

LABOR COMPLIANCE IN JORDAN'S APPAREL SECTOR
ACTIONS TO DATE AND NEXT STEPS

UPDATE 2

JUNE – OCTOBER 2007

30 DECEMBER 2007



MINISTRY OF LABOR
AMMAN, HASHEMITE KINGDOM OF JORDAN

BACKGROUND

Action Plan Update

On 30 March, 2007 the Government of Jordan published a plan of action outlining steps undertaken and planned to improve the general framework for labor administration in Jordan, including oversight and compliance with Jordanian Labour Law and international labour standards, (see www.mol.gov.jo). The plan of action outlines a three-pronged approach, focusing on:

1. **Directly Improving Working Conditions through Enforcement and Compliance:** Conducting targeted inspections and taking other coordinated actions to directly improve working conditions in enterprises.
2. **Enhancing Institutional Capacity:** Strengthening the Jordanian government's institutional capacity through necessary reforms, increased allocation of resources, training, and coordination to support a sustainable compliance environment in the medium and long-term.
3. **Increasing Employment Opportunities:** Increasing the availability of Jordanian workers (in the apparel sector).

This document contains the second update on progress made in implementing the steps identified in the plan of action, following the publication of the first update in June, 2007. This document does not cover the regular activities of the Ministry of Labor or other relevant Government bodies. It covers activities undertaken from 1 June – 31 October, 2007.

1. Directly Improving Working Conditions through Enforcement and Compliance

The Government of Jordan has continued to take concrete steps to aggressively improve working conditions in the apparel sector, by conducting targeted inspections, improving existing compliance programs, and enhancing inter-ministerial coordination to strengthen enforcement; the steps taken are listed below. In addition to the summary information provided here, the Ministry also issues reports on its website containing detailed information on progress made with regard to inspection issues, including, where and when appropriate, findings for specific enterprises about which public allegations of worker rights violations have been made. The first such report was published on 30 June and the second on 11 October, 2007.

Targeted Inspections

- ***The Core Inspection Force:*** Following a successful trial period, a Core Inspection Force was formally established at the Central Ministry of Labor Inspectorate in March 2007. Teams from this Force of currently 8 persons operate across the country and are responsible for undertaking all Golden List inspections, all Intensive Inspection Surveillance List (IISL) inspections, and other special inspections. From 1 June, 2007 to 31 October, 2007, teams from the Force

undertook 5 Golden List Inspections, 5 IISL inspections, 52 Inspections of enterprises which have requested to bring in migrant workers, 2 inspections to verify allegations made by the National Labor Committee of worker rights violations, and 10 inspections that required special attention (specific complaints, strikes, etc.)

- ***Establishment of an Intensive Inspection Surveillance List:*** An Intensive Inspection Surveillance List (IISL) was created on a trial basis at the Central Ministry of Labor Inspectorate in February and was formalized at the end of March, 2007. Enterprises with particularly egregious violations are placed on this list and are subject to intensive inspection to ensure improvement. Two factories were previously placed on this list; one of these factories was removed from the list following improvements in working conditions. However, another factory was placed on the list. The MoL continues surveillance of the 2 factories currently on the list.

Enhanced Industry-Government Compliance Program

- ***Golden List Revision:*** Revisions to the Golden List (GL) criteria were agreed upon earlier in the year, in consultation with the private sector. The MoL has been working on the required legal review and development of the Ministerial Regulation. Once the new criteria have come into effect, working conditions in all enterprises with Golden List status will be reassessed. However, since the operation of the Core Inspection Force (see above), GL procedures were already updated. Under these new procedures, four new enterprises were awarded Golden List status since 1 June, 2007.

Enhanced Inter-Ministerial Coordination

- ***Inter-Ministerial Technical Level Committee:*** In February, 2007 an ad-hoc inter-ministerial committee (comprised of technical mid-level staff from the Labour, Justice, Interior, and Trade ministries and the Intelligence Department) was established to investigate and respond to non-labor law violations, such as physical and sexual abuse and human trafficking. As a pilot project, investigations began in a specific factory identified as a serious violator. The Committee developed recommendations for action to be undertaken by each ministry with regard to this specific factory, as well as some initial informal recommendations to improve coordination and cooperation between the aforementioned Ministries. As a result of the work by the Committee in May, a number of supervisors were found guilty in a Court of Law in relation to complaints of physical abuse; this is the first time such a ruling was made. Based on the lessons learned during the pilot phase, the MoL is working with the ILO (see below under ILO Project to Combat Forced Labor/Trafficking) to reconstitute this Committee so as to give it a more permanent and high-level character.

Regularization of non-QIZ guest workers without valid papers

- As of 28 October, 2007 official figures indicated that the MoL had issued 314,367 work permits that were still valid for guest workers in Jordan. Of the total number of guest workers, Egyptians constitute approximately 70%. They work predominantly in the agriculture and construction sectors, and not in the QIZs. In March 2007, the Government of Jordan and the Government of Egypt signed a bilateral agreement regulating migrant labor issues. Subsequently, the MoL developed a procedure to regularize the situation of guest workers outside of the QIZs without valid papers. Under the procedure, an amnesty period was declared from 15 April to 7 June, 2007 during which workers could apply for the necessary documents without any legal/administrative consequences or the payment of relevant fines. A total of 120,203 guest workers registered to obtain the necessary documents. However, of this total, 57,542 registered to effect a previously unregistered change in employer, 40,335 registered because they had never had any valid papers before, 11,776 were new guest workers who had entered the country for the first time and 10,500 fell into other categories, such as guest workers who changed the profession or sector in which they worked.

Following the amnesty period, the MoL organized a verification campaign whereby labor inspectors formed teams with members of the Borders and Foreigners Administration of the Directorate of Public Security, a branch of the Jordanian Police, to verify the papers of workers outside of the QIZs. A total of 5,493 guest workers without valid papers were detained between 15 July and 13 September, 2007. Of those detained, the majority was repatriated while some were released for humanitarian reasons (workers with children enrolled in Jordanian schools, workers under medical treatment, workers married to Jordanian citizens). Employers found to employ undocumented workers were fined.

Regularization of QIZ guest workers without valid papers

- In July, 2007 the MoL developed a procedure to regularize guest workers in the QIZs without valid papers. It identified the presence of 6,044 of such guest workers employed in factories in the QIZs. In August, all of these workers were provided with a temporary identification card, which allows them to move freely inside and outside the QIZs. The MoL is currently working with other government institutions to arrange for a waiver of the fines attached to these workers so as to enable them to obtain valid work and residence permits.

2. Enhancing Institutional Capacity

The Government of Jordan also has embarked on a series of institutional reforms and resource commitments to ensure improvement in Jordan's overall labor administration and social dialogue systems. These efforts include:

Training Labor Inspectors and Other Staff

- ***National Training Centre:*** A new National Training Centre for Labor Inspectors has been established. The Ministry of Labour funded renovation of the premises and the ILO provided initial technical assistance. An interim manager for the Centre was appointed in August who has been working on the development of the necessary operating procedures and requirements. Training currently takes place at the Centre as indicated in the following sections. However, the Centre has also been used for Labour Court sessions.

- ***Inspector and Other MoL Staff Training:***
 - A one-week intensive course for labor inspectors was developed in cooperation with the ILO and the National Center for Human Rights earlier in the year. The course was delivered to inspectors in groups of approximately 20 during the period 3 June – 5 July, 2007. The training was provided in the National Training Centre by judges, Ministry staff and international experts. Following the provision of the training, an initial evaluation of inspectors was undertaken in August and September based on past performance, inspector's improvement in report writing and a written appraisal undertaken on 30 August, 2007. Based on their classification, inspectors will be provided with monthly monetary incentives.

 - The Ministry has continued its collaboration with the ILO in the development of a comprehensive training program of approximately two months for each inspector. A committee of 11 representatives of the MoL, the Ministry of Justice, the ILO, the National Centre for Human Rights, Jordan University, Balqa University and judicial practitioners was formed and met 13 times since June to discuss and determine training content and training providers. The course is scheduled to commence in February 2008.

 - The Ministry also initiated a collaborative effort with the USAID-funded Sustainable Achievement of Business Expansion and Quality Program (SABEQ), concerning the development and delivery of general management training for the Directors of the 23 Regional Labour Offices, to improve overall efficiency. These offices provide regional employment, work permit and inspection services. The first group of Directors was trained in the National Training Centre in issues such as strategic planning and staff management from 2 – 12 September, 2007. Training of the second group is scheduled for December, 2007. In September and October, the MoL also worked together with USAID/SABEQ Program in providing training to senior staff of the Ministry on media communication, as well as training, including on-the-job training, in media communications, media relations and event management for two technical MoL staff, which will continue through January 2008.

Ongoing Reform of Ministry of Labor

- ***EU-Supported MOL Reform:*** Recommendations from the EU-funded “Institutional Strengthening of the Ministry of Labor of Jordan” Project, were presented to the Minister and agreed upon, in principle, in April, 2007. Several meetings have since been held with all senior staff to present and discuss the reform recommendations. Proposals were subsequently fine-tuned, and the first steps towards implementation were taken. In mid-October, a final decision concerning the new structure was made and, throughout September and October, an independent assessment of senior staff of the MoL was undertaken by a private consultancy firm to assist the MoL in identifying the best candidates for senior posts within the new structure.

Ongoing ILO Projects and Programs to Build Jordan’s Institutional Capacity

- ***ILO Decent Work Program:*** On 30 August 2006, the Government of Jordan (GoJ) and the ILO agreed on a Decent Work Country Program (DWCP) for Jordan. Some of the main focus areas of the DWCP are the development of an employment strategy, the strengthening of labour administration and social dialogue, and the development of the necessary legal and administrative mechanisms for migration management. From April, 2007 onwards several missions of ILO representatives visited Jordan, to finalize the implementation plan and commence relevant activities. The DWCP includes many activities initiated by the MoL (MoL reform, inspection reform, etc.) and ILO projects that were already ongoing or planned (social dialogue, better work, etc.). However, new activities have also been initiated. These include:
 - The development of an **employment policy**, with input from all stakeholders. On 26 July a high-level tripartite meeting was held in conjunction with the ILO to introduce the concept of an employment policy. The Prime Minister and five Ministers attended this meeting. Subsequently, the ILO prepared a draft policy, which was completed in September. This draft will be discussed with the social partners in the coming period.
 - The establishment of a **migrant workers unit**. Following a mission of an ILO expert in September, the Minister of Labor established a committee of relevant staff to develop recommendations for the staffing and activities of the newly established Migrant Workers Department. Relevant recommendations are being considered within the framework of the overall MoL reform.
 - The establishment of an **executive office** to assist the Minister of Labour. On request of the Minister, and in line with recommendations made by an ILO consultant who visited Jordan in September, the MoL is in the process of establishing an Executive Office to assist the Minister by making available technical, management and strategic planning expertise. The ILO consultant developed job descriptions and a search is ongoing for qualified staff.

- ***ILO Project to Enhance Coordination and Dialogue:*** The ILO project “Strengthening the Social Partners’ Capacity for the Promotion of Social Dialogue” is scheduled to continue through 2008 with funding from the Government of Spain. It is aimed at improving the capacity of the Government of Jordan and the social partners to engage in tripartite and bipartite dialogue and cooperation. To this end, it is assisting the Government of Jordan with the establishment of a National Tripartite Advisory Committee (see below) as well as the establishment of an Economic and Social Council (see below). It has also been assisting the Government of Jordan in training inspectors as noted previously.
- ***ILO Project to Combat Forced Labor/Trafficking:*** The ILO project "Forced Labor and Trafficking in Jordan: a Pilot Program on the Qualified Industrial Zones" funded by the U.S. and has been running from March 2007. It is scheduled to run until March 2008. The project aims to raise awareness amongst all stakeholders (inspectors, police officers, judges, employers, workers, NGOs, etc.) on trafficking issues, and develop activities that will assist stakeholders in addressing trafficking issues. In July an ILO mission was undertaken in order to develop a final work plan. The Mission also included a representative from the Italian Carabinieri to discuss the possibility of learning lessons from the Italian experience in cooperation between the labor inspectorate and the police. The Mission provided recommendations on 13 August, 2007 for possible action by the Ministry. Based on lessons learned and in line with ILO recommendations, the Ministry decided in September to upgrade the ad-hoc Ministerial Committee so as to give it a more permanent and high-level character (see above). Letters were sent at the beginning of October to the different Ministries and other relevant governmental bodies inviting them to nominate representatives. Workshops on forced labor and trafficking issues for unions and employers have commenced and are scheduled to continue in January 2008. Workshops for the judiciary and government officials are scheduled for January and February 2008.

The Project also commissioned a study to identify Jordanian legislation relevant to forced labor and trafficking and recommend possible legislative reforms. The study was finalized in September. Under the Project, assistance will also be offered to the inter-Ministerial Committee, formed by the Ministry of Interior, to study the development of a law to combat trafficking (see below)

A New ILO Monitoring and Compliance Program

- ***ILO/IFC Better Factories Program:*** With support from the ILO and the International Finance Corporation (IFC), the Government of Jordan, in collaboration with industry and labor stakeholders, is developing a factory monitoring and compliance assistance program in the apparel sector, based on a model “Better Factories Program” pioneered in Cambodia. In May, endorsement of the Project was obtained from all the social partners. Since then the ILO, together with the MoL has been working on securing the necessary funds. Earlier in the year, the Government of Jordan committed to the provision of US\$

1,050,000 to the project and in September USAID committed to the provision of US\$ 2.7 million, which together with expected income from services provided covers the required budget. The ILO is currently working with the Government of Jordan and USAID in formalizing the provision of their respective contributions.

New bodies to improve social dialogue and decision-making

- ***Economic and Social Council:*** In February 2007, the Government of Jordan decided to establish an Economic and Social Council to improve social dialogue and informed decision-making processes. Following a visit from members of the Spanish Economic and Social Council at the end of March to further explain the function and purpose of such councils, the Government of Jordan developed a draft regulation, with the assistance of the ILO. Following several Cabinet discussions the draft regulation was adopted on 23 October, 2007. Implementation plans are currently being developed.
- ***Tripartite Advisory Committee on Labour Affairs:*** The Government of Jordan has been working towards the establishment of a Tripartite Consultative Committee on Labour Affairs to enable better consultation of the social partners. A draft regulation was developed through a tripartite process, under the auspices of the ILO. A tripartite meeting held in May, 2007 signed a formal joint declaration document indicating their intent to establish the Committee. The MoL subsequently prepared the relevant legal documents to be issued to establish the Committee. The Prime Minister decided to establish the Committee on 28 September, 2007. A secretary was appointed by the MoL to assist the Committee and preparations are under way for its first meeting.

Legal reform

- ***Labor Law reform:*** A draft labor law was developed with input from social partners to bring Jordanian labor law more in line with international standards. Proposed changes include extension of union membership rights to guest workers and amendments to wage and overtime definitions. The amendments were submitted to the Prime Minister on 15 February, 2007. Review at Cabinet level consists of three steps. Two of these steps have been finalized. The third step will take place following general elections scheduled for 20 November, 2007, so that the draft can be forwarded to the new Parliament to be formed after the elections.
- ***Possible anti-trafficking law:*** In July, 2007, the Ministry of Interior formed an inter-ministerial committee to study the possible development of an anti-trafficking law. The Ministry of Interior is in the process of developing relevant documents for study and discussion with the committee.

3. Increasing Employment Opportunities

One of the objectives of the Government of Jordan is to improve access for Jordanians to decent work opportunities. Since this will likely reduce the reliance of guest workers in the different sectors, this is also considered to be a means by which to reduce compliance concerns in this area. The Ministry of Labour is working with different partners to achieve this objective.

- ***Development of the Technical Vocational Education and Training (E-TVET) Sector***

- The European Training Foundation (ETF) has facilitated the development of a national E-TVET strategy and implementation action plan, with involvement of the main stakeholders and interested donors. The strategy and action plan were adopted by the TVET Council on 19 August. Advisory support was provided to the MoL regarding E-TVET sector reform.
- A draft Mid Term Expenditure Framework (MTEF) for the E-TVET sector and for each main public stakeholder has been developed with support of ETF. It provides a first costing of the entire sector reform.
- The required legal instruments to establish the new Human Resource Development Council and E-TVET Council and its subsequent secretariat were developed. The TVET Council approved the instruments and subsequently submitted them to Cabinet on 10 October.
- A steering Committee for the E-TVET Sector reform has been set-up with participation of main public and non-governmental stakeholders. Its work will start in December 2007. It will steer the work of a Development and Coordination Unit (DCU) in charge of monitoring the E-TVET sector reform process.
- The current TVET Fund is under reform. It is envisaged that the new Training and Employment Fund to be established will be based on a demand-driven funding mechanism geared towards the skills-upgrading of in-service employees and providing prospective employees with relevant pre-service training.
- The World Bank is working on a project aimed at increasing employers' participation in workforce skills development, institutional strengthening of employment skills related agencies and the development of a labor market information system. Following a World Bank pre-appraisal mission in September, US\$ 350,000 was made available for project development in October and project funds are estimated to be approximately US\$ 10 million
- A feasibility study by the EU to support the TVET sector has been agreed upon for commencement in November, 2007. Pending findings of the study, informal plans foresee the commencement of the reform project in 2009 with a budget of approximately 43 million Euros.
- Other donors and international organizations (CIDA, ILO, JICA, USAID) are currently also preparing (feasibility studies of) projects to support E-TVET sector reform,

- The MoL has initiated the coordination of donors active in the sector reform and a code of conduct of donors was agreed upon during a seminar organized in June 2007.

- ***Rehabilitation of Employment Services Offices***

In April 2006 only five computerized employment offices existed in Jordan. By the end of 2006, this number stood at 10 and as of 30 September, 2007 18 out of 21 regional employment services offices have been computerized. Through the electronic system, job seekers are linked with job offers and work permits for guest workers are issued. Between January 1, 2007 and 30 September, 2007, 14,662 job seekers registered with the offices. Of these, 10,931 were referred to employers offering jobs and subsequently 8,088 were employed.

- ***Vocational training for Construction/National Company for Employment and Training***

The National Company for Employment and Training (NET) was established in July 2007. A public/private joint venture bringing together the MoL, the Jordan Armed Forces and the Jordan Contractors Association, it is tasked with training Jordanians to work in the construction sector. The first group of trainees will comprise 5000 individuals, who will start their training in January, 2008. Trainees will receive a monthly salary of 191JD, as well as medical insurance, social security, accommodation and transportation. The NET has a projected budget of 115 million JD for 2008.

- ***Vocational training for Tourism/Siyaha Project***

The USAID-funded Siyaha Project aims to provide vocational training opportunities in the hotel and tourism sector. A collaboration between USAID, the MoL and the Vocational Training Corporation, it is undertaken in close cooperation with some of the largest hotels in Jordan, which offer 6-month on-the-job training positions once trainees have completed a six-month training at a vocational training institute. Trainees that complete the full-year training are subsequently offered jobs in the sector. In 2007, 10 vocational training centers were upgraded to be able to offer this training and currently 600 trainees are enrolled. Out of the first 32 trainees that will graduate on 1 November, 2007, 30 have accepted the job opportunities offered to them.

- ***Vocational Training for Logistics***

In partnership with Aramex (an international logistics company), the Vocational Training Corporation and the German Jordanian University, the MoL has initiated the development of vocational training for logistics in Mafraq, a city in the North-East of

Jordan. Following the development of a curriculum and the training of trainers, the first semester of training started on 30 September with 30 trainees enrolled. The training will take place for 3 months at the local vocational training institute and 2 months on-the-job training with Aramex. Graduates will be offered employment by Aramex and other logistics companies, which have become involved as well. The project will also be extended to Aqaba, the only port of Jordan, and other potential areas.

- ***Vocational Training for Electronics***

In a partnership between the Government of Korea and the Government of Jordan, the vocational training center in Zarqa, a city just north of the capital Amman, will be rehabilitated and a vocational training for automobile repair will be established. Also aimed at the transfer of skills, technology and equipment, a number of vocational training centers managers and instructors will be trained in Korea and equipment provided under the Project, before commencement of vocational training in January 2009.

- ***Vocational Training for Technical Skills***

The Vocational Training Corporation is working with the Government of Singapore to rehabilitate the vocational training centre in Marka, an administrative sub-division in the north of Amman. The Center has been renovated and equipment provided by Singapore has been installed. Training of 15 trainees will start in November under guidance from vocational training experts from Singapore.

- ***Vocational Training and Assistance for Rural Livelihoods and Conservation/Sustainable Achievement of Business Expansion and Quality Program (SABEQ).***

Within the framework of the Global Environment Facility, the Ministry of Planning and International Corporation is implementing the Conservation of Medicinal and Herbal Plants Project. Under this project, the USAID-funded SABEQ program has initiated a vocational training project on herb production and processing, in partnership with a number of local organizations (the Jordanian Hashemite Fund for Human Development – JOHUD), the Cooperative Association for Women Agricultural Engineers (BAYLASAN), and Fair Trade Jordan (FTJ). Established in Irbid, a city in the North of Jordan, the project aims to provide training to small hold farmers and build partnerships between producers, exporters and buyers. Four geographic clusters have been built around existing JOHUD Community Development Centers (CDC's) with each center currently having more than fifty members. As a result 110 small farmers have become a part of the initial cluster formation and are receiving hands on training. Approximately 65 dunums (16.25 acres) of land are now in operation based on viable strategies for diversification and sustainable farming. Twenty-two people, of which 21 females, were selected and

participated in a 'Training of Trainers' program in October 2007. It is expected that 200 people will be trained overall.

USAID/SABEQ is also working with JOHUD to expand market access for small hold farmers and people maintaining home gardens as part of their livelihood strategy. To this end, the fair trade/organic market run by JOHUD in Amman has been physically enlarged and the number of market days will be increased and regular markets will be held outside of Amman. Participating producers will be provided with relevant training, and the development of profiles. It is expected that 250 small producers and their families will benefit from the project.

CONCLUDING REMARKS

The Government of Jordan believes progress made in the implementation of its Action Plan demonstrates its firm and continued commitment to the development of sound labor administration and social dialogue systems and the creation of decent work opportunities within Jordan. As part of its overall efforts, it also believes it is well on its way to establish a strong compliance regime in the apparel sector.

For additional information, please contact representatives of the Government of Jordan:

- Ministry of Labor of the Hashemite Kingdom of Jordan: Mr. Lejo Sibbel (Phone: +962-6-5802666, extension 165)
- Information Bureau, Embassy of the Hashemite Kingdom of Jordan, Washington, D.C.: (Phone: 1-202-265-1606)