effective overtime rate for a migrant at the minimum wage is 2.2 times the cash wage on normal days and 2.84 times on holidays.

The regulations for migrant worker residences accommodating 12 workers in a room is less stringent than even the prevailing practice of eight workers as reported by most employers and workers. The BWJ Report said that most stay arrangements were substandard and did not meeting hygiene or safety requirements. The accommodation cost of 95 dinars specified in CBA 2017 is around 30 per cent higher than the average annual expenditure per capita (data for 2017–18) for rental housing according to the Statistics Department of the Jordanian government. It would appear that most companies do not make arrangements to match the prescribed valuation for housing.

There are no standards for food in terms of nutritional norms or quality of cooking. While large companies reported that they had elaborate cooking establishments, with different cuisines to cater to the tastes of the majority of the workforce, smaller companies often catered meals from outside suppliers, with workers often stating the food was quite substandard.

The seniority bonus of 5 dinars translates roughly to 2.3 per cent for eligible workers. Further, the absence of wage indexing to compensate for inflation would mean a worker joining employment in 2021 at 220 dinars would earn around 5 per cent less in real wage terms than their predecessor joining for the same

wage in the year 2019, although both workers are covered by the current CBA 2019. This would also mean that a worker changing employment and returning to the garment sector in Jordan at a later date, whether a migrant or a local worker, would have to join at the same minimum wage they were receiving at the beginning of the CBA in 2019.

Both Jordanian and Syrian workers said that the minimum wage was inadequate to meet all family expenses. They were forced to work in the sector to earn extra cash whenever alternative employment was not available. For the local worker, overtime at 1.25 times their take-home wage was not worth having to counter family pressures, particularly when a majority of the factories do not even provide nursery facilities. Workers, however, pointed out that nurseries at the factory premises would not help as their place of accommodation was often very far from the factory, which meant that they had to leave for work very early and come back late at night. Dragging a child through these hours is not feasible.

5.3.4. Recommendations

The following are the recommendations regarding the earnings of workers.

- ▶ The minimum wage of the garment sector should be immediately equalized with other sectors; for migrant workers, the minimum wage equalization should be without revision of the in-kind wage component. Going forward, the sector wage should be the same as the national minimum wage indexed to inflation.
- ▶ The in-kind component of the wage for migrant workers needs transparent reworking through a participative exercise involving civil society.
- ▶ The annual increment should be proportionate to the years of service and not counted afresh with each new CBA.
- ▶ The Jordanian Labour Law does not have a maximum overtime limit; the maximum work period is 60 hours per week, including overtime. Any increase should be fixed after consultation with the ULC.
- ▶ Bonuses should be mandatory, with the minimum bonus being one month's wage

and increased bonuses being linked to the profits of the company.

- ▶ Post COVID-19, the sector will need to improve facilities for migrant workers, in particular for their safe accommodation arrangements.
- ▶ In the long term, the overtime rate needs to be increased in phases to twice the normal wage rate.
- ▶ The sector should examine the standardization of skill categories and link wage regulation to skill.

5.4. Freedom of association and participation of workers

5.4.1. The ground reality

The garment union in Jordan has low levels of worker participation. Most migrant workers, during discussions in the FGDs, reported not knowing much about union activity or the benefits of union membership. They did not know who the union representative for their factory was. A significant majority did not even know of the existence of the union. They signed some papers at the time of joining and did not know that the form to join the union was among them. Only when a few male workers specifically asked the management about the half dinar deduction per member did they find out that joining the union was voluntary, after which some opted out. Discussions with factory management indicates that union membership from local workers was low.

Among the Jordanian workers we met, only a small proportion were members of the union. The workers said the union never approached them to explain why it existed or to ask them to join. Those few workers who had become members said they did not know who the union representative in their factory was. Even Syrian workers who said that their membership dues were being deducted did not know who the representative was.

The absence of worker participation in the union also translates to low involvement in other structures for worker participation in the factory, including the committees mandated under the CBA to promote participation in factory decisions. This hinders issues being brought to the notice of the management.

5.4.2. The current regulatory regime

The Jordanian Labour Law restricts the right of Jordanian nationals to form unions; it does not, however, restrict the membership of non-Jordanians and nor are they prevented from voting or running for office in the union. The Unified Trade Union bye-laws give trade union members the right to vote (Article 17), while restricting the right to contest in elections for the Administrative Body of the Trade Union Federation (Article 45) to Jordanian nationals. However, migrant workers in the JTGCU are denied a vote in union elections.

CBA 2019 mandates a ULC at the factory level with proportional representation from different migrant groups and very specific powers and responsibilities for the representatives on the committee. It mandates a Joint Union-Management Occupational Health And Safety Committee. CBA 2019 also mandates an AMC to monitor the implementation of the Agreement. It further allows employers and unions at the enterprise level to negotiate enterprise-level agreements directly as long as they provide additional benefits beyond those in CBA 2019.

5.4.3. Analysis

The low levels of participation in the trade union is reflected in deficiencies in the achievements of CBA 2019 and its implementation. The bargained minimum wage and the cost of the in-kind wage component for migrant workers do not appear to be best case outcomes. Neither migrant workers nor local or Syrian workers had much knowledge of the CBA; they said they were never consulted in its process. The workers also said the trade union never proactively approached them to discuss the functions of the union, membership or grievances in the workplace or outside.

This low participation is the result of a lack of a sense of belonging among both migrant workers, the majority of whom are formally paying union members, and local workers who may not even be union members. Among migrants, the language barrier adds to the difficulties in communicating with union office bearers. This leads to a reinforcing cycle of reduced union accountability, resulting in less effective bargaining, in turn reinforcing low levels of worker participation. Thus, most factories did not appear to have active ULCs. Workers said the committees were generally constituted by the managers and they did not

have much knowledge of discussions. The JGATE representative agrees that the bipartite AMC had not met even once yet.

The lack of worker participation manifested in significant ways on the shop floor. During FGDs, a majority of the workers complained about abusive supervisory behaviour linked to high production targets. Workers did not have clear information on their rights, with some workers claiming they did not get their regular yearly increments. There were also complaints of workers being denied overtime as a disciplinary measure. Some even complained that migrant supervisors and managers tended to favour workers of their own nationalities.

The trade unions in Jordan are not required by law to file annual reports on labour issues with the Ministry of Labour. This absence of regulatory compliance could make the unions less accountable.

5.4.4. Recommendations

- ▶ There is no real representative process in the trade union because there are legal provisions excluding migrant workers from running for office and voting. The right to vote and stand for election should be granted in practice to all union members.
- ▶ The informed consent of workers should be sought before they are made to join the union. They should be helped to understand its function and role clearly.
- ▶ The ULC and the AMC should become active bodies and not exist merely in the language of the CBA. Workers must have the right to select at least five office-bearers at the enterprise level. Once selected, they will come together to elect QIZ level office-bearers, who will, in turn, come together to nominate three representatives to the CB body, with at least one of them being a Jordanian woman.
- ▶ The ULC should have mandated roles and powers. Over time, the nature of incentives related to shop-floor productivity and profit-sharing bonuses must be discussed with the ULC in addition to grievances and any other issues that are mutually agreed upon. An additional tier of a QIZ-level committee (see Annexure 2) should

be mandated as a tripartite negotiation body with elected individuals from among members of ULCs representing workers to address both individual and collective disputes, which can be directly brought by workers to the Committee. This might help address avoiding dispute resolution to need legal intervention, which is neither time- nor cost-effective and therefore against the interest of workers.

- ▶ A charter of demands should be prepared by the newly created QIZ union committee in consultation with ULCs at the enterprise level. The management must give the concerned workers' representatives time off to enable this process.
- ▶ The filing of annual compliance reports should be made mandatory for trade unions in Jordan.

5.5. Workplace harassment

5.5.1. The ground reality

Workplace harassment is endemic to the garment sector worldwide; it is used as a tool to force workers to produce more. It is also prevalent in the Jordanian garment sector, going by our interviews with workers and the examples in the reports of the Al Hassan Workers' Centre and BWJ.

Harassment can be broadly categorized into two categories. The first is abusive behaviour on the shop floor by supervisors and managers; this can at times take the form of sexual harassment. The second form involves the denial of earnings to workers in the case of overtime work or the denial of work and wage, which is done by sending the worker to sit in the dormitory. Sometimes, the management may deny the workers leave of absence when they report sick, forcing them to be absent without permission, and then subsequently cut their wages for the days they missed under the pretext of disciplining them for remaining absent without permission.

The Jordanian garment industry has a significantly higher proportion of women in supervisory positions than in many other countries. BWJ also has targeted training programmes for supervisors and managers on

how to address issues of indiscipline without recourse to harassment.

5.5.2. The current regulatory regime

Article 48(a) of the Jordanian Labour Law stipulates that the penalty to workers shall not exceed three days' wages or a suspension without wages of three days per month. Further, Article 50 stipulates that workers be paid 10 days' full wages and another half wage for a maximum of 60 days per year in cases of suspension. Article 65 grants the worker 14 days of sick leave based on a report by an establishment-approved physician.

The Jordanian Labour Law has no provision addressing workplace harassment. However, CBA 2019 requires employers to take all steps possible to prevent harassment or discrimination at the workplace. Harassment may take physical, psychological, economic or sexual forms, and all of them are to be redressed. The Jordanian Parliament is still to legislate on an appropriate law to deal with sexual harassment.

5.5.3. Analysis

Workers in the garment sector seem to veer towards self-exploitation, agreeing to work long hours in order to maximize overtime earnings. When this pressure is further reinforced through high production targets, the double exploitation can become overwhelming. The work pressure also often involves the daily use of abusive language by supervisors, adding emotional pressure to the physical workload. Several workers complained of exhaustion and burnout and even fever resulting from exhaustion. However, when work pressure was high, many of the workers interviewed claimed the factory doctors refused to give them sick leave, instead handing them a paracetamol and sending them back to the shop floor. They claimed that only way to get rest was to absent themselves from work without prior notice, despite facing the penalty of losing two days' wages.

The deduction of two days' wage for absence due to illness is not explicitly sanctioned by the labour laws. Absence for illness cannot be termed indiscipline. According to the Al Hassan Workers' Centre, companies routinely do this wage deduction, claiming their bye-laws allow

this practice; however, there is no way for us in which to verify this.⁹⁰

A majority of the local workers interviewed also said that leave for illness was denied routinely. Earlier, the management accepted any private doctor's recommendation to grant a worker leave, but now they insist on prescription from a public hospital. Further, for the sick leave to be approved, the worker must notify the factory management one day in advance. Workers who called in sick in advance were told to report at the factory clinic to prove their illness, which was unreasonable as they often had to travel a long distance to the factory. No leave – not even annual leave – was granted for social functions, such as if there were a death in the family, or for marriages of close relatives or even one's own! In these circumstances, workers often were forced to take leave without giving notice, facing supervisory harassment and other penalties.

Both factory management and trade union representatives denied that sexual harassment took place in the industry. They were joined in this by even Labour Ministry officers. However, of the civil society representatives interviewed, many agreed there were incidents of sexual harassment. It was also corroborated through discussions with women workers and reports in the Al Hassan Workers' Centre Report. Civil society representatives said that the Jordanian parliament has still to agree on a definition for sexual harassment before they can introduce any law to deal with the issue.

Even where factories tried to implement measures to combat sexual harassment, the measures were mainly technological fixes and behavioural training. While these would surely help, ultimately, women workers, whether migrant or local workers, have to comfortable discussing the harassment they face. Since this is not the case, it is essential that sexual harassment committees, without the dominant presence of management representatives, are made available.

Given the circumstances, women would be more comfortable discussing workplace harassment in safe spaces outside factory premises, and this could be taken into account as well.

5.5.4. Recommendations

- ▶ The lack of worker participation in trade unions and factory decisions results in poor remedies for issues such as harassment. Harassment cannot be addressed only through training or one-off dialogues on the part of the management; it has to become an issue that can be raised without fear of reprisal. Creating the preconditions for free and effective dialogue, both at the workplace and in the trade union, would go a long way in improving industrial relations in the factories. We have addressed this lack of worker participation in the section on recommendations for freedom of association.
- ▶ There has to be a recognition of work pressures in the sector; the workers' right and need to rest and recharge themselves has to be acknowledged. In this context, migrant and local workers should have the same rights to sick leave without recourse to factory mandated physicians. It might be useful for each QIZ to have a dispensary where workers could seek treatment without being apprehensive about management diktats. We have addressed this need for dispensaries in the section on social security.
- ▶ Leave should be seen as an entitlement, allowing the worker to take time off – whether to participate in social and community functions or even to just recharge to be able to cope with the daily drudgery. Thus, leave rules should be amended to allow part of the entitlements to be taken as casual leave by the worker, so that they can merely notify the management in advance without having to give them justifications.
- ▶ By allowing the deduction of two days' wage as a disciplinary measure, Article 48(a) discriminates against workers who are already facing work pressure with no recourse or rest. This should be done away with.

⁹⁰ According to an ILO staff member, there has to be a gradual penalty for violations. Deductions are usually used only when there is a repetition of a major "violation".

- ▶ While the recognition of sexual harassment in CBA 2019 is commendable, it has to be strengthened through the introduction of specific measures to combat sexual and other forms of workplace harassment within Jordanian Labour Law.
- ▶ The trade union should also recognize the real threat of workplace harassment and have a cell within its QIZ-level union offices for women office-bearers to address similar issues. These cells should have access to legal aid and be able to impart training on legal rights.
- ▶ Factories should be asked to provide copies of factory bye-laws to workers in their native language, and efforts should be made to explain these laws to workers.

5.6. Dispute resolution

5.6.1. The ground reality

The dispute resolution mechanism in Jordan has different routes for individual and collective disputes. Mechanisms have been prescribed under the CBA as well as under Jordanian Labour Law. However, resolutions under the CBA are not legally binding. While strict timelines are prescribed for dispute resolution, in practice, there can be delays in resolution at every stage of the process.

5.6.2. The present regulatory regime

Under the CBA

A ULC can take up both individual and collective labour disputes for resolution with management. There is also an AMC to address issues of non-compliance with the CBA.

Under Jordanian Labour Law

Disputes can be referred to the Labour Ministry for consideration only through the trade union. Before 2010, a group of workers could take a dispute directly to the Labour Department without the mediation of the trade union.

Individual disputes can be taken directly to a Magistrate's Court by workers. The decision of the Court can be taken on appeal. Wage disputes can also be raised directly with a Wage Authority,

which is mandated to give its decision within six months. Claims can be filed by workers within six months of dismissal. A collective dispute can be brought to the reconciliation officer through the trade union; failure at this stage takes the dispute to the Reconciliation Council, and the next stage is the Tribunal.

5.6.3. Analysis

From the perspective of workers, the most desirable forum for dispute resolution would be the factory, followed by the Labour Department offices within the QIZs. The forum of the courts are beyond most workers' reach, given both the cost and time required to follow meaningful resolution process.

Under the CBA, the resolution mechanism of the ULC and the AMC could play an effective role in dispute resolution. However, in most cases, ULCs appear to be non-effective. The workers interviewed did not have much of an idea of these mechanisms. The AMC appears non-functional, not having held a single meeting despite the CBA having gone into effect two years ago. The lack of a binding legal force for committees formed through an agreement appears to have robbed these mechanisms formed under the CBA of any effectiveness. The CBAs of 2013 and 2015 had legal protection against arbitrary termination from service for workers. However, this provision was absent in the CBAs of 2017 and 2019.

The mandatory requirement of going through the trade union to register a dispute with the Labour Ministry can deter workers using this avenue, either for individual or collective disputes. In a situation where many workers, whether migrants or locals, appear to have little regular contact with the trade union and its representatives, this route might not be evident. The alternative is the legal route under Jordanian Labour Law, which can be a "long and lonely process".⁹¹

Jordanian Labour Law prescribes time limits for the resolution of disputes at each stage of resolution. However, in practice, dispute cases can drag on. This makes the process difficult for all workers, but in particular, migrant workers who have to leave the country when their employers fire them can find it extremely

91 Quote from Linda Al Kalash from the Tamkeen Centre.

difficult to follow the legal remedy route. Also, while workers can file claims without legal representation, an advocate becomes necessary to navigate the judicial procedure and assist them any through linguistic impediments they have to face; however the law does not guarantee vulnerable migrant workers free legal counsel, except when they are charged with serious criminal offences.

In practice, therefore, many workers took recourse to the Al Hassan Workers' Centre to access a safe space where they could discuss social and workplace-related issues while getting advice on how to deal with these issues. They said they learned of their rights and of how to remedy issues only through the Centre. (There is possibility of data bias here since all the workers we interviewed were accessed through the Workers' Centre.)

5.6.4. Recommendations

- ▶ The AMC should be made effective immediately. The first task should be to activate the functioning of all the committees agreed under the CBA in each factory with a time-bound plan.
- ▶ There should be a mandatory induction process for all workers on joining, where through a session with the trade union, the rights of workers and the dispute resolution process are explained.
- ▶ There should be a conciliation procedure facilitated at the QIZ level. Tripartite processes must enable maximum dispute resolution without recourse to legal processes.
- ▶ While the dispute conciliation is in progress, workers should receive wages with full board and lodging. If they are still employed, they should be given time off from work with pay to attend to the conciliation. The procedure should also automatically extend the permission of workers to stay on in Jordan while the dispute resolution is in process.
- ▶ The case of arbitrary dismissal should also be allowed as a dispute before the Labour Department, with the rules of conciliation forcing the management to pay wages pending conciliation. This protection from dismissal forces the management to pay

wages, creating pressure on them to expedite dispute settlements. Otherwise, the dice is completely loaded against the worker. The conciliation procedure should also automatically extend the permission of workers to stay on in Jordan while the dispute resolution is proceeding. This might require separating residence permits from work permits and employment contracts.

- ▶ The provision against arbitrary dismissal from employment, which was available in the CBAs of 2013 and 2015, should be reintroduced as part of the new CBA in 2022.

5.7. Protection against violation of economic rights

5.7.1. The ground reality

Various ILO reports cite cases involving the typical violations of the economic rights of workers from some enterprises. These include non-payment of the dues of workers, including wage dues and social security contributions, and of the annual fee for the work permits of non-Jordanian workers. There can be sudden closure of the enterprise before end of the contract, leaving workers with unpaid dues, no access to a return fare, and even denial of the board and lodging guaranteed under the CBA 2019 as in-kind wage.

5.7.2. The current regulatory regime

Jordanian Labour Law clearly lays the responsibility for the payment and renewal of work permit fees on the employer. Articles 12 (c) (1) and 12 (c)(3) lay down both the responsibility and penalty for non-compliance. However, Article 12 (h) penalizes the worker without a valid work permit with deportation and refusal of entry into Jordan for three years. Workers without a valid work permit can even be subjected to criminal prosecution.

Paragraph 10 of the Instructions for the Conditions and Procedures of Bringing and Employing Non-Jordanian Workers in the Qualified Industrial Zones document stipulates that employers ought to provide a bank deposit based on the number of migrant workers to be employed. This deposit or bank guarantee is meant to pay employee safeguard dues.

Article 22 of the Social Security Law 2014 specifies penalties on establishments defaulting on the payment of social security contributions.

5.7.3. Analysis

The resolution concerning the non-payment of work permit fees penalizes workers for something they bear no responsibility for in the first place. According to cases cited in various ILO reports, workers agree to be deported without realizing that deportation meant they were not allowed to return for three to five years.

While the provision of a bank guarantee according to the number of migrant workers is welcome, the reality is that the bank guarantee is rarely invoked, leaving workers no remedy except possibly recourse to long-drawn legal struggles.⁹² Moreover, enterprises falling within the “Golden List” are exempt from the requirement of providing a bank guarantee. While Article 22 of the Social Security Law penalizes defaulting enterprises, they have no criminal liability. The penalties can also be substantially reduced with the establishment offering “mitigating” circumstances.

The main hindrance to workers seeking any legal remedy for non-payment of dues is their precarious situation under the *kafala* system.

5.7.4. Recommendations

- ▶ While renewing their work permits, workers should not be penalized for payments defaulted on by employers.
- ▶ There should be no exceptions to the provision of bank guarantees. All dues to workers should be guaranteed through an automatic revoking of the bank guarantee.
- ▶ There should be a statutory mechanism to pursue cases of unsettled worker dues in absentia within the Labour Ministry.

5.8. Social security

5.8.1. The ground reality

All workers in the garment sector in Jordan are covered by a comprehensive social security insurance scheme. The scheme is common to all sectors of employment with wage

regulation and is funded through employers and employee contributions, adding up to 21.75 per cent of the basic wage of the worker. This is a substantial contribution from the total entitlement of the worker. However, the worker gets to take back only 10 per cent of the insurance savings at the end of their normal three-year work tenure because of a graded system of eligibility based on the length of employment. Even for local workers, as most of them do not continue in employment for long, the long-term social security benefits may not be attractive. In particular, the absence of healthcare facilities as part of social security was something that most workers were not happy about.

5.8.2. The current regulatory regime

Social security in Jordan is governed by Law No. 1 of 2014, a contributory system with a total of 14.25 per cent employer contribution and 7.5 per cent contribution from workers. The insurance covers workplace injury; maternity benefits; unemployment insurance; and old age, disability and death. Table 5 summarizes the benefits; contributions; and eligibility criteria for the same.

▶ **Table 5. Social security in Jordan**

Provision	Contribution in per cent (employer + employee)	Minimum eligibility criterion
Workplace injury	2	Nil
Maternity benefits	0.75	6 months
Unemployment insurance	1.50	36 months
Old age, disability and death insurance	17.50	218 months (women)

Source: Authors' analysis.

A lumpsum compensation (amounting to 10 per cent of the total wage earned under Article 104) from the social security system is guaranteed to workers with a tenure of less than 10 years.

5.8.3. Analysis

The social security scheme in Jordan discriminates against the interests of migrant

⁹² According to the Al Hassan Workers' Centre Report, there had been no instance of a legal challenge to the non-invoking of the bank guarantee. The possibility of waging a legal challenge therefore might remain an unreal option for workers in the present circumstances.

workers as their work tenure is restricted under the sponsorship scheme and is on average only three years. A migrant worker cannot avail the full benefits under either unemployment or old age insurance. While the law does not on paper prevent the employment of pregnant women, in practice, it ensures that pregnant women do not get employed; migrant workers, therefore, do not avail maternity benefits for fear of being fired. They effectively forego 11.75 per cent of the wage they contribute into the social security scheme over the three years of their tenure.

Even for local workers, employment conditions and family circumstances do not always encourage them to stay in employment for long enough to claim the full benefits of old age insurance, the most significant benefit under the scheme. This is a form of indirect tax on the garment workers, benefitting only the common pool for Jordanian workers.

There is surely some justification for treating workers in the sector differently from those in other sectors that are not as heavily dependent on migrant workers and not as footloose given social constraints. This recognition of the different conditions of employment for garment workers is implicit in the determination of wages for the sector through a CBA, which treats the sector as different from other sectors; this recognition should be extended in determining fair benefits for workers under the contributory insurance scheme.

Access to good health advice and care is an issue that has been repeatedly brought up by local and migrant workers. Local women workers said that the healthcare facility at the factory did not benefit them as they lived a far away and needed healthcare to be available close to their communities. They also said that the absence of childcare support restricted their ability to work when they had small children. Migrant and local workers claimed that factory clinics rarely allowed workers to report sick and avail sick leave, instead urging them to take paracetamol tablets and get back to work. The factory clinics are thus strongly biased and tend to downplay the medical conditions of workers, pushing them to report to work instead.

A system of independent health audits and easily accessible health clinics in the public domain should be possible under the Social Security Corporation.

5.8.4. Recommendations

- ▶ All workers should be eligible for 19 per cent of the total 21.75 per cent contribution that is added to their social security fund at the time of leaving employment.
- ▶ There should be dispensaries run by the Social Security Corporation for workers (with one at least) in each of the QIZs. The physician at the dispensary should also be mandated to allow workers to avail their sick leave entitlements.
- ▶ The Social Security Corporation should also open dispensaries in localities from where local garment workers live. In addition, daycare facilities for children should also be provided. A mapping of these localities should not be difficult.
- ▶ Medical insurance should be provided for all workers.

5.9. International solidarity

5.9.1. The ground reality

The garment export sector in Jordan was established in 1995, pursuant to the signing of the Qualifying Industrial Zone Agreement in 1996; the agreement allowed products with a specified amount of Israeli content to enter the United States duty free if they were manufactured in the West Bank, Gaza or QIZs in Jordan and Egypt. Presently, a large proportion of garment exports from Jordan go to the United States under the JUSFTA. In 2016, the EU-Jordan Relaxed Rules of Origin Agreement came into force, facilitating access to European markets, linked to the employment of Syrian workers in the production of goods.

5.9.2. The current regulatory regime

The ILO-sponsored BWJ programme serves as the de facto regulatory body working to ensure better working conditions in the garment sector. The requirement that all enterprises seeking to export garments to the US or Israel have to be members of the BWJ enforces the system.

5.9.3. Analysis

The incentives of the JUSTFA are essential to the survival of the sector, given that Jordan lacks a skilled workforce, easy fabric access and an entrepreneurial base. The industry that developed, consequently, is weak on governance

with weak trade union and state machinery participation in the tripartite regulatory mechanisms. While the industry has benefitted from BWJ's role in supporting the governance mechanism, there are limits to what this surrogate mechanism can ensure. For instance, fair conditions of work in the sector are hard to create. This is evident in the sector emerging as a low-wage enclave in the Jordanian context, with low participation of local workforce; the in-kind wage system for migrants camouflaging the extent of low wages; and imposing overtime by making it the main way to earn a decent wage for them.

The issues of low local employment and the overdependence of the sector on migrant labour has been debated among stakeholders. To quote from the BWJ Annual Report (2021):

While stakeholders are motivated to develop a sector strategy, the process revealed some disagreements among key stakeholders... employers argue that high quotas for Jordanians will cause them to lose a competitive edge in the industry, while the Government of Jordan has a clear priority to ensure that economic benefits of the garment industry are felt by Jordanian citizens. This sticking point remains unresolved and was put on hold as the pandemic-related issues came to the forefront.

Earlier in this study, we have discussed how the post-pandemic situation demands more stable structures, and the very argument of competitive edge makes the need to reduce the dependence on migrant workforce an urgent imperative. However, fostering the participation of the local workforce might require better working conditions, including the equalization of wages in the garment sector with those of other sectors of formal employment in Jordan.

While the pressure to make the Jordanian garment export sector more compliant with decent working conditions is on the JUSTFA, it will only go as far as the financial subsidy to the sector allows it. Our discussions with sections of migrant and local workers clearly brought out the fact that wages were too low to make for decent employment conditions; workers therefore demanded that the sectoral wage should be brought on par with wages in other sectors of

employment in Jordan. The wage gap of 40 dinars per month can be bridged for the entire export garment sector workforce with an additional annual price incentive of around 30 million dinars from brands and the US government; this would be under US\$50 million even including the consequent increase in overtime costs. This incentive works out to only 3 per cent of the total annual turnover of the sector.

COVID-19, the compulsions of growing unemployment, and geopolitical considerations about the Jordanian role in regulating international migration are all significant factors demanding changes.

In this context, strengthening the tripartite mechanism for the garment sector in Jordan is key to building a healthy garment sector compliant with global market demands, including fair labour standards, a stable workforce capable of withstanding labour migration disruptions, skill development, and the capacity to absorb improved production practices.

5.9.4. Recommendations

- ▶ The BWJ programme has been very effective in providing regulatory guidance to the garment sector; its continued support functions in the medium term remain essential.
- ▶ The trade union can take the lead in building solidarity with organizations in the source countries for migration, to aid internal democracy and good governance. The union affiliation with IndustriALL and with the International Trade Union Confederation (ITUC)⁹³ can be beneficially leveraged.
- ▶ Brands can support the process through mechanisms that ensure compliance with their Codes of Conduct.
- ▶ The support of the US and the EU through their preferential trade agreements have helped the garment industry in Jordan to remain viable. They should also promote minimum fair labour standards in the industry through clear guidelines within the agreements, backed where necessary with incentives linked to regulation.

93 The parent federation GFJTU is a member of the ITUC.

► Annex 1. Participant summary of FGDs

► Migrant workers

Date	Number of Groups	Nationality	Participants	
			Male	Female
6 July	2	Nepali	3	1
		Malagasy	2	4
30 July 2021	3	Indian	6	0
		Indian	6	0
		Indian	6	0
13 August 2021	1	Burmese	3	2
20 August 2021	2	Bangladeshi	1	8
		Indian	3	0
Total	8		30	15

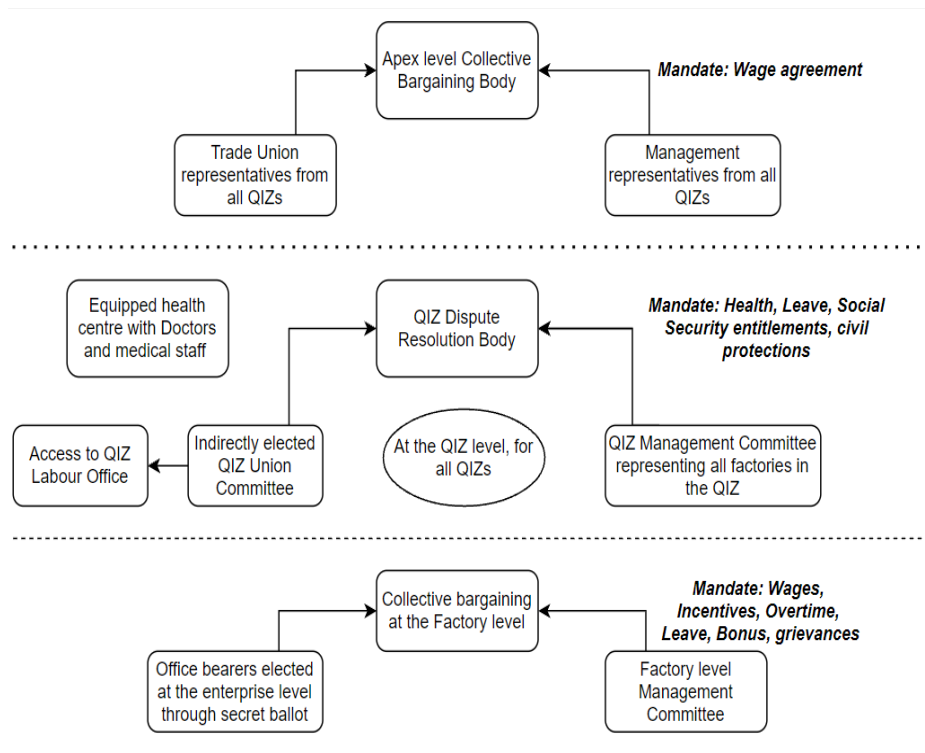
► Local workers and Syrian refugees

Date	Number of Groups	Nationality	Participants
28 September	1	Jordanian	6
29 September	1	Syrian	9
01 November	1	Jordanian	6
Total	3		21

Note: All participants were from the Al Hassan QIZ, with the discussions held via Zoom at the Al Hassan Workers' Centre, except for the third group on 31 July, who were Indian workers from the Sahab QIZ, and who connected via Zoom and IMO from their dormitory. However, the conversation quality was very poor with the workers from Sahab due to internet connectivity issues, and the subsequent FGDs were therefore conducted from the Al Hassan Workers' Centre.

► Annex 2. Draft flowchart for a three-tier industrial relations' system in the Jordan export garment system

► Figure 2. Proposed industrial relations machinery



Source: Authors' analysis

Notes

1. We propose a three-tier process towards the transition to a more democratic and equitable industrial relations' system in the export garment sector for Jordan. This consists of a base level (corresponding to the factory), a middle level (corresponding to each QIZ), and the apex level (corresponding to the national level). This system fundamentally differs from the existing system, which is top-down, and is therefore unable to benefit from structures for democratic participation, like the ULC and the AMC under the CBA 2019.
2. At the base level (in each factory), all workers (including migrant workers) will have the right to vote and run for office. Workers will elect their own office-bearers through a secret ballot. This may have to include the right to form an independent trade union with authority and facility to collect union dues directly.
3. There will be a collective bargaining forum (CBF) of not less than 10 members with equal representation from the union and the management at each factory level. The CBF will take up negotiations related to wages, working hours including overtime, incentive schemes or productivity-linked bonuses, leave, and an annual bonus subject to a minimum of 8 per cent and a maximum of 20 per cent. The factory-level CBA shall not be less favourable to workers than the one signed at the apex level.
4. (a) At the middle level (or QIZ level), there will be a QIZ forum consisting of not less than 10 members, with equal representation for workers and the management. Worker representatives (office-bearers) to this forum shall be elected by a QIZ trade union council consisting of all the factory-level union office-bearers. The QIZ-level union office-bearers shall have access to the union office (already existing) at the QIZ level. These offices shall be kept open at a reasonable time throughout the week, including Fridays, as decided by the QIZ trade union office-bearers.
4. (b) This forum may function both in a bipartite manner as well as in a tripartite manner. If no consensus is reached on any issue taken up at the bipartite level, then a tripartite meeting shall be held under the chairmanship of an official nominated by the Labour Department. The government shall also set up a health centre at the QIZ level and a part of the social security

contribution may be set aside for it. Any grievance related to access, availability of medicine and quality of care shall be taken up for hearing and resolution at the QIZ forum through a tripartite process, for which the medical officer concerned shall be invited and held accountable for remedial action as decided in the tripartite forum. Unresolved issues relating to the type and quantum of leave, arising from the factory-level CBF, may also be taken up at the QIZ forum in a tripartite manner with special effort to achieve uniformity on leave at this level.

5. There shall be an apex-level CBF whose primary task will be to arrive at a CBA for the entire sector. This forum shall lay down the irreducible minimum wage. The quantum of the minimum wage fixed should satisfy the basic needs of workers. However, this shall not be less than the prevailing general minimum wage for all other sectors of employment in Jordan. The

factory-level CBA may improve on the minimum wage and other terms and conditions of employment. This forum shall also consist of the already existing sectoral-level trade union leaders, along with not less than four worker leaders nominated by the QIZ worker leaders in such a manner that each QIZ has at least one representative each.

This framework might conflict with existing legal provisions of the Jordan Labour Law. However, there is significant support in the general principles adopted by the ILO from time to time through its committee on the freedom of association. The said general principles support our case (numbers 477, 481, 483, 485, 486, 488, 489, 503, 505, and so on.) Giving full effect to freedom of association and collective bargaining and affording workers a more direct role in matters that affect them (as per Convention No. 87) will act as a fulcrum to all other badly required changes.

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in the Qualified Industrial Zones

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The Sectoral CBA 2017

The Sectoral CBA 2015

The Sectoral CBA 2013

The unified contract for Jordanians

The unified contract for migrant workers

Bye-laws of the General Federation of Jordanian
Trade Unions

**Fundamental Principles and Rights
at Work Branch (FUNDAMENTALS)**

Governance and Tripartism Department
(GOVERNANCE)

International Labour Office
4 route des Morillons
CH-1211 Geneva 22 – Switzerland
T: +41 (0) 22 799 61 11
E: fundamentals@ilo.org

ilo.org/fair

ILO Regional Office for Arab States

Aresco centre - Justinien Street – Kantari
P.O. Box 11-4088 - Riad Solh 1107-2150
Beirut – Lebanon
T: +961 1 752400
F: +961 1 752405
E: beirut@ilo.org

ilo.org/beirut

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