

LABOR COMPLIANCE IN JORDAN'S APPAREL SECTOR

FIRST REPORT ON INSPECTION ISSUES

30 JUNE 2007



**MINISTRY OF LABOR
AMMAN, HASHEMITE KINGDOM OF JORDAN**

Background

On 30 March 2007, the Ministry of Labour (MoL) published a Plan of Action outlining steps taken and planned to improve overall labour administration and social dialogue and compliance specifically in the apparel sector (www.mol.gov.jo). In addition to regular updates on the implementation status of the different elements in the Plan of Action, the Ministry has also decided to publish more detailed reports on its inspection activities. The objective of these reports is to provide more details on inspection reform activities when deemed appropriate in connection with the publication of an Action Plan Update, as well as to provide information with regard to findings made by the MoL for specific enterprises about which allegations of worker rights violations have been made in public. This is the first such report.

Ministry of Labour findings

The following provides information and an overview of MoL findings with regard to reports published by the National Labor Committee (NLC) on 30 March, June 1, June 2, and June 11, 2007. These findings are based partly on investigations by the Core Inspection Force (CIF) of the Ministry of Labour and part on information already available within the Ministry prior to the publishing of the NLC reports. It is important to underscore here that the CIF teams investigating these issues include people who speak the languages of guest workers. It is also important to note here that where the MoL found situations not to be in line with legal requirements it has taken appropriate action.

While the Government of Jordan recognizes the important role the NLC has played in drawing attention to the working conditions situation in Jordan's garment sector and welcomes its continued commitment in this respect, unfortunately its latest reports show numerous factual errors. Realizing the difficulties that exist with regard to relying on subjective sources of information, the Ministry calls upon the NLC to engage with various stakeholders in obtaining and verifying information prior to publication and ensuring that published information is up to date.

A. Minimum wage increase

On 1 January 2007, the minimum wage in Jordan's Qualified Industrial Zones (QIZs) was raised from 95 to 110JD. The NLC reports that this raise was combined with an amendment of Jordan's labour laws that would allow factories to start deducting food and accommodation expenses from workers' wages. However, no such law amendment took place. Since its adoption in 1996, Article 2 of Jordan's Labour Code has allowed for the possibility for wage components to include payments in kind. Deductions for food and accommodation can therefore be included in minimum wage calculations provided employment contracts indicate such calculations.

While it is correct that a number of factories increased deductions for food and accommodation as reported by the NLC, this number was limited and the MoL reacted promptly to address the matter in two ways:

1. On 15 February, 2007 the MoL placed an announcement in local newspapers explaining that the mere possibility in the law of including in kind payments in wage calculations could in no way be used to contravene or alter in any way contractual agreements that stipulate otherwise, for instance, where labour contracts indicate that accommodation and food are provided free of charge. It also indicated that deducting such cost could only be undertaken with the free and informed consent of the worker concerned, i.e. after a renegotiation of the contract has taken place and the worker has explicitly agreed to such a deduction and fully understands what he or she has agreed to. The announcement was also used to remind employers and workers that deductions for food and accommodation cannot exceed the actual cost of the provision of such services and that employers must be able to provide evidence of such costs, for instance through receipts and/or relevant contracts with their service providers.
2. The MoL also immediately intervened when it received information that factories had unilaterally increased deductions or began deducting costs for food and accommodation. In 9 enterprises, including one outside the QIZs, the MoL intervened and in 7 of them brokered the cancellation in the increase in deductions back to its original level or even below the original level, in spite of the fact that workers had signed documents indicating their agreement to the increase. In 2 factories it was unable to do so because of the existence of such agreements, though in 1 of these cases, the MoL transferred a group of approximately 110 workers to another factory on request of the workers and with the agreement of the factory.

B. Specific allegations

Al Jagira Garments:

The NLC reported that a worker died on January 3, 2007 at Al Jagira Garments. However, Al Jagira Garments has not been operating in Jordan for many years. In December 2003 a license was issued for a different factory at the same location but this enterprise was closed on 21 December 2006. Should the NLC have more information concerning this case, the MoL will investigate the matter further.

Al Safa Factory:

The NLC reported that a number of workers from Al Safa were left abandoned without any assistance from the MoL. The Government of Jordan closed the Al Safa Factory on 22 November 2006, mainly for not issuing work permits, not paying social security contributions, and delayed payment of wages. When doing so it offered all approximate 350 guest workers the option to transfer to another factory or to return home. The Head of the Inspectorate, who speaks Bengali, personally oversaw this process. The NLC

reported that 5 Bengali workers were left stranded without any assistance. Firstly, the group of workers the MoL assumes the NLC refers to is composed of 7 and not 5 workers as stated by the NLC. Secondly, and more importantly, all of these 7 workers were, at different intervals from the day of closure, offered opportunities to work elsewhere pending finalization of formalities related to the return to their home countries. They were also offered free accommodation and food by a factory elsewhere, without having to work, but they opted to remain in the original dormitory in spite of sub-standard conditions there. In March, the workers made the decision to remain in Jordan to work and consequently informed the Head of the Inspectorate of that decision. The MoL subsequently placed them at a factory with good working conditions and they currently indicate they are satisfied with the working conditions.

Atlanta Garments:

An unannounced visit to this factory was undertaken on 7 May, 2007. The NLC designated the wrong workers to the respective situations referred to. The worker the NLC reports to have been raped, no longer works in the factory and returned to Bangladesh. When we contacted her in Bangladesh she requested the CIF team not to disclose any personal details other than that she had been assaulted outside the factory, by people from outside factory premises, but that she managed to escape without injuries and was not raped. The other worker the NLC referred to was also interviewed and stated that she was in no way sexually harassed or raped by anyone from the factory or unrelated to the factory.

Central Clothing:

Workers in this factory, of which about 20% were transferred their by the MoL, indicated that they provided their passports to management pending issuing of residence permits. The MoL has been working to regularize their situation pending the waiver of fines.

A worker from this factory died on 15 April, 2007. According to workers in the factory the individual who died had requested sick leave on 21 March, 2007. According to management he was on annual leave from 25 March to 1 April and the MoL was provided with the relevant documents in this respect. On 27 March, 2007 the worker went for a medical check-up because he was not feeling well and was diagnosed with having a cold and was provided with medication. The MoL was provided with the relevant documents in this respect. On 4 April, 2007 the worker was attended to by a doctor who undertook a blood test that came up negative for typhoid. When the worker's situation deteriorated on 5 April, 2007 that same doctor called for an ambulance and the workers was transferred to the hospital. Management provided the MoL with many documents indicating tests undertaken and medication provided while the worker was in hospital. His Notification of Death Certificate indicates he died of meningitis and heart failure.

Subsequent to the worker's death there was an altercation of some sort between a group of workers and two factory supervisors and four Bengali line supervisors. The factory workers also went to the police station to demand an investigation by the police into the

workers death, but were not permitted entry into the police station. Workers subsequently decided not to work on 16 April, 2007 as a day of mourning for their colleague, which management accepted, and workers went back to work on 17 April. On 21 April, 2007 four workers were arrested by the police following the filing of a complaint against them by the four Bengali line supervisors for physical abuse. It is standard procedure in Jordan for police to arrest people against whom a criminal complaint has been made to allow for investigations. Subsequently, workers went on strike until 24 April when the MoL brokered an agreement. The Embassy of Bangladesh has verbally confirmed that they have received final settlement of the workers' dues from the enterprise for transmission to the next of kin and that procedures have been initiated to transmit the social security entitlements as well.

Classic Fashions Apparel:

A two-day unannounced visit was undertaken to this factory on 18-19 April, 2007 The MoL is currently working with the factory and the workers to further verify the details of the information provided in the NLC report, through intensive surveillance and, where identified as necessary, the required remediation. Management acknowledged that it was unaware of some of the problems raised by the NLC. Action has already been taken to limit working hours, address the issue of alleged physical abuse and freedom of movement on days off. Workers have confirmed the improvements.

Concord Garment Factory:

On 10 February 2007, the NLC corresponded with the Jordanian Embassy in Washington D.C. via email concerning allegations of worker right violations (non-payment of wages for 3 months, work for seven days a week, overtime until midnight nearly every night, confiscation of passports and non-issue of residence permits) in the Concord Garment Factory. Some of these allegations were repeated in the 30 March NLC report. Following receipt of the email dated 10 February, 2007 the MoL inspected the factory on 15 February, 2007 and found the allegations to be partly correct. It consequently issued warnings and fines and placed the factory on intensive surveillance. Working conditions improved, as acknowledged by the NLC, and inspectors regularly visited the factory to monitor the situation. On 3 April, 2007 a visit was undertaken confirming, through worker interviews and document verification, that the situation had improved markedly. However, during follow-up visits undertaken on 5 and 7 June, inspectors found that the situation had deteriorated, especially with regard to the length of overtime, payments for overtime, and physical abuse of workers. On 6 June, management agreed to repatriate a supervisor who was seen slapping a worker by a Labour Inspector. The concerned worker did not want to file a complaint with the police, therefore no court case could be initiated. The Ministry of Interior certified the departure of the supervisor from Jordan. On 17 June, 2007 management was informed by the MoL that it had one final month to correct all non-compliance issues, and that failure to comply within this period would lead to closure of the factory.

Dawhyma Apparel/Cotton Craft:

A factory with the name of Dawhyma previously operated in Jordan but has since closed. A factory named Cotton Craft has been operating at the same location since June 2006. This factory has been under scrutiny concerning its working conditions from the MoL since the end of 2006. Given that some of the violations alleged by workers fall outside the scope of Jordan's labour law, it has been subject to investigations from an Inter-Ministerial Committee that visited the factory on 13 February 2007. This Committee informed management of the necessary measures to be taken on 18 March 2007.

In line with the recommendations, the MoL assisted six workers in filing a case against three supervisors who allegedly had slapped these workers. The workers filed a case on 23 April, 2007 and on 24 May, 2007 the Court found the supervisors guilty and sentenced them to the payment of a fine. This is the first time any supervisors were found guilty in a Court of Law in relation to complaints of physical abuse. During a follow-up inspection visit undertaken in April, inspectors found that limited progress had been made in implementing the recommendations, though the physical abuse had ceased completely according to workers.

The company was sold in early June and the MoL oversaw the conclusion of an agreement on 6 June, 2007 between new management and workers with regard to the payment of back wages, payment of back social security contributions and the provision of work and residence permits. The MoL will monitor implementation of the agreement, which has clear time lines.

On 11 June, 2007 the police arrested the previous owner of the enterprise on charges of unpaid fines for labour violations. After payment of the fines he was released.

Fashion Curve:

An unannounced visit was undertaken to this factory on 8 April, 2007. The factory employs 107 workers of which 13 are Jordanian, 81 Bengali, 11 Indian and 2 Pakistani. Contrary to what the NLC reports, workers and documents indicate that they are free to choose whether or not they wish to deposit their passports with management for safekeeping. Out of the 94 guest workers, 29 do not have a valid residence permit. The minimum wage is paid correctly at 110JD. Deductions for food and accommodation are 29JD and not 36JD as indicated by the NLC and contracts allow for such deductions. The MoL assumes the amount of 36JD referred to by the NLC is a combination of deductions for food and accommodation and the social security contributions, the latter being legally mandated deductions, which together make up approximately 36JD. The other NLC indications concerning regular working hours, overtime hours, overtime payments, and annual leave were found to be correct.

On 1 May, 2007 a group of approximately 60 Bengali workers went on strike. An altercation of some sort between a group of workers and two supervisors took place. Workers claim no violence was used but the supervisors filed a complaint with the police against ten workers alleging physical abuse. It is standard procedure in Jordan for police

to arrest people against whom a criminal complaint has been made to allow for investigations. On 8 May, 2007 the police arrested one of the accused workers. On several occasions the police attempted to arrest the remaining workers but was unable to do so. According to factory workers the police did not beat them. On 9 June, 2007 another accused worker was arrested. The report from the NLC that 10 workers were jailed on charges of rioting is incorrect, as are the NLC allegations of the involvement of gangs being hired to intimidate workers, which was denied by workers when interviewed. What was described by the factory workers instead was that bystanders on the street, the supervisors and workers that did not go on strike, followed the police but did not interfere. Workers also indicated they were also never locked in their dormitories, contrary to what was reported by the NLC.

In a separate incident, on 5 May, 2007 a Bengali worker passed away. Official records indicate he died of a heart attack due to a blood clot. All relevant parties were informed, including the Embassy of Bangladesh, which is required to certify next of kin before final due payments can be made.

From the onset of the strike, the MoL made attempts to broker an agreement to end the strike in accordance with Jordanian law and worker contracts. Intensive negotiations were undertaken with workers and management at various instances and several draft agreements were presented to both parties. These draft agreements guaranteed conditions in line with the law and payment of unpaid back wages. These were refused by workers who instead made demands outside the scope of the law, such as the deportation of all workers who did not join the strike. Workers who did not join the strike also reported being intimidated and threatened by the striking workers. The Embassy of Bangladesh also intervened several times in an attempt to broker an agreement. On 31 May, 2007 management decided to halt the provision of dormitory services. The MoL has indications that workers were provided with food and water from different sources, though workers complained of weakness and illness due to lack of dormitory services. Following this event, the MoL and the Embassy of Bangladesh again attempted to broker an agreement several times to no avail as workers again refused. On 18 June, 2007 the workers indicated to the MoL that they wished to return to work and, upon advice of the MoL, entered into direct negotiations with management. All workers that had been on strike went back to work on 19 June. The Ministry will follow-up with regard to payment of back dues.

The information posted on the website of the NLC on 11 June, 2007 include a letter from workers and video testimonials from workers. In the letter it is said that dormitory services had been cut off for 45 days, i.e. since the beginning of the strike, which is not correct. The transcripts of the video testimonials refer to visas supposedly being provided free of charge which is also incorrect. Reference is also made in the transcripts to threats made by the Ministry to workers of imposing fines or deducting wages to the sum of 200JD for going on strike or loss of production. While there is a provision in Jordanian law allowing for the imposition of fines, at no time did the Ministry make such threats nor were threats made by the Ministry to deduct any amount of money for losses incurred by the employer due to the strike. In addition, the Ministry informed management it could not do so.

Group Talent:

An unannounced visit to this factory was undertaken on 7 May, 2007. The workers in this factory without residence permits were transferred there by the MoL from another factory and the MoL has been working to regularize their situation. Medical facilities are available and basic medical costs are covered by the factory when certified by the factory doctor. Workers indicate sick leave is not always provided when they feel it is justified. In June, 2006 there was a strike over the issue of the residence permits and working hours. A number of workers were jailed and repatriated, as reported by the NLC, but it is unclear whether management played a role in this. Indications from workers are that currently, no threats of deportation or imprisonment have been made by management, and that regular working hours are 8 hours per day and wages are paid correctly, including for overtime.

In April, 2007 two workers were jailed following charges of theft of products. It is standard procedure in Jordan for police to arrest people against whom a criminal complaint has been made to allow for investigations. Workers indicated that these workers were not worker representatives or leaders. The Court held initial hearings of the parties involved and decided to remand workers in jail pending the Court's final decision. On 11 June, 2007 the Court found the two workers guilty and sentenced them to one year in prison. However, because the workers confessed to the crime the sentence was reduced to three months in prison, including the period of detention pending trial.

The two ill workers, reported on by the NLC, were unable to leave the country due to issues related to the cancellation of fines for overstaying visas. However, contrary to what the NLC reported the workers indicated in an interview that management had at no time taken any money from them to facilitate their repatriation. On the contrary, management recently paid the workers' fines, though this is legally not their responsibility, thereby enabling the repatriation of the workers on 17 June, 2007.

Maridian Garment Factory:

Though the name of this factory is referred to incorrectly in the NLC report, two worker deaths did occur in this establishment. The NLC suggests that in the first case lack of medical attention played a role and worker maltreatment was the cause in the second case. The MoL investigations undertaken, however, indicate the following:

- The first death concerned a male cook from India who died on 19 February, 2007. Forensic records indicate that he died as a result of a heart attack. Workers did not indicate that he had been subjected to excessive working conditions or that management had not responded adequately in the provision of medical attention.
- The second death concerned the suicide of a male Sri Lankan worker. Immediately following his suicide on 10 December, 2006, the MoL had become aware of this case through a Sri Lankan external monitor working with the Ministry through the Joint Labour Assessment and Training Project who is currently directly attached to the MoL. The monitor has since spoken with a

number of Sri Lankan workers from the factory on different occasions. The workers interviewed believe he committed suicide because he had borrowed money from other workers and was unable to repay them. The workers interviewed did not indicate that the worker had been locked in his dormitory room, as reported by the NLC. On the day of the suicide, one of his room mates indicated that he had found the room locked from the inside and had to break the lock together with the dormitory matron, only to find the worker dead with his personal belongings laid out to be sent to his parents.

Mr. Robiul/Altakua Garments:

In spite of several attempts, the MoL has been unable to locate Mr. Robiul. There are reports that he has returned to his country of origin but also that he is still working somewhere in Jordan. Telephone numbers on which the MoL was told he could be contacted are disconnected. Should the NLC have information concerning Mr. Robiul's whereabouts, the MoL will further investigate.

Needle Craft:

On 3 April, 2007 the MoL made an unannounced visit to the factory and found that the indications contained in the NLC update were largely incorrect. Workers indicate they work overtime voluntarily most of the time: they work, on average, one Friday a month. A review of records and verification with workers show that payments made for overtime work are correct, though calculations are admittedly very difficult to understand for workers: paid sick leave is provided to workers when approved by the factory doctor: all workers have residence permits. Contracts indicate that the enterprise can deduct 25JD for food and accommodation. In practice it deducts 15JD and has been doing so for some time prior to the increase in the minimum wage on 1 January 2007. Workers indicated that food is of an appropriate quality and quantity. The dormitory does have heaters contrary to what the NLC reports, as well as the required clinic, medical staff and medical equipment. Concerning the worker death referred to, documents indicate the worker was provided with medical and hospital care. Hospital records indicate the worker was not discharged by medical staff but left the hospital on his own responsibility and passed away two days later.

Silver Planet:

On 10 April, 2007 the MoL made an unannounced visit to this enterprise. The number of workers in this factory is not 1,200 as the NLC states but rather is 700 of which approximately 80 are Jordanian nationals. Workers interviewed and documents analysed indicate that the enterprise only holds the passports of workers who wish that to be the case for security reasons and those workers for which the process of obtaining residency permits is ongoing: other workers have possession of their passports. Contrary to what the NLC reports, the minimum wage paid is not 95JD but in fact 110 JD. However, workers have indicated they are not paid overtime wages when they do not reach their

targets within the regular 8-hour work day. Deductions for food and accommodation are 26JD but the contracts allow for such deductions. In line with the NLC update the MoL found living conditions are indeed below standard. However, contrary to what the NLC reports, workers indicate that they did not work on public holidays during the last four months, and that when work is undertaken on Fridays it is done voluntary.

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

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