



# ▶ Annual Report 2023: An Industry and Compliance Review

Better Work Jordan

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## ► Contents

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|   |           |
|---|-----------|
| <b>Acknowledgements</b> .....                           | <b>1</b>  |
| <b>List of Abbreviations</b> .....                      | <b>3</b>  |
| <b>Summary Findings</b> .....                           | <b>4</b>  |
| <b>Introduction</b> .....                               | <b>7</b>  |
| Country Context. ....                                   | 7         |
| Industry Overview .....                                 | 11        |
| Better Work Jordan .....                                | 14        |
| Partnerships for Impact and Sustainability .....        | 17        |
| 2022 Collective Bargaining Agreement .....              | 21        |
| <b>Working Conditions in the Garment Sector</b> .....   | <b>23</b> |
| Methodology and Data .....                              | 23        |
| Compliance Situation .....                              | 27        |
| Publicly Reported Issues .....                          | 49        |
| <b>Next Steps</b> .....                                 | <b>50</b> |
| <b>Annexes</b> .....                                    | <b>51</b> |
| Annex A. Garment factories covered in this report ..... | 51        |
| Annex B. List of participating buyers .....             | 53        |
| Annex C. Methodology and limitations .....              | 54        |

## ► List of Abbreviations

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|               |  |
|---------------|--|
| <b>AOFWG</b>  | Association of Owners of Factories, Workshops and Garments                 |
| <b>BOESL</b>  | Bangladesh Overseas Employment and Services Limited                        |
| <b>BWJ</b>    | Better Work Jordan   |
| <b>CAT</b>    | Compliance Assessment Tool   |
| <b>CBA</b>    | Collective Bargaining Agreement  |
| <b>CP</b>     | Compliance Point   |
| <b>EA</b>     | Enterprise Advisor   |
| <b>EU</b>     | European Union   |
| <b>FoA</b>    | Freedom of Association   |
| <b>GBV</b>    | Gender-Based Violence  |
| <b>GoJ</b>    | Government of Jordan   |
| <b>GFJTU</b>  | General Federation of Jordanian Trade Unions                               |
| <b>GTU</b>    | General Trade Union of Workers in Textile, Garment and Clothing Industries |
| <b>IFC</b>    | International Finance Corporation  |
| <b>ILO</b>    | International Labour Corporation   |
| <b>JCI</b>    | Jordan Chamber of Industry   |
| <b>JD</b>     | Jordanian Dinar  |
| <b>J-GATE</b> | Jordanian Garment, Accessories & Textiles Exporters' Association           |
| <b>LI</b>     | Labour Inspector   |
| <b>mhGAP</b>  | Mental Health Gap Action Programme   |
| <b>MHPSS</b>  | Mental Health and Psychosocial Support                                     |
| <b>MoH</b>    | Ministry of Health   |
| <b>MoITS</b>  | Ministry of Industry, Trade and Supply                                     |
| <b>MoL</b>    | Ministry of Labour   |
| <b>NGO</b>    | Non-Governmental Organisation  |
| <b>OSH</b>    | Occupational Safety and Health   |
| <b>SOP</b>    | Standard Operating Procedures  |
| <b>PAC</b>    | Project Advisory Committee   |
| <b>PPE</b>    | Personal Protective Equipment  |
| <b>QA/QC</b>  | Quality Assurance Quality Control  |
| <b>RoO</b>    | Rules of Origin  |
| <b>SME</b>    | Small and Medium Enterprises   |
| <b>SSC</b>    | Social Security Corporation  |
| <b>ToT</b>    | Training of Trainers   |
| <b>TVPRA</b>  | Trafficking Victims Protection Reauthorization Act                         |
| <b>ULC</b>    | Union Labour Committee   |
| <b>USDOL</b>  | United States Department of Labor  |
| <b>USJFTA</b> | United States Jordan Free Trade Agreement                                  |
| <b>WHO</b>    | World Health Organization  |
| <b>ZTP</b>    | Zero-Tolerance Protocol  |



## ► Summary Findings

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This report presents findings and observations from Better Work Jordan's interactions in the garment sector throughout 2022. This report provides an update on the state of the garment industry in Jordan, and of select non-garment factories that the programme is working with as well. The report draws from multiple data sources, including assessment findings from unannounced compliance visits to factories conducted jointly with the Ministry of Labour (MoL), data the programme collects during regular interactions with factories through advisory, and survey data gathered over the last four years from workers, supervisors and managers. The triangulation of these different data sources allows for a deep understanding of the successes of the industry and areas that require further work.

The garment industry in Jordan had a strong start in 2022 as the industry continued to rebound from the COVID-19 shock in 2020. However, the war in Ukraine, rising global energy prices, and worldwide economic contractions led to a substantial reduction in orders and a slowdown of business in the second half of the year. This has led to increased uncertainty in the sector. The garment industry remains politically and economically important for Jordan, and the sector was highlighted as a "high-value industry" in the Economic Modernization Vision for the country.

Compliance assessments are the core data source in this report; during two-day, unannounced visits, a team of two assessors triangulates between direct observations, document review and interviews with workers to determine if a given factory has violated various national labour laws and international labour standards. These assessments are then synthesized across 86 garment factories to provide a measure of how frequent violations are. Findings are compared to previous years to see if the frequency of violations is increasing or decreasing, and significant changes are highlighted and contextualized in the report.

Severe violations are rare in the sector, but they do happen – indications of both child labour and forced labour exist. However, the most common violations are related to Occupational Safety and Health, particularly in accommodations and health services. Better Work Jordan has noted improvements in the last few years in recruitment practices, including both pregnancy tests and recruitment fees. After stakeholders decided to tackle these issues head-on in 2019, non-compliance rates increased as existing violations were caught but have now substantially decreased.

The following are highlights from each compliance cluster:

### Core Labour Standards

**Child Labour:** According to the Jordanian Labour Law, 16 is the legal minimum age for employment and workers under the age of 18 are considered juvenile in Jordan. No factories were cited as non-compliant for child labour in 2022, although Better Work Jordan uncovered three instances of likely child labour. Better Work Jordan followed the Zero Tolerance Protocol and reported these cases to the MoL, but the Anti-Human Trafficking Unit conducted medical tests stating that all cases were over the age of 18.

**Discrimination:** Better Work Jordan assesses discriminatory behaviour in factories through observation, interviews, and review of documents. Identifying instances of discriminatory behaviour is more difficult in some areas than in others. For instance, the issue of pregnancy tests for migrant workers is relatively easy to detect and is an area that has seen significant improvement over the last few years. In 2022, 9 per cent of factories were cited non-compliant, while 55 per cent were non-compliant just two years ago. Similarly, 20 per cent of factories failed to meet the quota for hiring people with disabilities, which is also easy to check during assessments. Sexual harassment remains under-reported, and no factories

were cited non-compliant despite 19 per cent of workers in the sector reporting concerns with sexual harassment in an anonymous survey conducted in July 2022.

**Forced Labour:** Forced labour used to be an endemic problem in the garment industry in Jordan, driven by the Kafala system that ties migrant workers to one employer and the widespread practice of factory management holding worker passports. While the Kafala system remains, major improvements have been made in this area, and in 2016, the US Department of Labor removed garments produced in Jordan from the Trafficking Victims Protection Reauthorization Act (TVPRA) list. One factory was cited non-compliant in 2022 for withholding personal documents, while another restricted free movement of workers.

**Freedom of Association and Collective Bargaining:** As Jordan is yet to ratify ILO Convention No. 87 on Freedom of Association and Protection of the Right to Organize, all factories assessed continue to be non-compliant on workers' ability to freely join and form unions. Despite these restrictions, the garment industry has ratified a series of Collective Bargaining Agreements and the union has access to most factories. However, in 2022, 78 per cent of factories failed to fully implement all provisions of the 2019 sectoral CBA.

## Working Conditions

**Compensation:** BWJ monitors many aspects of compensation beyond basic wage payments, including overtime pay, annual and sick leave, and in-kind payment for food and accommodation in the case of migrant workers. Per the 2019 garment sector CBA, the minimum wage in the sector is 220 JD per month, with migrant workers receiving 125 JD in cash and 95 JD in-kind. There were no compliance issues for basic wage payments or paid leave. One in four factories were non-compliant for timely payment of wages. Most of these factories paid the bulk of wages on time but paid productivity bonuses late due to delays in calculation.

**Contracts & Human Resources:** Several key aspects of working conditions fall in this area, including the employment contracts themselves, the way that contracts are enforced, relationships between workers and management, and termination policies. Some contracting issues remain problematic, including compliant factory bylaws and accessibility of contracts for all workers. Verbal abuse also remains concerning, with 19 per cent of factories cited non-compliant for verbal abuse. In contrast, the issue of recruitment fees has improved remarkably over the last several years and only 14 per cent of factories were non-compliant for this issue compared to 30 per cent in 2020.

**Occupational Safety & Health (OSH):** As in previous years, OSH has some of highest non-compliance rates observed among factories. Key issues remain around OSH management systems, health services and first aid, and worker accommodations. OSH compliance rates have fluctuated over the last few years, but there have been sustained improvements in a few aspects of accommodations, like meeting minimum space requirements and having adequate eating and living areas. OSH is the largest cluster that Better Work Jordan assesses, and there are numerous OSH issues in the eight compliance points.

**Working Time:** There are few compliance issues related to working time in the sector. However, not all aspects of working time are covered by national labour law. For example, migrant workers in the sector work considerable overtime with the average migrant worker working more than 57 hours per week in 2022. The 2022 sectoral CBA sets a maximum of four hours per day, which Better Work Jordan will begin assessing against in 2023. Other issues of working time include fluctuations in the availability of overtime work due to seasonal fluctuations, drops in demand, or inconsistent purchasing practices from buyers. Migrant workers rely significantly on overtime work to supplement their monthly income.



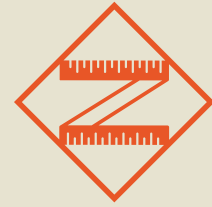
**95**

Factories



**488**

Advisory visits



**103**

Assessment reports



**78,617**

Workers in  
registered factories



**2,833**

Training  
participants



**20**

International buyers





## ► Introduction

---

Better Work Jordan (BWJ) is a partnership between the International Labour Organization (ILO) and the International Finance Corporation (IFC). The ILO flagship programme brings together stakeholders from all levels of the global garment manufacturing industry to improve working conditions, enhance respect for labour rights, and boost competitiveness. Better Work Jordan was established in 2008 at the request of the Government of Jordan (GoJ) and the United States (US) government. Better Work Jordan regularly prepares public reports synthesising industry updates and highlighting non-compliance findings and trends to increase transparency and to communicate observations to a wider audience. As the garment sector in Jordan has matured, Better Work Jordan and stakeholders have gone beyond compliance with existing laws, regulations and international labour standards to tackle gaps in laws and regulations through sectoral policies. This is Better Work Jordan's **Fourteenth Annual Report**.

The Better Work Jordan programme is mandatory for garment factories that export to the US under the US-Jordan Free Trade Agreement (USJFTA). Better Work Jordan covers an estimated 95 per cent of garment workers in Jordan. Starting in 2018, Better Work Jordan also began working with non-garment factories in three fields – plastics, chemicals, and engineering – who can export to the European Union (EU) under the Relaxed Rules of Origin negotiated in 2016 and revamped in 2018. Better Work Jordan is entering its fourth strategic phase (2022-2027) which focuses on building capacity of the tripartite stakeholders (government, employer and worker representatives) to monitor and improve working conditions in the Jordanian garment sector.

The report proceeds as follows: the Introduction covers the country and labour market context, the garment sector in Jordan, the main activities of the Better Work Jordan programme, and the collaboration with stakeholders. The main findings and analysis are covered in *Working Conditions in the Garment Sector*, which draws from non-compliance findings from **86 assessment reports**, data gathered during advisory visits, and worker, supervisor, and manager surveys conducted in 2022. Finally, the *Conclusion* presents the way forward and key priorities for the programme and the garment sector in the coming year.

## Country Context

Jordan is a small middle-income country in a geopolitically important region. Unlike some of its neighbours in the Gulf, Jordan lacks natural resources, but Jordan has also been politically and economically stable, unlike other neighbours such as Syria, Iraq and Lebanon. Jordan hosts many refugees, including Palestinians, Iraqis, and most recently Syrians, and the country's population more than doubled over the last twenty years. This has put a strain on Jordan's limited resources, especially water, which has also been affected by climate change.

The COVID-19 pandemic posed a direct challenge for Jordan, and the government of Jordan responded swiftly at the beginning with lockdowns, curfews, and social distancing measures that effectively controlled the spread of the virus. The Jordanian economy was hit hard during this time period, especially the tourism sector, and unemployment rose to 25 per cent. The recovery from the pandemic has been uneven, with new challenges facing the economy and labour market, including a high debt burden leading to limited fiscal space, a worldwide economic downturn, inflation, and rising interest rates.

These challenges led to sustained protests and strikes, which were pronounced in December 2022 over a planned increase in the price of oil and gas. <sup>i</sup> Parallel to this, truck drivers went on strike demanding reduced diesel prices and higher rates for shipping. These strikes led to backups at the Aqaba port which affected goods entering and leaving Jordan. Instances of political unrest are relatively rare in Jordan, but the high unemployment rate and difficult economic situation, particularly for youth, could fuel unrest in the future.

The following sections go deeper into the economy and labour market in Jordan and specific aspects of the legislative context that are relevant to the garment sector.

### Economy and Labour Market

Jordan has a small economy that is dominated by the public sector and has faced challenges with generating sufficient jobs. The jobs that are generated do not always match the educational profile of workers in Jordan. The Covid-19 pandemic, the war in Ukraine, global economic slowdown, and worldwide inflationary pressures have added to the struggles. However, for headline economic numbers Jordan has fared better than many of its neighbours. GDP growth rebounded after falling during the pandemic and has remained steady for the last two years (see **Figure 1**). <sup>ii</sup>

**Figure 1. Real GDP Growth (from same quarter of previous year).**



The Jordanian economy depends heavily on loans, and there is high government debt - over 100% of GDP when including the debts held by the social security investment fund.<sup>iii</sup> This limits the amount of fiscal space for the government and is a risk to the sustainability of growth in the future. There have also been inflationary pressures in Jordan in the last year, however these are relatively muted compared to other countries. Inflation reached a four-year high in August 2022 at 5.4 per cent year-on-year but has since decreased slightly. <sup>iv</sup> Price increases have especially affected the poorest households. <sup>v</sup>

The Jordanian labour market has faced significant challenges for many years that were exacerbated by the COVID-19 pandemic and government response. Crucially, the unemployment rate in Jordan remains very high, with an unemployment rate of 23.1 per cent reported in 2022 Q3.<sup>vi</sup> The unemployment rate peaked during the pandemic at 25 per cent in 2021 Q1, but it was already elevated before the pandemic at 19.1 per cent on average in 2019. Unemployment is most pronounced among young people – nearly half of people aged 15-24 are unemployed. There are also significant gender differences in unemployment, with a higher percentage of women unable to find work than men.

The starkest gender difference in the labour market in Jordan however is whether people participate at all – only 13.7 per cent of women over the age of 15 participated in the labour market in 2022 Q3 (participation in the labour market means that they are either working or have searched for work in the last month). Jordan has one of the lowest rates of female participation in the labour force in the world. In contrast, the labour force participation rate is 52.5 per cent for men. The labour force participation rate has fallen since 2018, potentially an indication that Jordanians are dropping out of the labour market altogether.

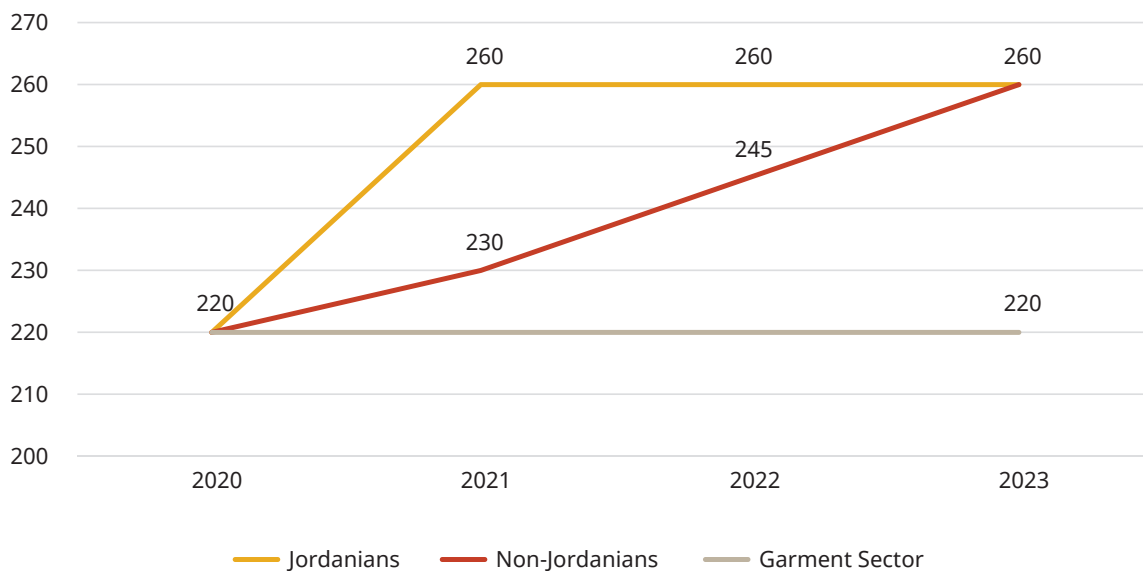
Jordan has a population of 11 million, of whom roughly 70 per cent are Jordanian nationals.<sup>vii</sup> The Jordanian labour market is characterized by three segments: Jordanians, migrant workers, and refugees. (In employment statistics, refugees are classified as migrant workers, though there are some different labour market policies that apply to refugees and not migrant workers). In 2021, the latest year for which there is data, there were approximately 333,000 registered non-Jordanian workers with the MoL. The number of registered workers had dropped by 36 per cent in 2020, but in 2021 these numbers rebounded almost to reach the level of 2019.<sup>viii</sup> The majority of the registered workers are from Bangladesh, Egypt and Syria and, despite the shrinking workforce, the majority continue to be employed in agriculture, construction, manufacturing and domestic work.<sup>ix</sup> Egyptian men are commonly employed in the construction sector, whereas Bangladeshi women workers are associated with the domestic and garment manufacturing sectors. There are also many unregistered workers, so the total number of non-Jordanian workers in Jordan is likely higher. Jordan has continued to implement the *Kafala* (sponsorship) system that ties migrant workers' immigration status with their employment status and a specific employer.

There are regulations in Jordan that fully or partially close some sectors and occupations to non-Jordanians through sector-specific quota systems. These systems are designed to encourage employers to increase the number of Jordanians they employ. Some occupations are entirely closed to non-Jordanians, especially professional occupations such as doctors, engineers, teachers, and accountants with limited exceptions. In the garment sector, the MoL and the private sector have agreed on a quota for Jordanians of 30 per cent, but this can be lower depending on certain factors. For example, to encourage factories to develop in remote areas, there is a multiplier effect for Jordanians working in satellite factories. Based on data gathered by Better Work Jordan of all participating garment factories, 25 per cent of workers are Jordanian.

There have historically been differences in the minimum wages of Jordanian and migrant workers, and differences in the minimum wage for the garment sector compared to the full economy. On 25 February 2020, the Labour Tripartite Committee decided to increase the national monthly minimum wage, but this increase was postponed for some time due to the COVID-19 pandemic. As of 1 January 2023, the minimum wage is JD 260 (US\$ 367) per month. The minimum wage for non-Jordanians started at JD 230 in January 2021 and increased by 15 JD per year until reaching parity with the wages for Jordanians this year.

However, these minimum-wage decisions exclude domestic workers and workers in the loading/unloading sector, in addition to Jordanian and non-Jordanian labourers in the garment and textile industries (see **Figure 2**). The Labour Tripartite Committee that determines the minimum wage nationally stated that the minimum wage in the garment sector should be set by the sectoral Collective Bargaining Agreement. The minimum wage in the garment sector remains at JD 220 (US\$310) per month, 18 per cent lower than the national minimum wage. Non-Jordanians are paid a minimum of JD 125 as take-home wage and JD 95 as in-kind (accommodation and food), with the total amount adding to JD 220 as per the sector's collective bargaining agreement. According to a study commissioned by J-GATE, the in-kind element of migrant workers' wages is valued at JOD 95 as of 1 March 2018. The minimum wage in the garment sector has been 220 JD per month since 2018, and changes in the wage structure were not discussed between employer and worker representatives in the 2022 CBA negotiations.

**Figure 2: Minimum wages over time in Jordan**



Better Work Jordan published a policy brief in November 2022 with detailed information about wages and working time in the garment sector, including the legal context and historical trends. <sup>x</sup>

### Economic Modernization Vision

In June 2022, the Government of Jordan launched the Economic Modernization Vision – a ten-year plan to increase job opportunities, incomes, and Jordan's standing among countries by investing in high-value industries, new services, education, and green technology. The Economic Modernization Vision touches on many aspects of economic and political life in Jordan. Two key elements that are key for the garment sector are its inclusion as a key high-value industry and the decision to abolish the MoL.

The garment sector was identified as one of the high-value industries with a focus on moving up the value-chain including through horizontal integration, increased sales throughout the seasons, and expanding vocational training and job opportunities for Jordanians. With these initiatives, the government hopes to reach 7.3 billion USD in exports by 2033, and employment of 225,000 in the sector, an average annual growth of 12% and 9.5% respectively.



In line with the Economic Modernization Vision, the Government of Jordan will implement a series of public sector governance reforms. On July 31st the Prime Minister of Jordan announced that several ministries were being dissolved or reorganized under the 'Public Sector Modernization Roadmap'. The initial plan was that the MoL would be dissolved and split between different ministries, with the inspection function going to the MoITS. Several prominent NGOs in Jordan released a joint statement opposing the dissolution of the MoL.<sup>xi</sup> These NGOs, which include Arab Renaissance for Democracy & Development (ARDD), Workers' House, Phenix Center for Economic and Informatics Studies, and Tamkeen, stated that the plan will have negative effects on the labour market and the tripartite stakeholders. They write, "[This plan] will cause chaos in programs, policies and data related to the labour market and weaken the ability of government agencies to fulfil their obligations to regulate the labour market."

Based on the latest communication from the Government of Jordan, the MoL will continue the majority of its functions and will not be dissolved, rather "restructured". Two changes will likely go forward - Technical Vocational Education and Training (TVET) will be moved to the Ministry of Education (MoE), and Work Permits for migrant workers will be transferred to the Ministry of Interior (MoI).

### Freedom of Association

Jordan has yet to ratify ILO Convention No. 87 on the Freedom of Association and Protection of the Right to Organize, and Jordanian law places several legal restrictions on Freedom of Association (FoA). Of note is the fact that the freedom to establish unions is highly constrained, and that all trade unions must be governed by the restrictive Unified Trade Union Bylaw issued by the General Federation for Jordanian Trade Unions (GFJTU). Since 1976, the number of legally permitted trade unions has remained unchanged, with seventeen legally recognized trade unions. This is in contravention of the principle of trade union pluralism set out in ILO Convention No. 87 on the right of workers to establish and join organisations of their own free choosing. Workers in the garment sector are represented by the General Trade Union of Workers in Textile, Garment and Clothing Industries (GTU, or simply referred to as the Trade Union or the union).

### Industry Overview

The Jordanian economy benefits from several free trade agreements. The most important agreement for the garment sector is the United States-Jordan free trade agreement, the **US-Jordan Free Trade Agreement (USJFTA)** that was signed in 2000 and went into full effect in 2010. The USJFTA allows Jordan to gain preferential duty and quota-free access to the US market. The Jordanian garment industry has been one of the primary beneficiaries of this agreement.

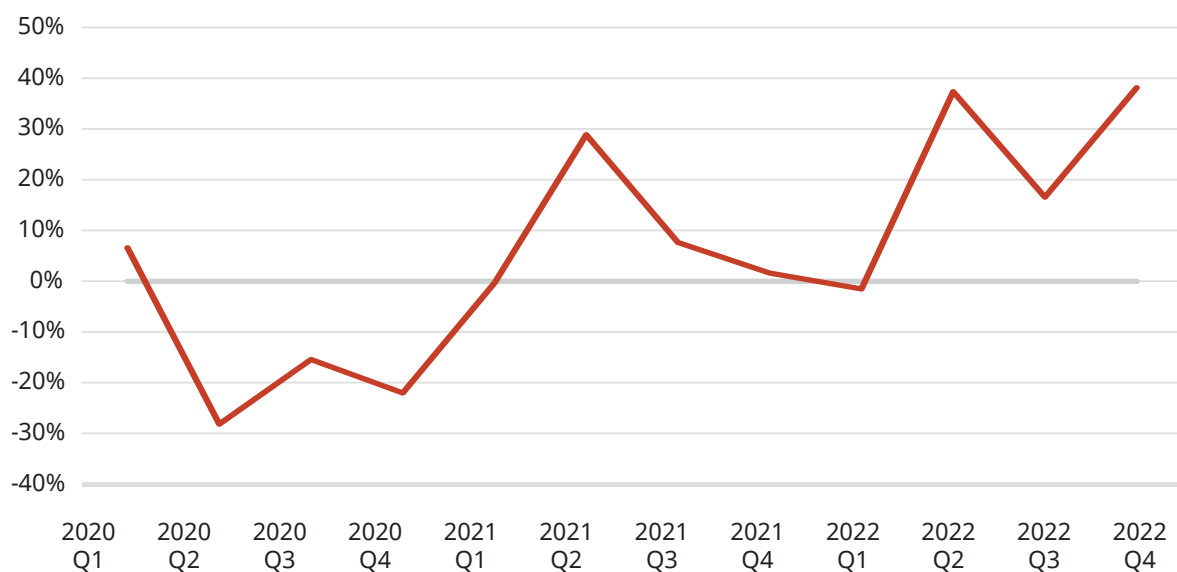
In 2002, Jordan entered the Association Agreement with the European Union (EU) that enabled a Free Trade Area opening two-way trade. The agreement was revisited in 2016 when the EU and Jordan agreed to **simplify the rules of origin** (RoO) requirements as a component of the EU's broader response to the Syrian refugee crisis. The revisions were aimed at boosting Jordan's trade competitiveness, supporting the host communities, and promoting job creation for Jordanians and Syrians.

Better Work Jordan primarily works with the exporting garment industry in Jordan. While the following sections focus on the exporting garment industry, it is useful to contrast this sector with two other groups. First, there are many small and medium enterprises (SMEs) that produce garments but do not export their products and are therefore not part of the Better Work programme. While there are many of these factories, they are very small and only employ around five per cent of the garment sector work force. Second, Better Work Jordan has recently expanded its services to non-garment factories that export to the EU under the relaxed rules of origin.

## Garment Industry

The garment industry in Jordan is primarily driven by large exporting factories who export to the US under the USJFTA. The garment industry has seen significant growth in the last ten years. Exports dropped by 15 per cent in 2020 but rebounded in 2021 with 8 per cent growth, followed by 22 per cent growth in 2022 (see **Figure 3**).<sup>xii</sup> In total, USD 2.2 billion worth of garments were exported in 2022, the highest export value for the sector to date. The garment industry share of total exports has been dropping over the last few years – from 28 per cent in 2019, to 19 per cent in 2022. The US continues to be a major export market for Jordan, with 21 per cent of all exports going to the US, although this has also dropped in recent years.

**Figure 3: Growth in Jordan garment exports**



Exports, however, are a lagging indicator for the garment industry. While export growth remained strong through the end of 2022, factories began reporting reductions in order volume in October 2022 and throughout the autumn. This can partially be attributed to overstocked inventory and economic uncertainty. Worldwide inflation has hurt consumers, and additionally increased the cost of raw materials. The Jordanian garment sector also faces many perennial problems. These include high production costs due to relatively high labour costs, high energy prices, and high taxes. In addition, the domestic workforce that is interested in garment sector work is limited, and they are frequently missing the skills required. Jordan does not have raw materials and other inputs to production, which lengthens the time and cost of the production process.

Around 77,800 workers were employed in the garment-exporting sector in 2022.<sup>xiii</sup> Migrant workers make up three-quarters of the workforce. These workers, primarily from South Asia, typically work in Jordan for a contracted period of two to three years, which can be extended. Bangladeshis are the largest group of workers (over 50 per cent of migrant workers), and there are also workers from India, Sri Lanka, Nepal, and Myanmar. Jordanian workers make up the remaining 25 per cent of the workforce. The majority of workers are women – nearly 75 per cent of the production work force – whereas the majority of management positions are held by men.

Within the exporting garment industry, there are three types of factories. The largest factories are direct exporters who produce goods directly for buyers. These factories are mostly located in the main economic zones of Dulayl, Irbid and Sahab. Below these factories in the supply chain are numerous subcontracting factories – smaller factories that produce goods for the direct exporters upon request. Parallel to this system are satellite units, which operate outside of the industrial zones, primarily employ Jordanians, and are typically small. There are currently 24 satellite factories registered in the Better Work Jordan programme that employ over 8,000 Jordanian workers. The Government of Jordan incentivizes satellite factories through monetary and logistical benefits in an effort to bring jobs to rural areas where many Jordanians live but are limited in employment opportunities, especially for women. Satellite units are typically affiliated with large exporting factories and help those factories reach their quota of Jordanian workers.

In addition to the main garment factories that make clothing for export, there are also numerous small garment factories throughout the country that are not part of the Better Work Jordan programme. These factories are classified as SMEs and produce for the local market. They typically employ between 10 and 500 people. Many of these companies are not registered with the Social Security Corporation (SSC) so it is difficult to get accurate and up-to-date information on them. A study from the Netherlands in 2019 estimated that there were 150 garment SMEs in Jordan employing roughly 5 per cent of workers in the garment industry.<sup>xiv</sup>

Per numbers from the MoL there were a total of 78,982 employees in the Jordanian garment sector, of which 70 per cent were women and 74 per cent were migrant workers.<sup>xv</sup>

### Non-garment Industry

Better Work Jordan expanded to several non-garment factories in 2018 to monitor working conditions in factories exporting to the EU under the relaxed Rules of Origin. BWJ collaborated with the MoL, the Ministry of Industry, Trade and Supply (MoITS) and the EU delegation to Jordan to develop inspection instructions to help Jordanian companies exporting under this scheme abide by the country's labour laws and meet international labour standards. Three inspectors from the MoL and three EAs from BWJ now make up a joint committee which is tasked with conducting advisory and assessment visits for eligible factories exporting to the EU under the RoO. These factories also include some garment factories that were already part of the Better Work Jordan programme.

There are currently five non-garment factories registered with the programme – three in the plastics sector, one in chemicals, and one in engineering. These five factories range in size from 50 to 120 workers and employ a total of 370 workers between them. Several of the factories downsized in the last few years – in 2020 there were 470 workers employed across just four non-garment factories. Unlike in garment factories, the majority of workers in the non-garment factories are men (85 per cent). Women tend to be employed in less-skilled positions and are typically hired as cleaners and helpers. Jordanians make up the majority of the workforce, with Syrian workers at 30 per cent of the workforce.

Better Work Jordan has completed 12 assessment reports for non-garment factories. Better Work Jordan published an analysis of compliance trends in non-garment factories in September 2022, which included 11 of these assessments in the analysis.<sup>xvi</sup> Overall, there are significant compliance violations in the five factories where Better Work Jordan has conducted assessments, although there is some evidence that the compliance situation has improved over the course of participation in the programme, especially for those factories where management is actively engaged.

The primary issues with non-garment factories were in the areas of management systems, occupational safety and health (OSH), social dialogue, and wage payment. The issue of weak management systems was a concern for all factories. Assessors noted that managers have a very traditional approach to their businesses and do many things off the books. Many factories do not have company policies, or if they do these are not communicated to workers. Lack of documentation is also a prevalent problem – while documents may exist, systems are frequently lacking. These issues with management systems are often the root cause for further non-compliance in areas of Human Resources and Occupational Safety and Health.

Another recurring problem in the non-garment factories was lack of formal mechanisms for social dialogue. Management in all factories followed an open-door policy and sought to rely on the fact that they are small businesses and are well-connected with their workers. However, Better Work Jordan encourages factories to adopt formal mechanisms of social dialogue, both on specific topics of OSH (some factories have committees already) and beyond to encompass broader worker concerns. These committees could also help factories address consistent areas of non-compliance by hearing the priorities and needs of workers, and in enlisting their help (for instance, in following all OSH measures). There are several unions representing different sectors that could be involved with the various factories, but neither workers nor managers were aware of the unions.

The five factories participating in Better Work Jordan started with significant non-compliance issues, particularly with regards to OSH and management systems. There is preliminary evidence that participation in the programme can improve the compliance situation, however, this is conditional on factory management being willing to make changes and work constructively with workers. When factory management is uncooperative, there is little Better Work Jordan can do. In the garment sector, factory managers have an incentive to cooperate with the programme because international buyers put pressure on them. However, there are not many international buyers sourcing from non-garment factories in the programme, and so far, BWJ has not seen much engagement on the issue of working conditions from local buyers.

The main body of this report focuses on non-compliance data and working conditions in garment factories, which are substantially different from the situation in the non-garment factories.

## Better Work Jordan

Better Work Jordan works to enhance decent work, opportunities for women and business competitiveness in the Jordanian garment industry. The programme has recently launched its Phase IV strategy which lays out the sustainability goals of the programme.<sup>xvii</sup> Through capacity building, collaboration with stakeholders, and convening around key policy issues, the programme is working to ensure that the tripartite stakeholders (representatives from government, employers and workers) can take a leading role in maintaining and improving working conditions. There are three main outcomes in the Phase IV strategy:

- ▶ **Outcome 1:** By 2027, Jordan's garment industry will have an effective system of tripartite-plus labour market governance, in which workers' rights are upheld and protected in line with national labour laws and core international labour standards.
- ▶ **Outcome 2:** By 2027, export growth combined with active labour market policies will increase the garment industry's contribution to Jordanian employment.

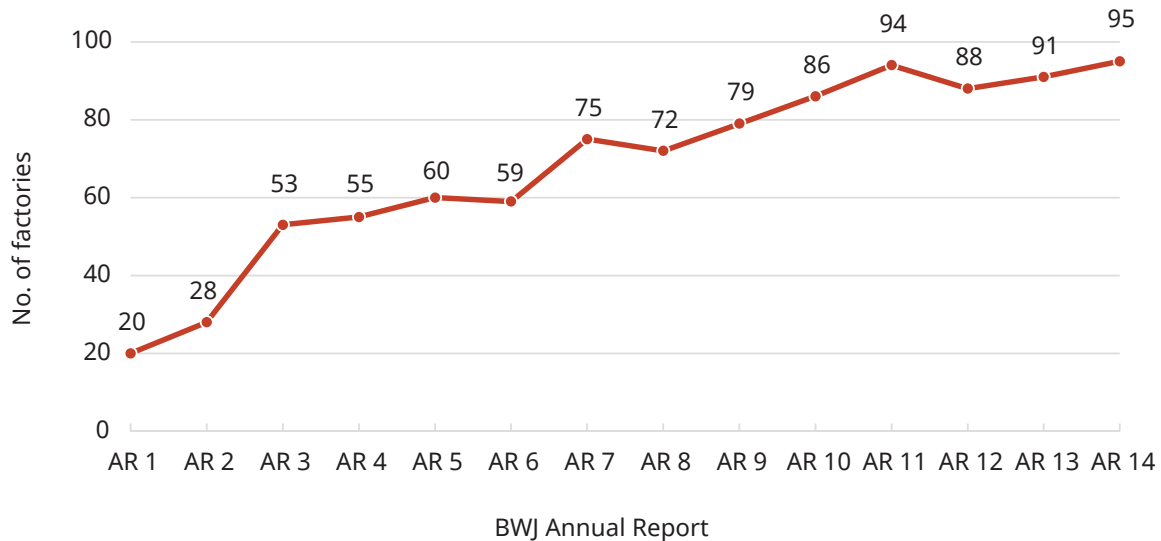


- **Outcome 3:** By 2027, Better Work Jordan will have made a positive impact on working conditions and labour market governance beyond Jordan's export-oriented garment industry.

The programme's engagement with stakeholders, achievements, and challenges, are highlighted in the section *Partnerships for Impact and Sustainability*. Most of the factory level engagement is now done jointly with or exclusively by the tripartite partners. Following a substantial investment in training and capacity building for labour inspectors from the MoL and SSC, labour inspectors are now part of all factory compliance assessments, and in some cases, they conduct these assessments independently. Meanwhile, the advisory function is split between the MoL, which covers OSH issues, and the union, which covers social dialogue. Training is now often conducted through a training of trainers (ToT) format, and the programme is exploring ways to digitise training – both efforts to increase the reach and sustainability of training. Throughout all these efforts, ensuring quality is of the utmost importance, which Better Work Jordan does through a rigorous Quality Assurance / Quality Control system.

The number of Better Work Jordan factories has grown with the garment industry's expansion. After a contraction in the industry in 2020, there has been a small rebound in 2021 and a further increase in 2022. Figure 4 illustrates the number of factories enrolled in Better Work Jordan as reported in the programme's annual reports. As of December 2022, 95 factories were enrolled in Better Work Jordan – 45 direct exporters, 21 subcontractors, 24 satellite units, and 5 non-garment factories. Better Work Jordan completed 103 assessment reports in 2022. The number of reports is higher than the number of factories due to a slight backlog in assessments during the Covid-19 period.

**Figure 4. Number of factories enrolled in Better Work Jordan.**



In addition to the broad focus on improving working conditions through increased compliance with national labour laws and international labour standards, Better Work Jordan has also pivoted in recent years to thematic focus areas of heightened concern in the industry. Many of these areas go beyond typical compliance and the traditional core-service delivery. These thematic areas include:

- ▶ **Mental Health** - Better Work Jordan launched a mental health project in January 2021 that aims to improve the mental health of garment workers who face many physical and psychological stressors. The project focuses on building the garment workers' resilience against mental health risks, improving factory-level support, and developing mental health referral systems that are accessible to all workers. Better Work Jordan has two main approaches for achieving this aim: a) increasing mental health awareness, and b) improving mental health & psychosocial support (MHPSS) services accessibility, especially among women and migrant workers. For key achievements of the projects in 2022, see **Box 1**.
- ▶ **Inclusion of people with disability** - Better Work Jordan has taken a comprehensive approach towards promoting the integration and active participation of workers with disabilities (PWD) in Jordan's garment sector. Beyond simply implementing the government-mandated quota for employing PWD, BWJ has carried out an assessment report to identify challenges faced by PWD in the sector and has developed a plan to work with stakeholders to implement recommendations for improving working conditions and the labour market environment for PWD. For more information on BWJ's efforts, see **Box 3** in Detailed Findings section.
- ▶ **Research projects and policy advocacy** - Many important activities related to data gathering, research, and policy making took place in 2022. Through sharing reports, presenting results to stakeholders, and holding validation sessions, Better Work made these findings usable and meaningful. BWJ's 2022 Annual Compliance Synthesis Report raised many issues in the sector which were discussed during a series of PAC meetings held in 2022. Between the two meetings, Better Work Jordan worked with consultants to produce reports on four key policy topics - provision of childcare services, quality of health care services, the inclusion of people with disabilities in the sector, and wages and working time. All four reports were referenced in 2022 sectoral CBA and recommendations from the reports were codified through the CBA for the sector.
- ▶ **Environment** - The garment industry in Jordan generates a substantial amount of waste, and various actors are working to address this problem, each with a different mandate, role and plans. In order to ensure a unified approach to address this problem, Better Work Jordan is working towards creating a platform that would facilitate communications and discussions between those different actors to ensure harmony of their activities, sharing of information, best practices and lessons learned.

### Box 1. Mental Health Project key activities and achievements

Over the last two years, the Better Work Jordan mental health project has successfully raised awareness about mental health and contributed to an increased understanding of and sensitivity toward mental health among workers, managers, and key stakeholders. In 2022, the Mental Health project emphasized increasing the capacity of medical practitioners, middle management, and mental health focal points inside the garment factories to recognize risk factors, indicators, and symptoms of mental illness, and to provide effective support to workers.

The project also launched the second version of the “Mental Health in the Workplace” policy in collaboration with national stakeholders. Standard Operating Procedures (SoPs) were also incorporated into the new policy version to support and guide factories in the garment sector to improve their workers’ mental health. Seventy per cent of the factories that implemented the mental health SoPs reported that they provide a framework for providing mental health services and referrals to their employees within their factories. In total, 10 psychologists and counsellors were hired by the garment factories to provide mental health services to garment workers as part of the implementation strategy for mental health policy.

As a result of the mental health project training, mental health focal points and medical staff have been able to provide mental health support to 210 workers (majority female) since September 2021. The medical staff and mental health focal point are capable of identifying, diagnosing, and providing non-specialized support to workers who require mental health support without outside assistance. Of the 210 cases, 40 per cent were for moderate-to-severe depression, 1.9 per cent with psychosis, and 2.3 per cent with suicide ideation and self-harm. The remaining cases were mainly epilepsy and other mental, neurological, and substance-use disorders (MNS). Aside from worker who went back home on request, the rest are working normally in their factories.

*For more see, “The Mental Health Project – Highlights and Insights from 2022”.*

## Partnerships for Impact and Sustainability

Better Work Jordan’s sustainability plan focuses on building stakeholders’ capacity to implement the program’s core services while ensuring the quality of services. Each stakeholder already has a key mandate, and BWJ is focused on increasing the capacity, effectiveness, and responsibility of these partners. The below sections lay out the collaboration and achievements with key stakeholders.

### Government

The BWJ tailored learning model is demand-driven and will focus on building the capacities of all constituents and on effective social dialogue. Within this vision, BWJ continued with a more focused approach, supporting labour inspectors through joint assessments and advisory arrangements. Better Work Jordan will gradually transfer its assessment tools and methodologies to the MoL. A major milestone in this collaboration was establishing a Better Work Unit within the MoL. The unit was included in the 2020 MoU between the MoL and the ILO but was not fully operational for some time. It was included in the organisational structure of the ministry in September 2020 and inspectors were selected for the unit in April 2022, while the head of the unit was assigned in September 2022.

All assessment visits were done jointly with labour inspectors from the MoL as a minimum, including those in the Better Work Unit. A substantial number of these assessments were done independently by the MoL (38 per cent of all assessments). The MoL started conducting assessments independently in 2021, starting with satellite factories and subcontracting factories. Better Work Jordan monitors the quality of the assessments through shadowing assessments, and tracks results in an automated Quality Assurance Quality Control (QA/QC) system. The average assessment visit score was 71 (out of 100), while assessment reports were scored 69. BWJ is targeting average scores of 85 by 2027. The QA/QC forms were adapted from the model that Better Work uses to monitor performance of staff. They are filled during shadowing visits, with at least two forms filled per labour inspector each year. The results are discussed with the labour inspectors with the goal of continuously improving the quality of services. Another major milestone reached in 2022 was launching the operations of the Better Work Unit within the MoL Central Inspection Directorate through hiring the head and the staff of the unit. BWJ is supporting the capacity-building of this unit in addition to continuing with the training and the secondment programme for labour inspectors. Meanwhile, Better Work Jordan will take a stronger facilitation and quality control and coaching role with national constituents amid this process.

### Workers

The Trade Union and Better Work Jordan signed an Implementation Agreement in 2022 which has an objective to support in building the capacity of JTGCU in order to sustain its impact in the sector through attending to the points stipulated in the ILO/JTGCU Strategic Plan 2021-2026. Under the IA, BWJ provided technical assistance to the JTGCU to develop a code of conduct for the union's staff and representatives. The code of conduct is the first of its kind in the Middle East and can be found on the union's website.

The JTGCU hired seven trade union organizers – five Jordanians, one Nepali, and one Bangladeshi (in addition, one of the five Jordanians can speak Hindi and Bangla). Upon the start date of their contract, the trade union organizers received a training of trainers on soft skills, communication skills, problem-solving and root cause analysis, international labour standards, Jordanian labour law, sexual harassment prevention, gender, and people with disabilities. The presence of trade union organizers is of particular importance because it increases trade union presence in all industrial zones and among all workers regardless of their nationality.

BWJ and the union also collaborated on several factory-level services. The Trade Union independently delivered 201 advisory visits (41 per cent of all advisory visits) and the secondment from MoL conducted 126 advisory visits independently (26 per cent of all advisory visits).

### Employers

The majority of engagement with factories happens at the factory level and across all levels of management. From the general manager of the factory to the compliance manager, to HR managers and supervisors, BWJ engages with factory management during assessment and advisory visits and delivers training to all levels of managers.

Better Work Jordan applied the Factory Ambassador Programme (FAP) in Jordan in 2022. FAP is a long-term investment that will be delivered in three main phases over a duration of up to 12 months in order to ensure the successful transfer of skills to potential leaders. Twenty-seven Factory ambassadors have completed the in-class training, on-job coaching, QA/QC shadow in promoting social dialogue/



training, and development of the factory's two-year Road Map under BWJ guidance. Following this, BWJ will continue remote support on FAs' Road Map implementation. Better Work Jordan started the programme in 27 factories which cover approximately 62 per cent of the sector's workforce but hopes to expand to other factories.

Employers in the garment industry in Jordan are primarily represented by three organisations: J-GATE, the Jordan Chamber of Industry (JCI), and the Association of Owners of Factories, Workshops and Garments (AOFWG). J-GATE is the main organisation representing garment-exporting factory employers and is primarily concerned with advocating for policies that would improve the economic and business situation of employers in the garment industry. JCI represents all industrial sectors in Jordan, including garments, and provides technical services to its members. AOFWG is the employers' syndicate covering all employers in the garment industry, but they have not been very active due to limited resources. Better Work Jordan engages with these organisations to build their capacity and promote decent working conditions at the enterprise level, as well as working to improve the sector's competitiveness. Both, J-GATE and AOFWG are parties to the sector's Collective Bargaining Agreement (CBA).

Through both MoU and subsequent Implementation Agreement signed in 2020 between Better Work Jordan and J-GATE, Better work Jordan supported J-GATE efforts in building its institutional capacity. This resulted in the adoption of J-GATE in-house strategy for the coming three years by the association's Board of Directors, in addition to updating its website and developing its social media action plan. Areas for further support are currently under discussion between both parties.

Moreover, Better Work Jordan and J-GATE jointly hosted the 14th Annual Multi-Stakeholders' Forum that was held in November 2022. The Multi-Stakeholders' forum is an annual event that fosters social dialogue among national stakeholders, international buyers, Jordan's garment stakeholders and other relevant stakeholders. The 14th Annual Multi-Stakeholders' Forum was held under the slogan 'Towards Decent Work and a Growing, Sustainable Tomorrow'. J-GATE assisted with organizing the event and developing the agenda, and representatives from J-GATE participated in several panel discussions. This event was strategically important for J-GATE to increase visibility with buyers, as they will be a key player in connecting buyers to the Jordanian garment industry in the future.

Better Work Jordan and JCI signed both an MoU and Implementation Agreement in 2021. Areas of support included the revision and finalization on the garment sector strategy and cooperation to prepare a study to calculate the actual added value of the sector. Better Work Jordan supported with the garment sector strategy by hiring an expert strategist to outline the key value-add propositions of the sector. Efforts for finalizing the sector strategy were delayed when government announced it will be issuing its Economic Modernization Vision 2023-2033 as both JCI and JGATE expressed their wish to wait until the outcomes of such exercise is completed before deciding how to move ahead with the sector strategy. In addition, Better Work Jordan contracted a consultant to calculate the domestic share of sector value added for the Jordanian garment industry in addition to the sector's indirect employment. The study will also entail a one-day capacity building workshop for stakeholders from employers' organisations, the Jordanian government and possibly Jordanian universities with the purpose of training participants on replicating the value-added study in different sectors.

The Association of Owners of Factories, Workshops and Garments is the employers' syndicate covering all employers in the garment industry. The AOFWG are members of the Better Work Jordan Project

Advisory Committee. Additionally, they are parties to the CBA and gain legitimacy through this status for signing the sectoral agreement. However, they have not been very active in the sector as their resources are limited.

### Other Partners

There are several other key partners in the garment industry in Jordan that have an incentive to maintain and foster decent working conditions. These include buyers who source from Jordan, governments with Free Trade Agreements with Jordan, and national Non-Governmental Organisations (NGOs) and civil society organisations.

**Currently, 20 buyers source from Jordan under USJFTA and participate in the Better Work programme** (for a list of participating buyers, see Annex B). Some buyers also choose Jordan as sourcing destination for the EU market using the EU-Jordan RoO trade scheme. Most buyers sourcing from Jordan are enrolled in the programme and access assessment reports for the factories they work with on a regular basis. The buyers who are not enrolled in the programme can still play a role in policy discussions and can use the assessment information available on the Transparency Portal (*see Publicly Reported Issues on page 49*).

Buyers source garments from many countries, and seek to receive garments in a predictable, timely, low cost, and high-quality manner. They also seek to limit brand exposure to reports of poor working conditions. It is important for buyers to trust that compliance with national labour laws and international labour standards is maintained as the tripartite partners play a bigger role in in-factory service delivery and in social dialogue. For this to happen, Better Work Jordan and social partners need to demonstrate their capacity to maintain the quality of services in order to promote decent working conditions. Better Work Jordan is using a quality assurance/quality control (QA/QC) system to monitor quality of core service delivery.

Brands sourcing from Jordan have also engaged beyond the factories that they source from. Over time, they have taken a larger view of the issues in the sector, partially as a result of the annual compliance synthesis report which identifies common issues in the sector and gaps in the existing governance. For example, in the lead-up to the 2022 CBA negotiation process, a group of buyers sent stakeholders in the sector a letter with recommendations for the CBA.

**Governments with Free Trade Agreements also play a key role in ensuring the sustainability of decent working conditions in the sector.** Jordan's garment sector exists in large part due to the Free Trade Agreement with the US, which heavily incentivizes garment production in Jordan. This Free Trade Agreement is predicated on ensuring good working conditions throughout Jordan's garment sector. In the past ten years, Better Work Jordan has worked closely with the US government, particularly the US Department of Labor (USDOL), to ensure that decent working and living conditions were the norm across the garment industry. In November 2022, a delegation from the US government that included Thea Lee, the Deputy Undersecretary of Labor, additional representatives from USDOL, and an official from the Office of the US Trade Representative, visited Jordan. The delegation met with counterparts in the Jordanian Government to discuss the USJFTA with a particular focus on labour provisions in the agreement. Ms. Lee spoke at the Annual Multistakeholder Forum and had the opportunity to meet many stakeholders in the sector. During her visit, she emphasized the centrality of workers' rights to the Biden Administration.

BWJ also established a constructive relation with CSOs, NGOs and the local media. Two of the research reports were conducted through a local NGO. BWJ facilitated the agreement between TU and local NGOs to provide legal aid to the workers. The National Centre of Human Rights has a seat on the BWJ PAC. BWJ will keep supporting enhanced relations between NGOs and local constituents so that their engagement becomes more constructive and fruitful for all parties.

## 2022 Collective Bargaining Agreement

The 2022 CBA negotiations provide an illustrative example of the challenges and opportunities for social dialogue in the Jordanian garment industry. The General Trade Union of Workers in Textile, Garment and Clothing Industries (JTGCU) and the Jordan Garment, Accessories & Textiles Exporters Association (JGATE) have successfully negotiated a series of sector-wide collective bargaining agreements since 2012. These addressed, among other things: eliminating discriminatory practices in calculating overtime pay (2014), guidelines for a unified contract for all migrant workers (2015), and requirements for policies on violence and harassment in the workplace (2019). The sectoral CBA provides an opportunity for stakeholders to agree on work standards and conditions of work for the garment industry that are an improvement on the national labour law.

Better Work Jordan has supported stakeholders during the lead-up to the negotiations by helping to identify gaps in the current legislation and CBA, by conducting research on policy-relevant areas, and by helping stakeholders formulate plans for consulting with their members. BWJ supported the JTGCU to devise a strategy for engaging with workers and soliciting their opinions on their priorities for the upcoming CBA. To do so, the union's president and union organizers met with workers and with Union Labour Committees in different industrial zones. These sessions were mostly targeted at migrant workers but included some Jordanians as well. As an additional measure, union organizers designed and implemented a survey in Arabic with a target audience of Jordanian workers. Approximately 580 workers from different factories filled in the survey.

Better Work Jordan also supported the union by hiring a lawyer, while J-GATE declined this support. Better Work Jordan observed room for improvement in the inclusivity of the CBA negotiations for different employers. During visits to factories shortly after the CBA was signed, several employers did not know that the CBA was finalized and still thought they could provide input. There appeared to be little to no consultation among a diverse set of employers in the lead-up to the CBA negotiation. The current version of the CBA is not yet published on the JGATE website, although it is available in multiple languages on the union's website.

Buyers sourcing from Jordan also weighed in, through a letter sent to all stakeholders in July recommending that several issues be addressed in the CBA. The letter articulated clear recommendations for stakeholders to consider and was signed by several buyers sourcing from Jordan.

The final CBA has several changes from the 2019 version (see **Table 1**). These include additions in areas related to violence and harassment, inclusion in the workplace for people with disabilities, and limits of the number of hours of daily overtime work. There are also several amendments to existing provisions.

**Table 1. Key changes in 2022 garment sector CBA.**

| Area                    | 2019 CBA / National labour law   | 2022 CBA   |
|-------------------------|--|--|
| Working Hours           | No limitation on overtime work   | Overtime work may not exceed four hours a day.   |
| Seniority bonus         | Any worker making below 300 JD monthly wage qualifies for the seniority bonus                            | Any worker making below 400 JD monthly wage qualifies for the seniority bonus  |
| Violence and harassment | New paragraph.   | Employer must follow unified Standard Operating Procedures for cases of violence and harassment. Employer must print awareness materials and organize seminars for workers on violence and harassment. |
| Inclusion               | New paragraph.   | New language that is more supportive of workers with disabilities, including requirements for training.  |
| Contracts               | Migrant workers and refugees must be hired using unified contract  | Migrant workers, refugees, and Jordanians must be hired using unified contract.  |
| Health services         | Provide a health clinic at the workplace appropriately equipped with medical staff approved by ministry. | Provide a health clinic at the workplace that is equipped and licensed pursuant to regulations from the MoH. Endorse workplace mental health policy including psychosocial support services.           |

While the 2022 Collective Bargaining Agreement does address many needed areas in the garment sector, the issue of wages is conspicuously absent. Despite results from a survey of workers in the sector administered by the sector placing higher wages as the top priority, the union did not advocate for any changes to the sectoral minimum wage. The sectoral minimum wage has not changed in 5 years and is 18 per cent lower than the national minimum wage. In addition, there are concerns about the actual in-kind benefits for migrant workers, which are supposed to reach 95 JD per month.

Finally, a CBA is only as strong as its implementation. Even at the end of a three-year period, 78 per cent of factories in the sector had not fully implemented all provisions of the 2019 CBA. Data on adherence to the previous agreement is covered in the Detailed Findings for Freedom of Association and Collective Bargaining.



## ► Working Conditions in the Garment Sector

The following section focuses on working conditions in the Jordanian garment sector. This information is based on triangulating data from assessment visits with other data and information, including from large-scale surveys of workers, supervisors and managers conducted in July 2022.

### Methodology and Data

The Better Work Jordan Annual Synthesis Report focuses on non-compliance data to summarize working conditions in garment factories in the last year. This report also includes findings and takeaways on the working conditions in the Jordanian garment sector that are broader than the non-compliance data and include observations from field visits throughout the year, interactions with factories, and responses from the Better Work Jordan annual worker, supervisor and manager surveys.

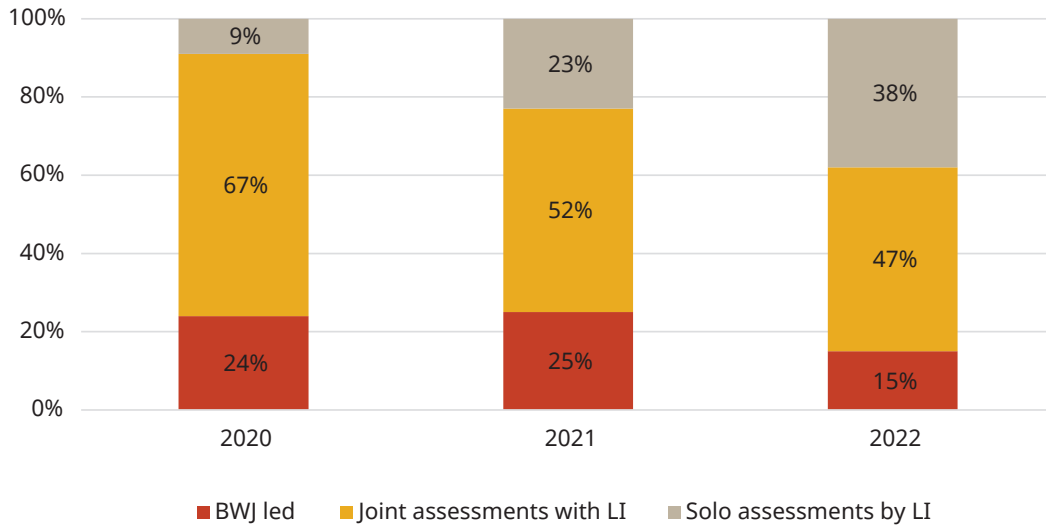
Better Work's enterprise assessment is a key component of the programme's core services. During this assessment, factories are marked as non-compliant if it can be proven that they do not adhere to specific components of Jordanian national labour law or core international labour standards. The compliance data is divided into eight clusters: four designated as core labour standards (assessed against international labour standards) and four falling under working conditions (assessed according to national law and regulations). A safe and healthy working environment was designated a fundamental principle and right at work in 2022, shifting the balance to five core labour standards and three categories of working conditions. Better Work is consulting with ILO experts to determine the impact on its approach to assessing OSH.

While individual assessment reports allow Better Work, the factory, and buyers to identify and understand non-compliance in factories, the annual report presents an opportunity to analyse sectoral trends and put them in context.

This report covers assessment findings from 86 factories. There are two important factors in the assessment conducted in 2022:

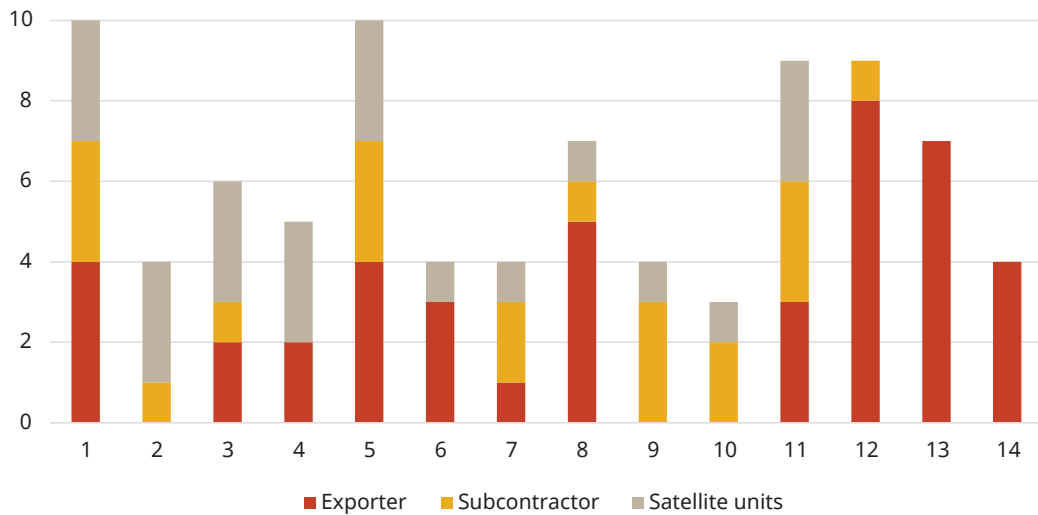
- (1) 50 of the assessments followed a hybrid model**, while 36 were fully on-site. Better Work Jordan used a hybrid model for assessments during the COVID-19 pandemic. In 2020, 81 per cent of assessments were done following a hybrid model. The programme prefers the return to in-person assessments. However, some aspects of the hybrid model are still used especially for increasing efficiency through, for example, virtual document review and closing meetings.
- (2) All assessments were conducted jointly between Better Work Jordan, the MoL and the SSC.** Better Work Jordan is slowly transferring factory assessment delivery to the MoL and the SSC (see **Figure 5**). All assessments have been done with Labour Inspector presence since 2019, but labour inspectors are increasingly taking a larger role in leading assessments. Whereas 9 per cent of assessments were done solely by labour inspectors in 2020, that percentage reached 38 in 2022. Better Work Jordan maintains a strong QA/QC role and frequently shadows assessments to ensure that the assessment quality is maintained.

**Figure 5. Distribution of assessments by assessor type.**



The factories with assessments in this report fall into three types – 43 direct exporters, 20 subcontractors and 23 satellite units. 10 factories in the sample completed Cycle 1 of the Better Work model and the average was Cycle 7 (see Figure 6). Overall, the compliance data in this report covers all but four of the garment factories and 99 per cent of workers currently participating in the programme.

**Figure 6: Distribution of Factories per Cycle and Type in Annual Report 2022**



In addition to the non-compliance data, this report draws on data from the following sources:

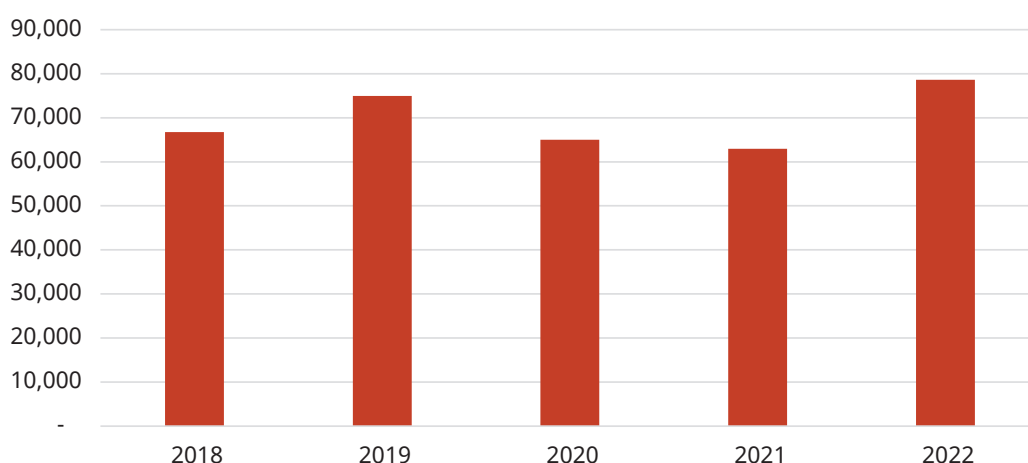
- ▶ **Representative survey of workers** in Better Work Jordan participating factories in July 2022. This survey aggregates opinions from over 1,500 workers surveyed across 84 factories. The July data collection was the fifth data collection using the same survey instrument since 2019. Summaries of the survey results can be found on the Better Work Jordan website and have been used in various publications.<sup>xviii</sup>
- ▶ **Survey of line supervisors** conducted in conjunction with the worker survey. A total of 438 supervisors completed the supervisors' survey.
- ▶ **Survey of managers** conducted in conjunction with the aforementioned surveys. One manager from each of the 84 factories completed the survey.
- ▶ **Data gathered by EAs over the course of advisory visits.** The advisory log has rich information, such as how many visits occurred and the topic of discussion.
- ▶ And finally, **team observations from factory visits** and conversations with tripartite stakeholders and buyers.

For more information on the data presented in this report and limitations of the various sources, see Annex C.

### Demographics of the Workers Employed

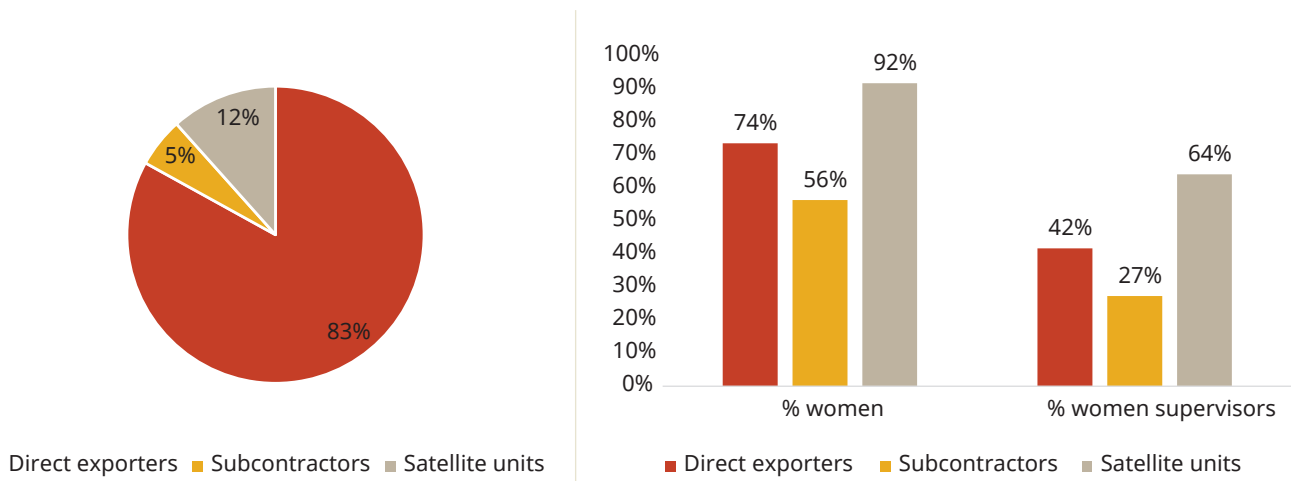
According to payroll data gathered by Better Work Jordan through December 2022, there were **78,617 workers in Better Work Jordan participating factories.**<sup>xix</sup> The number of workers in participating factories increased significantly in 2022, after two years of decline (see **Figure 7**). Employment is even higher than the previous peak, recorded in 2019, of 74,970 workers. The largest single factory employed over 3,000 workers, while the smallest employed just 14. The sector is dominated by one major investor who employs over 20,000 workers across 12 main units and seven satellite factories.

**Figure 7. Number of workers in BWJ-participating factories over time**



The majority of workers in the sector are women (75 per cent), and the work force is mostly made up of migrants (74 per cent). Direct exporters employed the vast majority of the workforce, with satellite units employing roughly 10 per cent and subcontracting units the remaining 6 per cent (see **Figure 8**). Women are most heavily concentrated in satellite units (92 per cent of the work force), followed by exporting factories (74 per cent) and finally subcontracting factories (56 per cent). The ratio of female supervisors follows this same pattern: 64 per cent of supervisors in satellite factories are women, compared to 42 per cent in exporting factories and 27 per cent in subcontracting factories. Overall, the proportion of female supervisors in Better Work Jordan participating factories has increased in the last three years. In 2020, 35 per cent of supervisors in participating factories were women, but this number has increased to 43 per cent. Jordanians are also under-represented in supervisor positions – 17 per cent of supervisors are Jordanian, while 26 per cent of workers are Jordanian. In total, nearly 5,000 supervisors are employed in the Jordanian garment industry.

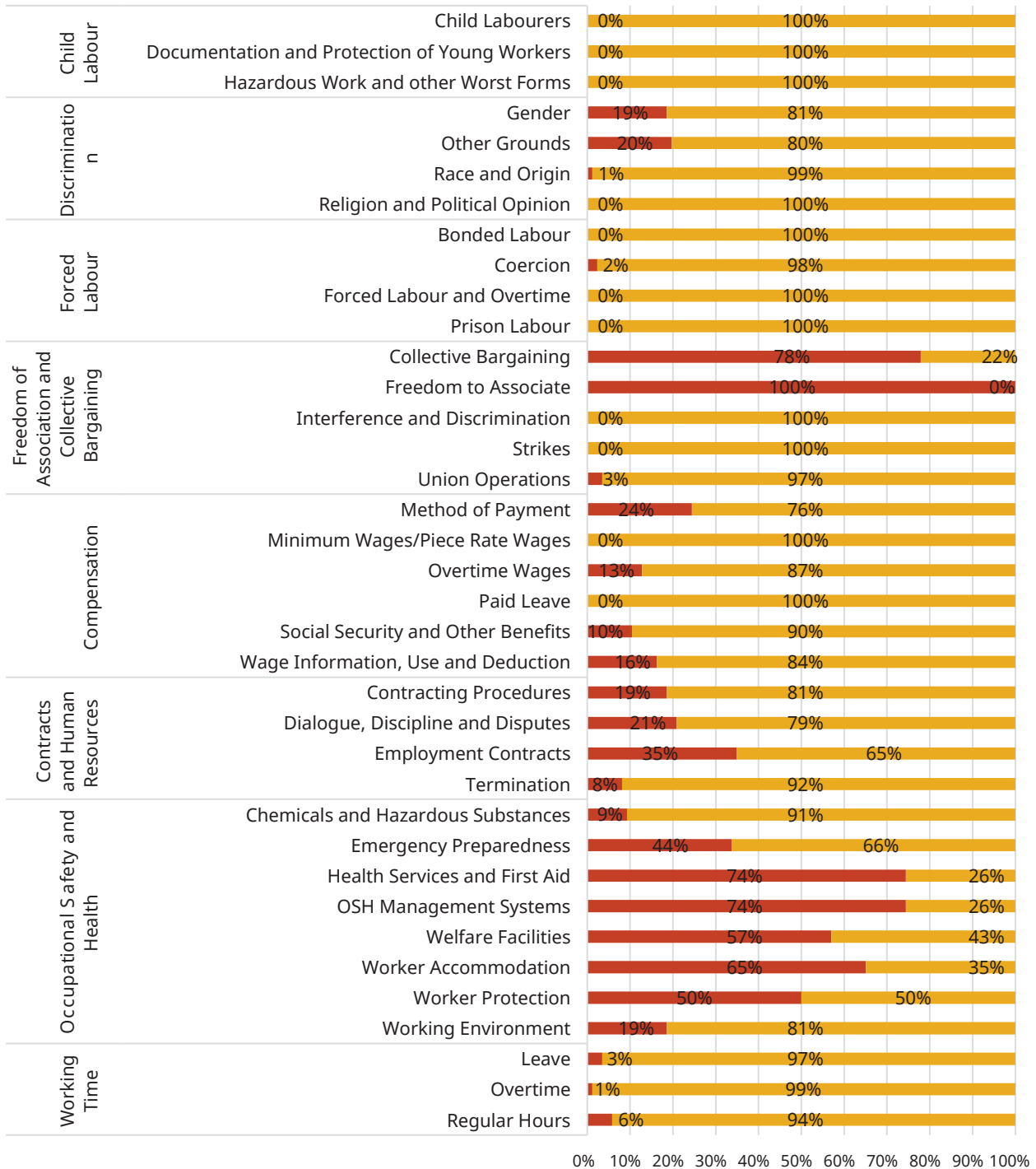
**Figure 8. Percentage of total workers and women workers employed by factory type.**



## Compliance Situation

**Figure 9** summarises the non-compliance rate for the 86 assessed factories. Non-compliance rates are reported for each compliance point (CP) under the eight Core Labour Standards and Working Conditions clusters followed with detailed observations. The following sections present detailed findings by cluster.

**Figure 9. Non-compliance rate by Compliance Point**



■ Non-compliance rate (n= 86)



## Child Labour

According to the Jordanian Labour Law, 16 is the legal minimum age for employment, and workers under the age of 18 are considered juveniles in Jordan. Although this law is applicable to both Jordanians and non-Jordanians, the recruitment and migration of unaccompanied minors are considered human trafficking under Jordan's Anti-Human Trafficking Unit. Employment of children under age 16 is one of the issues covered by the zero-tolerance protocol (ZTP) according to Better Work Jordan's collaboration agreement with the MoL. When detected, Better Work Jordan is obliged to report such cases to MoL, who then follows up with the appropriate institutions and organisations. In addition, factories that employ workers under the age of 18 need to have proper documentation for these workers and must ensure that they are not subject to any of the unconditional worst forms of child labour, including hazardous work.

No non-compliances were cited for child labour in 2022. However, Better Work Jordan uncovered three likely cases of child labour and cited these as 'compliance with note' which brings the issue to attention without the high bar for citing noncompliance being cleared. In these cases, workers informed the assessment team that they were 15 or 16 years old. The three cases were brought to the MoL following the established Zero Tolerance Protocol. However, when the Anti-Human Trafficking Unit followed up with medical tests, they found that all identified workers were over the age of 18. Better Work Jordan has noted issues with follow up from the Anti-Human Trafficking Unit in the last two years and has raised this issue with the MoL.

## Discrimination

Freedom from discrimination is a fundamental human right. **ILO Discrimination (Employment and Occupation) Convention No. 111, 1958** defines discrimination as any distinction, exclusion or preference made on the basis of prohibited grounds (i.e., race, colour, sex, religion, political opinion, national extraction or social origin), which has the effect of nullifying or impairing equal opportunity or treatment in employment and occupation.<sup>xx</sup> The Convention also allows for countries to identify additional grounds for discrimination requiring protection.

Common non-compliances under Discrimination are related to the compliance points Gender (19 per cent), Race and Origin (1 per cent), and Other Grounds (20 per cent). Pregnancy tests for migrant workers are no longer the main driver of non-compliance under gender discrimination. The instances of pregnancy tests for migrant workers have dropped significantly, partly due to concerted efforts from factories and J-GATE to put pressure on recruitment agencies in Bangladesh to end the practice. As in past years, no factories were non-compliant with the *Religion and Political Opinion* compliance point.

Better Work Jordan assesses discriminatory behaviour in factories through observation, interviews, and review of documents. Identifying instances of discriminatory behaviour is more difficult in some areas than in others. Therefore, to get a full sense of the issues around discrimination in the workplace, the following sections go beyond traditional non-compliance data, which sets a very high bar for proving discrimination by supplementing these findings with information directly from workers and managers.

## Gender

Gender-based discrimination comes in many forms and can be formal (part of a factory's rules) or informal (actions from individuals). Detecting informal gender-based discrimination is very difficult, so Better Work Jordan mostly observes instances of non-compliance on issues of formal discrimination, whether in the hiring phase, in the workplace, or in the dormitories. Measures aimed at protecting women based on stereotypical assumptions are considered discriminatory, like having a curfew only for women workers. While this was an issue in past assessments, factories have since amended their policies and practices.

Pregnancy test non-compliance was at the lowest level since stakeholders toughened their stance against it in 2019 (see **Box 5** for more information on recruitment practices). However, other discriminatory practices were observed in factories in 2022. Seven factories were cited non-compliant for using gender as a factor regarding conditions of work, while one factory was cited for factoring gender into decisions regarding pay. Both of these issues were related to childcare subsidy payments and access to facilities, which should be accorded regardless of gender. However, factories only paid the 25 JD subsidy to female workers (see *Welfare Facilities* for a further discussion of childcare provision in the sector).

**Sexual harassment is a pervasive problem in garment factories, and Jordan is no exception** (see **Box 2**). According to a representative and anonymous survey of workers conducted in July 2022, 19 per cent of respondents say that they or their co-workers are concerned with sexual harassment and six per cent of workers say that they personally experienced quid-pro-quo sexual harassment. **Despite this, no factories were cited as non-compliant with having workers who are subject to sexual harassment as in most years.** Based on assessments conducted in 2021, last year's annual report had the first non-compliance findings for sexual harassment recorded by BWJ.

Sexual harassment is difficult to detect and prove during the course of the two-day assessment visit and in a way that consistently protects the identity of workers. Better Work Jordan was made aware of instances of sexual harassment outside of the context of assessment (either directly from workers or from factory management who seek support to remediate the cases) in one factory in 2022. BWJ worked with the factory and the victim to resolve the issue. Better Work does not find non-compliance if the employer has taken effective steps to fully address the sexual harassment, including through disciplinary action, training, development and implementation of policies and procedures, etc. such that the issue has been fully remediated by the time of the assessment. Accordingly, the factory was not recorded as non-compliant in the assessment reports.

## Box 2. Stopping Gender-Based Violence and Harassment in the Workplace

Preventing sexual harassment and gender-based violence has been a long-standing goal of the programme. In late 2020, Better Work Jordan launched an intervention in conjunction with the IFC in the Al Hassan industrial zone that goes beyond the typical training approach to holistically address Gender Based Violence. The one year and-a-half-long project involved trainings of workers and middle-management staff and included systematic Human Resources consultation through targeted advisory visits. Better Work Jordan supported the factories to improve their grievance mechanisms and developed guidelines for a sector-wide referral system. The project piloted in the Al-Hassan industrial zone (where roughly 30 per cent of garment-sector workers are employed) and will be scaled up to other factories in the sector.

According to the focus group interview, post-training and four-month post-training surveys, the middle-management training participants confirmed that the training facilitated behavioural and mentality changes, not only in preventing GBV cases, but also in promoting a respectful workplace culture. Some of the verbatims include:

*“(Prior to this training) Usually if there is a problem I would tap on shoulders, touch on the head, try to please workers. Now after this training I have understood that even if I am doing this with the right intention, this could be perceived by someone (differently)...the worker might not feel good about it, and I do not want to hurt anyone’s feelings. I also shared this with supervisors as well to make sure within my team others are not doing this behaviour.”*

*“This is very important in the garment industry. Some people in the garment industry misuse their power, and it is important not to do that.”*

The training component provided Training of Trainer (ToT) to HR officials in factories and union officers so that trainers can reach more workers for awareness raising. Training for middle managers is effective but resource-intensive and thus requires further resources to scale up, one of the options is hybrid modality – a combination of e-learning and in-person training.

Better Work Jordan supported stakeholders to develop Standard Operating Procedures (SOPs) for the case referral system based on the mapping of service providers. These SOPs provide pathways and guidelines for how to support workers who have faced cases of violence or harassment in a confidential and professional way. The SOPs will be simplified and adopted as a sector-wide referral mechanism for cases of gender-based violence.

## Race and Origin

Better Work Jordan assesses discrimination based on race and origin from three angles: in recruitment, during employment (including for example, pay, conditions at work, harassment), and at termination. One factory was cited non-compliant for pay discrimination as they applied the annual 5 JD increase that is included in the 2019 CBA only to migrant workers and not to Jordanians.

The issue of minimum wages in the garment sector in Jordan is complicated. While the garment sector minimum wage is set at 220 JD, migrant workers are paid this wage in two parts. According to a study commissioned by J-GATE, the in-kind element of migrant workers' wages is valued at 95 JD as of 1 March

2018, making the value of the in-kind and cash elements (125 JD) of migrant workers' wages equal to the cash value of Jordanian workers' wages. Better Work Jordan does not cite non-compliance so long as the employer is implementing the wage-related provisions of the sector-wide CBA, such that Jordanian and migrant workers' wages are equal, when the value of the cash elements and the in-kind elements (as established and agreed to in the 2019 CBA) are taken into account. When calculating overtime payments, social security payments, and annual leave, the employer should use the same figure for Jordanian and non-Jordanian workers.

The ILO Committee of Experts examined the issue of discrimination based on sex, race or colour under Conventions 100 and 111 in light of the differences in wages for Jordanian and migrant workers. The Committee noted the Government's statement that, although the minimum wage does not apply to migrant workers, they still receive a wage equal to that of Jordanian workers because they are entitled to allowances for accommodation, food and transport, and the employer bears the cost of their work visa and travel. However, the Committee considered that the right to additional allowances does not in itself imply that migrant workers receive an equivalent wage to Jordanian workers.<sup>xxi</sup>

### Other Grounds

In addition to gender, race, origin, religion and political opinion, Better Work also monitors discrimination on other grounds, including on the basis of ability. Jordanian labour law sets a quota for workers with disabilities. Factories are required to hire a specific share of persons with disabilities based on the number of Jordanians they employ: one person if the factory employs 25-50 Jordanians and four per cent of the Jordanian workforce if the factory employs more than 50 Jordanians.<sup>xxii</sup>

#### **Twenty per-cent of factories failed to meet the quota for hiring people with disabilities (PWD).**

Most of these factories did not hire any workers with disabilities - fourteen factories in the sector did not hire any people with disabilities. An average of 12 people with disabilities are employed in each factory, although the distribution is not uniform (see **Table 2**). In total, **1,054 people with disabilities were employed in the garment sector in 2022**, of which 62 per cent were women. While Better Work Jordan does not collect nationality-disaggregated data on PWDs in the sector, from experience the vast majority are Jordanian. Better Work Jordan has taken steps in the last year to go beyond the quota system for PWD to monitor whether they are being effectively included in the sector (see **Box 3**).

**Table 2. Distribution of people with disabilities in the sector**

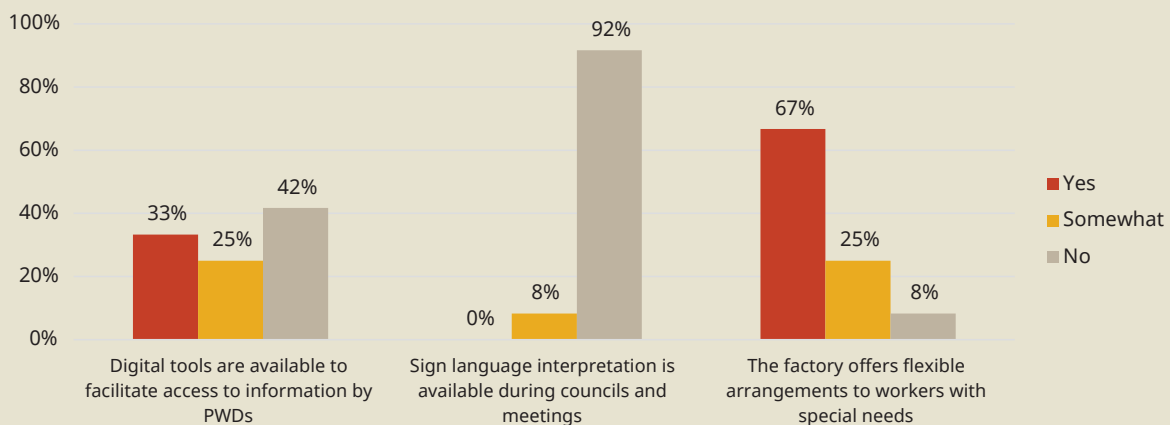
| Number of workers with disability | Number of factories |
|-----------------------------------|---------------------|
| Zero                              | 14                  |
| 1 to 10                           | 32                  |
| 11 to 20                          | 25                  |
| 21 to 30                          | 8                   |
| More than 30                      | 7                   |

### Box 3. Inclusion of People with Disability in the Garment Sector in Jordan

There are several obstacles that prevent PWD from accessing work opportunities and hinder their workplace well-being. Based on a study commissioned by Better Work Jordan, the project identified barriers to PWD's access to work opportunities, as well as obstacles that PWD encounter while working in garment factories, and to recommend interventions to address those challenges.

Accessible transportation to the factories was highlighted as a crucial factor, particularly for workers with motor and sensory impairments. In terms of accessibility to the buildings themselves, it was found that in some of factories the main entrances were fully wheelchair accessible, while the main entrances of others were only partly accessible to persons with motor disabilities. Multi-story factories present challenges for workers with motor and visual impairments, as stairs and steps are pervasive and there are few systems in place to help them navigate the facilities, such as ramps, handrails, or textured surfaces (see **Figure 10**). In 75 per cent of cases where stairs were present, no alternative means of access were provided for people in wheelchairs. In general, access to information and in-house training for people with sensory disabilities was limited.

**Figure 10. Accommodations for Workers with Disabilities in Targeted Factories**



Despite the challenges, some good practices in certain factories and overachievement of PWD quotas were observed. These successes were partly due to broad and frequent cooperation between various stakeholders, including factory managers, the sector's employer's association and trade union, civil society, the ILO, the HDC, and several ministries. Such partnerships inspire optimism for the future improvement of PWD's conditions in the garment industry. The study recommends sustained improvement of working conditions and environments through adequate evaluation and oversight mechanisms.

In light of these and other outcomes of the research carried out for the purpose of the following study, a list of stakeholder-led recommendations was developed for the further improvement of working conditions and labour market environment for PWD in Jordan's garment sector. As part of BWJ's plan to implement these recommendations, BWJ will collaborate with the Higher Council for the Rights of Persons with Disabilities to deliver workshops on the rights and responsibilities of workers and employers at the factory level to workers with disabilities, employers, and trade union members. Furthermore, the plan includes workshops for labour inspectors to improve their ability to detect violations of workers' rights at the factory level.

*For more information, see "Better Work Jordan: Workers with Disabilities in Jordan's Garment Sector," Report, November 15, 2022.*



## Forced Labour

Certain forms of forced labour are considered zero-tolerance issues in Better Work Jordan factories. Any cases of passport confiscation by management or extended cases of coercion from management, such that workers are forced to work, are immediately reported to the MoL per the ZTP. BWJ looks at forced labour from four angles: coercion, forced labour and overtime, bonded labour, and prison labour.

Forced labour used to be an endemic problem to the garment industry in Jordan. The *Kafala* system ties the majority migrant workforce to their employer with limited opportunities in practice to switch employers or leave the country without repercussions. In the past, it was common practice across the industry for managers to keep the passports and documents of migrant workers under lock and key. Migrant workers' access to their personal documents, including passports and residency permits, is crucial for their safety in Jordan and their ability to move freely. Over the last ten years, the Jordanian garment industry has greatly reduced the number and severity of cases of forced labour. In 2016, the US Department of Labor removed garment products produced in Jordan from the TVPRA list.<sup>xxiii</sup>

**Two factories were cited non-compliant for forced labour in 2022.** One factory was cited as non-compliant for withholding workers' passports, and the zero-tolerance protocol with the MoL was followed.

The second noncompliance finding involved a factory that restricted workers from leaving the dormitory compound and the industrial zone more broadly. Some workers were not allowed to leave the dormitory compound during weekdays and were only allowed to leave twice per month during rest-day on Friday. Security guards at the compound gate confirmed that they do not allow anyone to leave the compound unless the worker has an emergency and obtains verbal permission from the dorm supervisor. Better Work Jordan reported the movement restriction to the MoL under the ZTP, but they did not respond. In a third factory, inspectors from the MoL determined that passports were being withheld and oversaw the immediate return of the passports to the workers; non-compliance was not cited.

## Freedom of Association and Collective Bargaining

### Freedom to Associate

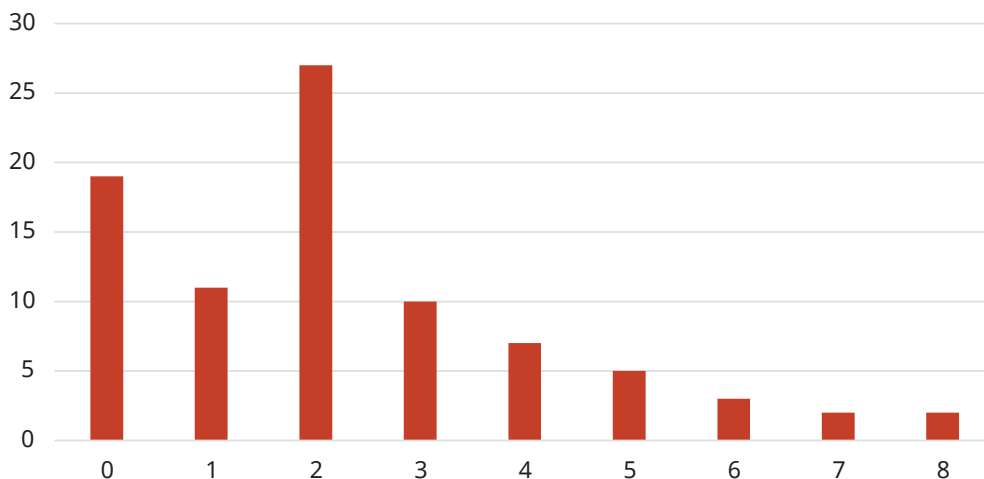
**As Jordan is yet to ratify ILO Convention No. 87** on the Freedom of Association and Protection of the Right to Organize, **all factories assessed continue to be non-compliant on workers' ability to freely join and form unions.** Jordanian Labour Law stipulates a single trade union structure, which restricts workers from forming unions of their choosing. Article 98 of the Labour Law states that trade unions may be formed but sets conditions that restrict the right to establish a union. The legislation requires the MoL's approval and at least 50 Jordanian founding members to establish new unions. Although the Temporary Law No. 26, 2010, which is included in the Labour Law, allows migrant workers to join the already established trade unions, migrant workers are still not allowed to be founding members. As such, all factories are cited as non-compliant for the questions "Can the union freely form and join federations and confederations of their choice?" and "Can workers freely form and join a union?"

## Collective Bargaining

Stakeholders in Jordan have successfully ratified a series of sector-wide Collective Bargaining Agreements that set industry standards relating to wages, working conditions and industrial relations. Factories in this report were assessed against the 2019 CBA (the November 2022 CBA is applied for assessments as of 1 January 2023). As the CBA has grown to encompass more issues, Better Work Jordan has observed a stark decrease in employer compliance with all provisions in the CBA because a finding of non-compliance with any single issue triggers a lack of compliance with the CBA. In the 2022 assessments, **78 per cent of factories failed to implement at least one of the provisions of the CBA.**

The main drivers of this are factories that have compliance violations with day-care facilities (44 per cent), that fail to include policies preventing violence and harassment (31 per cent) and that have issues with accommodations (26 per cent). The percentage of factories fully complying with the CBA has improved slightly compared to past years, and the number of violations of the CBA has decreased since 2020. During assessments, Better Work Jordan looks at whether factories are complying with 38 distinct points in the CBA (see **Figure 11**). On average, factories were non-compliant with 2.3 points in the CBA, compared with 3.1 points in 2020.

**Figure 11. Number of CBA points that factories fail to meet**



**Most factories meet the minimum standards for informing workers about the CBA, however knowledge about the contents of the CBA as reported by workers themselves remains low.** During 2022, BWJ assessors cited six per cent of factories as non-compliant for not adequately informing workers about the CBA. Jordanian labour law requires that CBAs are posted on a special notice board at the workplace. In addition, under the sector-wide CBA, the employer and the union have a joint responsibility to inform workers about the existence and terms of the CBA. Better Work Jordan determines non-compliance with these points by observation of factory notice boards and through interviews with workers.

According to the representative worker survey conducted by Better Work Jordan, half of workers are familiar with the CBA and its contents. Another 10 per cent of workers are familiar with the CBA but not its contents. Migrant workers are more likely to be familiar than Jordanian workers with the provisions

in the CBA. Factories may be doing what is legally required of them to inform workers about the CBA, however, the gap in worker knowledge suggests that the union may need to do more to ensure that workers know about the CBA and are aware of their rights under it.

### Union Operations

A few factories were cited as non-compliant for restricting union access to the workplace or for not properly deducting union dues. Three factories were cited as non-compliant for various issues related to union operations. Two factories paid union dues on behalf of workers who had not consented to be part of the union and were not aware of their union membership. The factory paid the union dues from the factory budget. As a result of the assessment, management put the union dues on hold, and they will arrange with the union to raise awareness of the workers. A third factory was cited under two non-compliance issues – for restricting union access to the workplace and for restricting access to bulletin boards. Management at this factory stated that trade union representatives should address issues first with factory managers and that they do not need to contact workers directly.

Both Better Work Jordan and the union track membership in the union, but the numbers diverge significantly. According to Better Work Jordan records, there were 60,479 workers registered with the union in 2022. However, the union records indicate that there were only 32,137 union members. Better Work Jordan gathers data on union membership from factory records based on how many workers paid the 0.5 JD monthly membership to the union. Factory management reports the gender breakdown of union members, and Better Work Jordan double checks the aggregate number by reviewing the factory payments to the union. The programme is supporting the union to build a database of its members in an effort to increase the quality of its membership data and accountability.

Both the union and Better Work Jordan data suggest that approximately 75 per cent of union members are women. The union reports that 74 per cent of their members are migrant workers. Because the Better Work Jordan data is collected at the factory level, interesting trends in union membership have emerged. The programme finds that membership data is very clustered – either all workers are registered with the union, or none are. One in four factories had no union members, while half of the factories had 100 per cent union membership.

### Compensation

BWJ monitors many aspects of compensation beyond basic wage payments. Workers are entitled to several different aspects of compensation per the CBA and their individual contracts, including overtime wages, annual leave and sick leave, and in-kind payment for food and accommodation in the case of migrant workers. It is also important that workers are paid accurately and on time. Because the compensation schemes are often complicated, Better Work Jordan looks at all aspects of compensation closely to make sure that all workers are compensated fairly and accurately for their work.

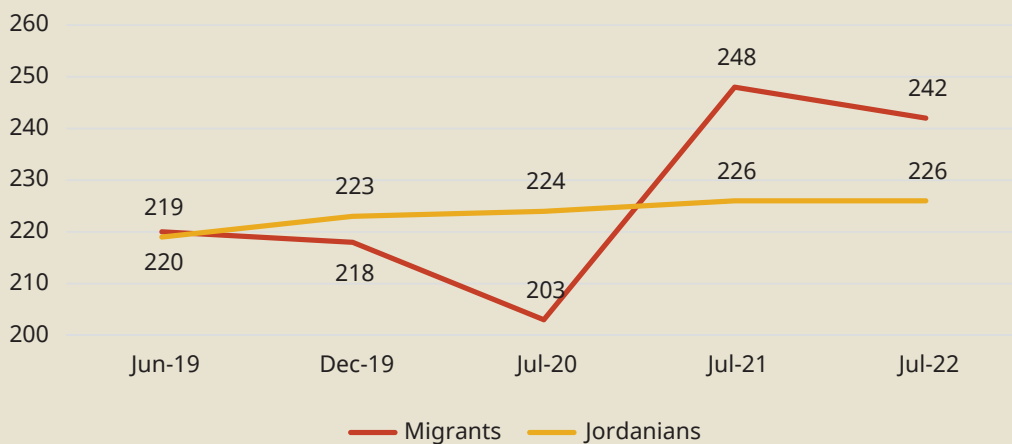
There were not many non-compliance findings related to compensation, similar to past years. No factories were cited as non-compliant for basic wage payments or for accurate payments of paid leave. However, there are still issues with compensation that are within the bounds of the law and the sectoral CBA at the individual factory level and are therefore not cited as non-compliant. For a broader discussion of wages in the Jordanian garment sector, see **Box 4**.

#### Box 4. Wages in the Jordanian Garment Sector

The minimum wage in the garment sector is determined by the sectoral collective bargaining agreement. It has been 220 JD per month since the 2019 CBA which was reaffirmed in the 2022 CBA and remained unchanged. Beyond the basic wage, workers are entitled, per the sectoral CBA, to a 5 JD seniority bonus for each year with the same employer. Overtime work, and overtime pay, are a substantial part of migrant worker take-home pay.

Better Work Jordan worker survey data reveals that Jordanian workers and migrant workers reported similar take-home pay before the pandemic, at roughly 220 JD per month (see **Figure 12**). During the pandemic, however, take-home pay for migrant workers dropped off significantly, to 203 JD per month on average. Pay then rose in 2021 to 248 JD per month and remained high in 2022. During this time, pay for Jordanians remained relatively stable, with just a slight rise from 219 JD to 226 per month over the three years. The trends in wages reflect to some extent the trends in working hours. Namely, migrant workers saw their pay decrease significantly in 2020 when working hours also dropped.

**Figure 12. Monthly take-home pay by migration status (Survey data)**



Pooling data from all five waves of the survey, the following statistically significant differences in wages were observed when controlling for gender, nationality, education, age, hours of work, job, experience, and year:

- ▶ On average, men earn 13 JD per month more than women.
- ▶ There are mixed results for Jordanian workers compared to other nationalities. While Bangladeshi and Sri Lankan workers on average earn more than Jordanians (8JD and 16JD per month respectively), Indian workers and Nepalese workers earn less (11 JD and 6 JD per month respectively).

The structure of wages for migrant workers creates a substantial incentive for overtime work because the base take-home pay is low, and an hour of normal overtime work is 2.2 times base pay, while special overtime work is 2.64 times base pay. Volatility in orders leads to high fluctuation in working hours, which has a direct effect on take-home pay, especially for migrant workers.

*For more information on wages in the sector, see "Better Work Jordan: Working Hours and Wages in the Jordanian Garment Sector," Report, November 1, 2022.*

Beyond basic wage payments, there were some compliance issues related to compensation, especially on-time payments, accurate payment of ordinary and special overtime, and providing proper information to workers about wage payments (see **Table 3**). The issues with on-time payments of wages are related to only part of the wage – workers in these factories receive the majority of their wage on time, however, they do not receive incentive bonuses that are related to efficiency in production for two weeks. In addition, the efficiency bonus was not reflected in the payslips.

**Table 3. In Focus: Compensation**

| Compliance Question   | NC Rate by Question |                |                |
|---|---------------------|----------------|----------------|
|   | 2020<br>(n=69)      | 2021<br>(n=77) | 2022<br>(n=86) |
| Does the employer pay workers 125% of their normal wage for all ordinary overtime hours worked? | 9%                  | 10%            | 12%            |
| Does the employer properly inform workers about wage payments and deductions?                   | 16%                 | 8%             | 10%            |

The Jordanian Labour Law requires that employers pay 125 per cent of their normal wages for all ordinary overtime hours worked and 150 per cent for all overtime hours during weekly rest days and public holidays. Normal wages include all entitlements (including seniority bonuses) and in-kind payments when calculating ordinary overtime. Similar to past years, 12 per cent of factories were cited as non-compliant for accurately paying workers for ordinary overtime. A common issue in these factories was failing to include the 5-JD seniority bonus in the overtime wage calculation. Proper payment could not be verified in several factories as they did not keep sufficient or accurate attendance records.

## Contracts and Human Resources

Several key aspects of working conditions fall under the Contracts and Human Resources compliance point, including the employment contracts themselves, the way that contracts are enforced, relationships between workers and management, and termination policies. Employers must not only have contracts that comply with the basic laws, but they must also make a genuine effort to ensure that workers understand their contracts. At a bare minimum, this means translating contracts into the appropriate languages for workers. In addition, contracting procedures include how workers are recruited to jobs. Job recruitment was paused or slowed for the vast majority of 2020 and 2021 so the burden on the recruitment system was lower in those years. Recruitment picked up in 2022.

Finally, issues of worker-manager dialogue and treatment of workers on the factory floor are integral to working conditions. These issues not only affect workers directly (self-esteem, value in the workplace) but a lack of dialogue between workers and managers can lead to other issues and compliance violations. In contrast, factories with robust dialogue and grievance handling mechanisms can proactively address worker concerns and create a better-functioning workplace.

### Contracting Procedures

The issue of workers paying recruitment fees falls under the topic of contracting procedures, absent significant aggravating circumstances that would elevate the issue to one of bonded labour. BWJ follows a zero recruitment-fee policy which was endorsed by national stakeholders and went into effect on 1 January 2019. Recruitment fees, and other recruitment practices, have improved substantially (see **Box 5**). Ten per cent of factories were cited non-compliant for having workers who paid recruitment fees in 2022. Most of these factories are subcontracting factories, and Indian workers are by far the most likely to pay recruitment fees. Due to the fragmented nature of recruitment from India, ending the use of recruitment fees there has been very difficult.



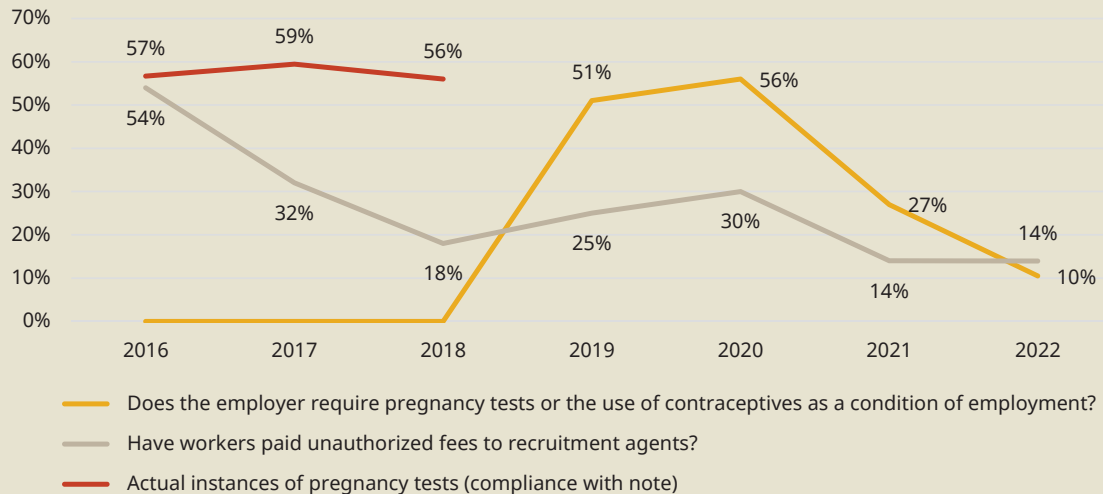
Contract duration has also appeared as an issue for workers, but because there are no laws governing contract duration, this is not a compliance violation. Better Work Jordan has noted an increase in short-term contracts for Jordanian workers. Whereas in the past most Jordanians were issued contracts for one year at a time, Better Work Jordan has noted an increased usage of three-month contracts for Jordanians. This can lead to job insecurity and increased vulnerability of workers. So far Better Work Jordan has not systematically gathered data on contracting procedures, but the programme will start gathering this information to better inform stakeholders of these issues.

### Box 5. Improved recruitment practices for migrant workers

Recruitment practices, especially for migrant workers, are important to consider when assessing labour practices in the Jordanian garment industry. Two areas of recruitment practices are particularly important: pregnancy tests and recruitment fees.

Better Work Jordan has observed improved recruitment practices in these areas when stakeholders decided to tackle this issue head-on. Recruitment practices were raised in the 2016 Buyer's Forum and further discussed in the April 2018 PAC meeting. In this meeting, stakeholders together decided to take a more aggressive stance on the issues by holding employers responsible for recruitment practices in their supply chain. Previously, Better Work Jordan had only looked at whether factories required pregnancy tests and marked 'compliance with note' if workers had undergone pregnancy tests. Starting in 2019, Better Work Jordan began marking factories as non-compliant if any workers recruited in the last year had paid recruitment fees or undergone pregnancy tests, even if factories discouraged this practice. This led to a surge in the non-compliance rate in 2019 which more accurately reflected the actual conditions that workers were facing (see **Figure 13**).

**Figure 13. Recruitment practices non-compliance rates over time**



Stakeholders in subsequent PAC meetings discussed this high non-compliance rate and took several steps to address the problem with the support of Better Work Jordan. At the sectoral level, the Jordan Garments, Accessories & Textiles Exporters Association (JGATE) sent a letter on April 19th, 2021, to the Bangladesh Embassy and the sole Bangladeshi recruitment agency, Bangladesh Embassy in Jordan and Bangladesh Overseas Employment and Services Limited (BOESL) asking for an end to these practices. Individual factories also adjusted the terms of their contracts with recruitment agencies to explicitly forbid these practices.

As a result of these steps and the commitment to holding factories accountable for recruitment practices in their supply chain, non-compliance rates have dropped significantly for both pregnancy tests and recruitment fees.

## Dialogue, Discipline and Disputes

A cornerstone of the ILO's approach to resolving workplace problems is dialogue and setting up systems for transparent and open dialogue, and this is particularly important in cases where there are large power imbalances between workers and management. This is the case across the global garment sector and is exacerbated in Jordan because migrant workers face additional communication and cultural barriers.

In 2010, when BWJ first began working in Jordan's garment factories, they set up Performance Improvement Consultative Committees (PICCs) in factories and used these committees as an essential part of social dialogue and an advisory process to bring together both managers and workers in order to find solutions to non-compliance violations. These committees consisted of meetings between workers and managers, but the union was not involved due to management reluctance to meet with the union. In recent years, the union has pushed for more direct involvement at the factory level, and BWJ has supported them with these efforts considering BWJ's broader sustainability strategy. The 2019 CBA put this into practice. Now, the union bears responsibility for regulating all matters relating to the formation and functions of the enterprise-level Union Labour Committee at each enterprise, including candidacy requirements, the number of committee members, voting, quorum, decision making mechanics, and documentation of meeting minutes. The Union sets the date of ULC elections in coordination with the employer. The employer's responsibility is to allow the union access to the factory, to meet with committees when they are formed, and to provide workers serving on the committees with paid time off.

Given that employer responsibilities are more limited than in the past, Better Work Jordan did not cite many factories as non-compliant in meeting the requirements related to ULCs (see **Table 4**).

**Table 4. In Focus: Dialogue, Discipline and Disputes**

| Compliance Question  | NC Rate by Question |                |                |
|--|---------------------|----------------|----------------|
|  | 2020<br>(n=69)      | 2021<br>(n=77) | 2022<br>(n=86) |
| If a Union Labour Committee is formed, does the employer meet worker representatives on a regular basis? | 0%                  | 9%             | 1%             |
| Do disciplinary measures comply with legal requirements?   | 10%                 | 4%             | 2%             |
| Have any workers been bullied, harassed, or subjected to humiliating treatment?                          | 20%                 | 17%            | 19%            |

BWJ tracks whether factories have adequate grievance handling mechanisms and dispute resolution procedures as a separate issue from committees. While this is not cited as a compliance issue, informational responses from assessment visits indicate that **22 per cent of factories have inadequate processes when it comes to handling grievances from workers**. Through document review, the assessment team check if factories have procedures for handling worker grievances. This is a minimum standard but does not mean that grievance handling procedures will necessarily be effective.

Survey data gathered in July 2022 indicates that 77 per cent of workers are satisfied with the opportunities available to place complaints or grievances at the workplace. However, workers fear retaliation for raising

formal complaints, especially for sensitive issues such as sexual harassment. In the workers' survey, twenty-one per cent of workers thought that it would be extremely risky to raise a formal complaint in the case of quid-pro-quo sexual harassment. Two per cent of factories did not have disciplinary measures that comply with legal requirements, a non-compliance issue that has improved since 2020.

Verbal abuse, including bullying, harassment, and humiliation, is also a consistent issue in the sector. Twenty per cent of factories were cited non-compliant for verbal abuse, a rate similar to that of previous years. However, in 2022, Better Work Jordan noted that this issue went beyond satellite factories, where the programme has identified complaints of verbal abuse in the past, to extend to several main exporting factories. These results are broadly in line with the anonymous workers' survey, where 35 per cent of workers cited concern with verbal abuse in 2022.

If workers are unable to resolve their disputes with management, they may leverage their collective power and go on strike. **The union recorded 3 strikes in the sector in 2022**, far fewer strikes than in past years. The three strikes led to 3 days of work stoppages and involved over 2,354 workers. The main reasons for the strikes in 2022 were delays in salary payments and the lack of overtime work. These strikes are classified as 'wildcat strikes' because they were done without the support or approval of the union (the union needs to give 14 days' notice for strikes). The union was not involved at all in some of the strikes and had a limited mediator role in the others.

### Employment Contracts

Several issues were cited under employment contracts. Thirty per cent of factories were cited as non-compliant for issues with factory by-laws. Better Work Jordan looks at several aspects of factory bylaws, including MoL approval, translation into all worker languages, being posted in the workplace, and including an internal policy which prohibits violence and harassment. While the vast majority of factories have internal bylaws, the largest gap continues to be in adopting an internal policy against violence and harassment. This is a requirement of the CBA that is in line with the ILO Convention 190 on Violence and Harassment in the world of work. In addition, 19 per cent of factories failed to provide workers with a copy of their contract.

### Termination

Overall, eight per cent of factories were non-compliant on some aspect of termination. In the majority of these cases the employer failed to compensate workers accurately for unused paid leave when they resigned or were terminated. In some of the cases, the problem was that management could not produce documentation of how leave was paid out or why workers were terminated. Better Work Jordan is limited in its ability to track workers, especially migrant workers, after they have been terminated. In general, the programme has little visibility on migrant workers once they return to their country of origin.

### Occupational Safety and Health

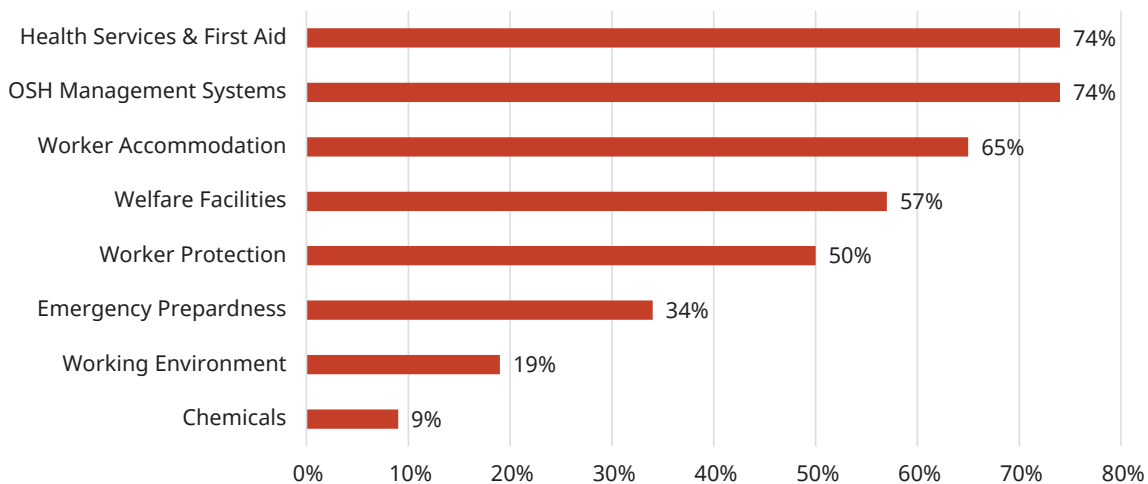
Occupational Safety and Health compliance points include Chemicals and Hazardous Substances, Emergency Preparedness, Health and First Aid, OSH Management Systems, Welfare Facilities, Worker Protection, Worker Accommodation, and Working Environment.

As in previous years, OSH has some of the highest non-compliance rates observed among factories. **Figure 14** presents the eight compliance points ranked by the highest rates of non-compliance. Factories are noted as non-compliant under the compliance point if they are non-compliant on any of the questions in that compliance point.

Compliance violations are often cited for health services and first aid, and OSH management systems. Both issues are mostly driven by governmental requirements for personnel (such as the number of doctors) that factories say they cannot meet. Many factories also have issues with worker accommodations. This is mostly relevant to factories that hire migrant workers.

The following sections review the main compliance issues for each compliance point in order of frequency of compliance issues. Working environment and chemicals are not discussed, as the non-compliance rates in these areas are relatively low.

**Figure 14. Per cent of factories with one or more issues per compliance point**



### Health Services and First Aid

**Health services and first aid have always had high rates of non-compliance, particularly on staffing and regular health checks.** Proper medical staffing remains an issue, with 52 per cent of factories non-compliant. Almost all factories have a full-time doctor and nurse on payroll, but depending on the size of the factory, they may be required to staff multiple doctors and nurses. Retaining doctors and nurses has been a challenge, especially as Jordanian labour law restricts these professions to Jordanians, and Jordanian doctors are often reluctant to travel to industrial zones. Despite not having the legally required number of staff, the majority of factories were able to complete the necessary health checks for workers. Twenty per cent of factories were non-compliant on this issue.

Better Work Jordan commissioned a study assessing the quality of health services in the garment industry in 2022. This study found significant gaps in the provision of health services including ambiguity and gaps in the national labour law and MoH requirements (see **Box 6**).

### Box 6. Health services

According to the Jordanian legal framework and the Collective Bargaining Agreement, factories must provide medical care to both migrant and Jordanian workers including the provision of health care clinics on-site at factories. Meanwhile, migrant workers in the sector do not have health insurance from their countries covering their health care needs, so the factory clinic is of utmost importance. While Better Work Jordan looks at whether factories are complying with the requirements of the labour law, the quality of care provided at health clinics in the sector had not been fully assessed.

According to a study commissioned by Better Work Jordan and conducted by the Phenix Center for Economics and Informatics Studies, there are significant gaps in the provision of health care services in the sector. The study found that there is no standard minimum care package that needs to be provided, and health clinics are not sufficiently prepared to deal with emergencies. Medications were available in clinics, but quality assurance visits showed that on average, health clinics only had 10-30% of essential medication on stock. Equipment and medication records were not kept, and workers reported a lack of equipment. International standards of care and requirements in the collective bargaining agreement were not adhered to, and none of the factories studied could produce a license from the MoH.

The study used a qualitative descriptive approach and involved a comprehensive desk review, focus group discussions, key informant interviews, and quality assurance visits to health clinics. The study recommended both short-term and long-term steps to be taken by national constituents, such as addressing labour violations, expanding health services provided to women and developing a minimum service package for clinics. Stakeholders in the garment sector could consider adding an Annex to the collective bargaining agreement to set minimum standards for health care services in the sector.

After the publication of the Health Services report, the MoL announced plans to publish new instructions related to medical services requirements. These include updates to the number of medical staff needed and guidance on minimum requirements for health clinics in the workplace.

*For more information see "Better Work Jordan: Assessment of Health Care Services Provided to Workers in the Garment Sector in Jordan," Assessment Report, November 1st, 2022.*

### OSH Management Systems

**Overall, the highest non-compliance rates are observed in the area of OSH management systems due to the lack of OSH specialists in factories** (see **Table 5**). As per the law, employers should hire at least one OSH specialist and two technicians if the workforce is between 201 and 500. If workforce numbers are between 501-1,000, employers are required to hire at least two OSH specialists and three OSH technicians. This requirement increases by one specialist and two technicians for each additional 1,000 workers. Most factories have MoL-approved specialists and technicians, but they frequently do not have the required number. The OSH directorate in the MoL is working on a campaign to support hiring OSH specialists through training, job matching, and cost-support.



**Table 5. In Focus: OSH Management Systems**

| Compliance Question  | NC Rate by Question |                |                |
|--|---------------------|----------------|----------------|
|  | 2020<br>(n=69)      | 2021<br>(n=77) | 2022<br>(n=86) |
| Does the factory employ the required OSH specialists?            | 67%                 | 68%            | 62%            |
| Does the employer have written plans for OSH programs?           | 16%                 | 31%            | 14%            |
| Has the employer formed a joint worker/management OSH committee? | 9%                  | 26%            | 8%             |

Most factories have functioning OSH committees that meet on a regular basis. Due to technical issues with a group of factories under the same management regarding joint OSH committees and written plans for OSH, these issues were found in 26 per cent of the sample in 2021. For example, the group of factories created OSH subcommittees in different units rather than having each unit represented in the main OSH committee. These issues were resolved in 2022.

### Worker Accommodation

Factories provide migrant workers accommodation while they work in Jordan, and the quality and safety of dorms is fundamental to the experiences of migrant workers in Jordan. The conditions in dormitories cannot be separated from the conditions on the factory floor – if workers have a problem in one area, it will most likely extend to the other. While Better Work Jordan monitors many aspects of the conditions in the accommodation during assessments, the structural integrity of the buildings themselves is also of concern which requires input from experts (see **Box 7**).

### Box 7. Structural integrity of dorms

Better Work Jordan and international stakeholders, such as buyers and the US government, have been raising the issue of the structural integrity of dorms in Jordan for several years. There are between 200 and 300 dormitory buildings in the Jordanian garment sector housing over 45,000 workers. Migrant workers spend most of their time either in the workplace or in the dormitory, and their employer is responsible for maintaining decent conditions in both venues. While Better Work Jordan assesses many aspects of the living conditions in dormitories (and consistently finds significant issues) there had not previously been an assessment of the buildings themselves. Most of the dormitory buildings are old, and many of them are converted factory buildings that were never designed to be used as accommodation. The structural integrity of these buildings is crucial to the health and safety of workers – the Rana Plaza disaster in Bangladesh being a worst-case scenario of what can happen with unsafe buildings.

Starting in 2020, Better Work Jordan supported stakeholders to assess and address the structural integrity of dormitories in the Jordanian garment sector. These safety issues are not covered in the existing national codes. Better Work Jordan worked with experts to conduct research on the current state of dormitory buildings in the Jordanian garment sector. This research pointed to several defects and areas for improvement related to health and safety. Proposed regulations were developed for new dormitories to ensure that they respect the health and safety of workers.

Under the project “Enhancing the Structural Integrity of Dormitory Buildings in Jordan’s Garment Sector” Better Work Jordan proposed guidelines related to assessing and mitigating defects within existing dormitories and developed design regulations for building new dormitories. BWJ hired an external engineering firm to assess the structural integrity of existing dormitory buildings, identify areas for upgrades, and propose guidelines for future dorm construction. In June 2022, an industrial seminar – organized in collaboration between BWJ and JGATE – was held to present the outcomes of reports developed by the consulting company with a focus on the guidelines and methodology for upgrading existing dormitory buildings against identified standards and to discuss the proposed National Standards for the Design of New Dormitory Buildings.

Progress on this serious issue is stuck for the time being. In the best-case scenario, the Government of Jordan will endorse a new code of buildings for dorms and give a grace period to employers to upgrade the current buildings while evacuating the high-risk ones immediately. However, Better Work Jordan has seen little appetite from the Government and other stakeholders to engage on this issue.

**There are numerous compliance violations when it comes to worker accommodation, and non-compliance in this area has shifted in different ways over the last three years (see Table 6).** The areas with the highest violations are cleanliness (52 per cent NC) and the overall environment (such as heat, cold and dampness - 41 per cent NC). Cleanliness is a persistent issue in the sector, which is linked to inadequate cooking facilities. Workers often cook or eat in their rooms if there are not adequate facilities – which can lead to insects and animals in the dorms. Meanwhile, the findings related to the environment are affected by seasonal factors at the time of the assessment. During the hot summer months, heat can be an issue in the dorms, whereas damp and cold is an issue in the winter. The spring and autumn are mild and have fewer issues.

**Table 6. In Focus: OSH requirements in Accommodations**

| Compliance Question  | NC Rate by Question |                |                |
|--|---------------------|----------------|----------------|
|  | 2020<br>(n=69)      | 2021<br>(n=77) | 2022<br>(n=86) |
| Is the accommodation clean and protected against disease-carrying animals or insects?                                      | 51%                 | 52%            | 52%            |
| Is the accommodation adequately protected against heat, cold, dampness and noise, and is it adequately ventilated and lit? | 57%                 | 27%            | 42%            |
| Has the employer adequately prepared for emergencies in the accommodation?   | 35%                 | 49%            | 17%            |
| Does the accommodation have adequate cooking facilities?   | 17%                 | 27%            | 9%             |

Meanwhile, there have been sustained improvements in some areas of worker accommodations in the last three years. Crucially, compliance with minimum space requirements has improved significantly, from 36 per cent non-compliance in 2020, to 13 per cent non-compliance in 2022. In addition, eating and living areas (14 per cent NC) and adequate toilets, showers, and garbage disposal (9% NC) have both improved substantially.

### Welfare Facilities

Per Jordanian labour law and the CBA, factories must provide basic welfare facilities to workers, including day care facilities and eating areas. Day care facilities and support for working parents is primarily relevant for Jordanian workers. In contrast, adequate eating areas and sufficient food of decent quality are particularly important for migrant workers, as part of their wages are paid through 'in-kind' benefits. The provision of adequate eating areas has improved from 25 per cent non-compliance in 2020 to 12 per cent non-compliance in 2022. Employers are rarely cited non-compliant for providing sufficient food of decent quality, with only 6 per cent of employers non-compliant in 2022.

**Forty-one per cent of factories were non-compliant in providing adequate day care facilities, a persistent issue in the sector.** The Jordanian laws and regulations around employers' responsibility for childcare support have changed substantially over the last few years. The current law requires employers to provide an on-site nursery if they employ workers with at least 15 children under 5 years old. If not, employers may offer financial subsidies for childcare services, and, for workers in the garment sector who typically earn less than 300 JD per month, the payment should be 50 JD per child per month (see **Box 8**). In new instructions from the MoL published in February 2023, the ministry accepted the Annex to the 2019 garment sector CBA which lowers the payment in the sector to 25 JD. However, as the 2019 CBA is expired and a new one is in place as of 1 November 2022, Better Work Jordan continues to cite non-compliance if factories pay 25 JD instead of 50 JD.

As part of the compliance assessment, Better Work Jordan gathers data on Jordanians and Syrians with children under the age of five. Across the 86 factories, there are 2,763 Jordanians and Syrians with children under the age of five. 71 per cent of them are women, while the breakdown of Jordanians and Syrians is unknown (although Jordanians represent the vast majority). Only 49 factories trigger the law requiring childcare which applies when the factory employ 15 workers with children under the age of 5. Of these factories, 35 are non-compliant with the law. **This means that the effective non-compliance rate for day-care facilities is 71 per cent.**

### Box 8. Supporting Working Parents

Supporting Jordanian working parents is an important policy goal for the Jordanian government. Childcare support, whether in designated day care facilities or informally by family members, is important for consistent attendance and employment. As unpaid care work most often falls on women in Jordan, supporting working parents has a crucial gender component.

In 2022, Better Work Jordan commissioned a study of garment workers in Al Hasan Industrial Area to understand their access to childcare services. According to the study findings, none of the factories provided on-site nurseries and instead paid 25 JD per child. These factories referred to the 2019 sectoral CBA and a November 2021 Annex which lowered employers' financial contribution from 50 JD to 25 JD regardless of wage with a cap of up to four children. According to the Annex, this contribution is offered to only one of the working parents, should they both be working in the same sector. This amount is considered insufficient to cover the cost of regulated childcare centres in the area, which ranges from 50-130 JD with an average cost of 79 JOD per month.

Cost, reliable services and proximity of centres are the main challenges to accessing preferred childcare services, with cost being a bigger issue for male workers and finding available caregivers a bigger issue for female workers. With specific regards to institutional nurseries, this option revealed that transportation represents a main challenge to workers. The study showed that institutional nurseries were only welcomed by workers who live close to the industrial area with an average commuting time of around 20 minutes. In contrast, workers living in remote areas or other governorates prefer to use nurseries of their choice. For these workers, commuting time and the need to have their children close to where they live are the main considerations. In cases where the employer is in favour of contracting nurseries, workers prefer to have nurseries close to their homes.

The study also indicates that childcare duties interfere with work, especially for female workers. Results showed that around 50 per cent of workers took unpaid leave and 50 per cent considered quitting their job due to childcare duties, with females being more affected.

*For further information see "Assess Access to Child Care Services and Facilities for Jordanian and Syrian Garment Workers in Al-Hassan Industrial Estate / Irbid," October 2022, ILO Report.*

### Worker Protection

Personal protective equipment entered the everyday lexicon with the onset of the COVID-19 pandemic, as masks and other protective gear became crucial to containing the spread of the virus. PPE has long been crucially important to garment factories. The provision of PPE such as masks, metal gloves, glasses and hearing protection is essential in ensuring workers' safety, and employers are required to adequately train workers to use such equipment. Both workers and employers are responsible for ensuring the effective usage of PPE.

**50 per cent of factories were non-compliant on some aspect of worker protection.** The most common issue was with providing worker training for PPE and machine usage (36 per cent NC) which has been a consistent issue over the last few years. However, factories have improved significantly in providing all necessary PPE to workers. Non-compliance rates dropped from 23 per cent in 2020 to only 6 per cent in 2022. Other issues have fluctuated in recent years. For example, 20 per cent of factories were non-compliant in meeting ergonomic requirements in 2022, whereas only 8 per cent were non-compliant in 2021.

### Emergency Preparedness

Thirty-four per cent of factories were cited as non-compliant in some aspect of emergency preparedness – a broadly similar finding to the non-compliance rates in the last three years. The highest areas of non-compliance are where it comes to proper preparation for emergencies through emergency drills (20 per cent non-compliance) and training workers in the use of fire-fighting equipment (19 per cent non-compliance). Emergency drills should be conducted twice per year under the supervision of the Civil Defence, while factories should provide fire-fighting training at least once a year to a minimum of 10 per cent of the workforce. Labour inspectors highlighted these points during OSH-focused advisory visits in the last year. While most factories have enough emergency exits, ensuring proper knowledge and preparation is important in order to prepare for an emergency in the workplace. Fourteen per cent of factories did not have fully accessible emergency exits.

### Working Time

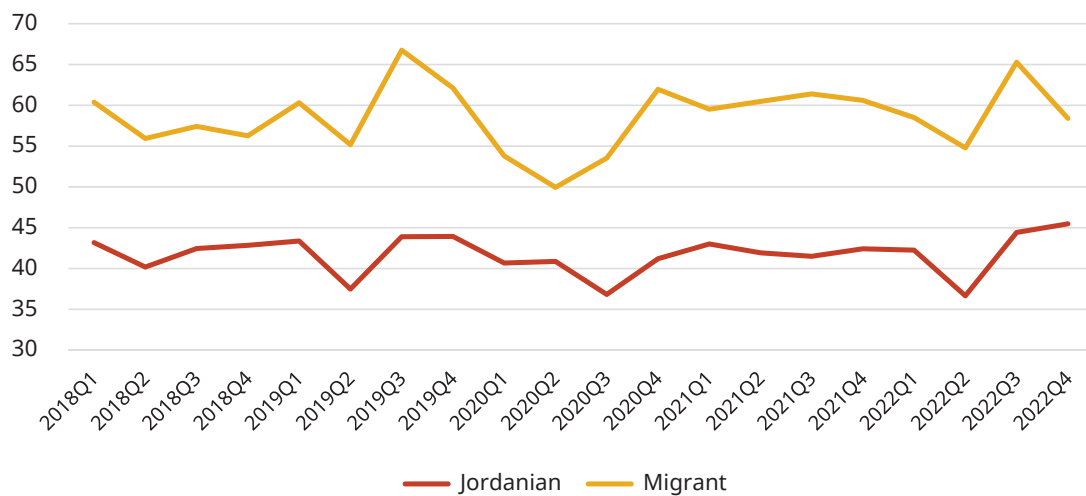
Better Work observes and makes recommendations on several aspects of working time, some of which are classified as non-compliance violations and some of which are not violations of the law but are still noteworthy to explore. Non-compliance remains low with regards to working time. Five factories did not keep accurate working time records. In addition, three factories failed to provide the proper time off for breastfeeding breaks and in one factory there was involuntary overtime.

**Beyond the compliance situation, there are significant issues with long working hours in the sector.** There are no limits on the amount of overtime that can be worked (either daily, or weekly) under Jordanian law, so long hours of work are technically legal. Any hours above 48 hours per week, 11 hours per day, or on Friday (rest day) should be voluntarily agreed to by the worker.

The garment sector is fuelled by overtime hours put in by migrant workers. The structure of wages in the sector highly incentivizes overtime hours for migrant workers. Because they are away from their families and living in dorms next to their place of work, migrant workers have fewer outside obligations or transportation needs than Jordanians. Migrant workers regularly work two hours of overtime per day, six days a week, with the average migrant worker logging just shy of 60 hours per week. Meanwhile, Jordanian workers rarely work overtime, and, due to absence and short working hours, the average Jordanian only works 42 hours per week (6 hours less than regular working hours). Better Work Jordan records working hours from payslips during yearly assessment visits. Data includes observations from 2017 to 2022. Average working hours in 2022 were 59.7 hours for migrant workers and 41.4 for Jordanians. Better Work Jordan published a policy brief in November 2022 that details trends in wages and working time in the sector over the last five years.<sup>xxiv</sup> Since that report's publication, there have been some minor updates to working hours in 2022 based on newly gathered data.

Working hours, especially for migrant workers, fluctuate over time (see **Figure 15**). During any given year, there are predictable seasonal fluctuations based on the demands of consumers and brands. Factories adjust to these changes by setting higher overtime hours during peak seasons. During the COVID-19 pandemic, government-imposed lockdowns and a significant drop in orders led to much lower working time. Migrant workers and Jordanian workers both had significant fluctuations in hours worked during the COVID-19 pandemic, with migrant workers being affected significantly more. Hours for migrant workers fell by six hours per week in 2020 and rebounded to pre-pandemic levels in 2021.

**Figure 15: Average weekly working hours over time by migration status**



The 2022 sectoral CBA includes a new provision on working time – now workers are limited to four hours of overtime per day. This equates to 12 hours per day, and, over a six-day work week, to 72 hours per week. Based on historical data, no Jordanians work more than 72 hours per week, but around 10 per cent of migrant workers do. Starting on January 1st, 2023, Better Work Jordan began looking at compliance with this provision in the CBA. Better Work Jordan will cite non-compliance if any worker is found to have worked more than four hours of overtime on a single day.

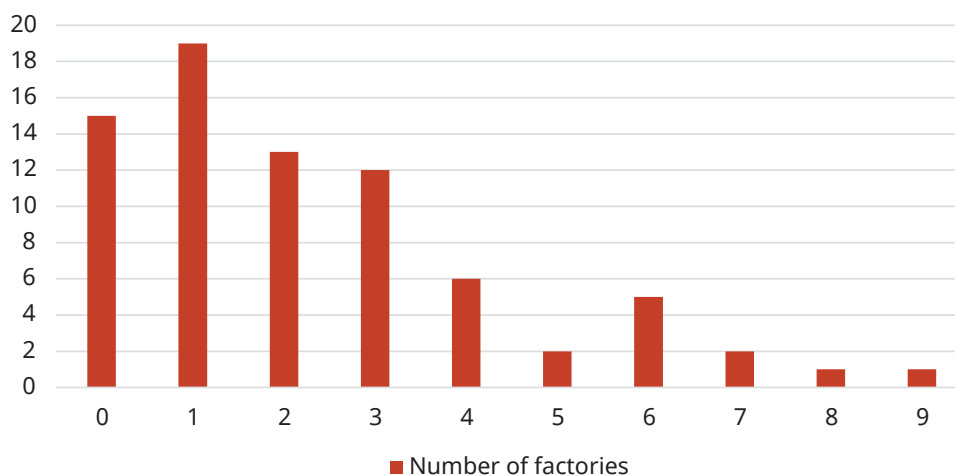


## Publicly Reported Issues

Greater transparency is expected to increase accountability and consequently, compliance. A 2019 study in Jordan showed that the transparency portal lowered non-compliance rates on publicly reported issues.<sup>xxv</sup> Better Work had initially tested public reporting on selected compliance questions in Cambodia and Haiti and had observed positive results.<sup>xxvi</sup> Based on this evidence, Better Work expanded transparent reporting to other countries. The Better Work Transparency Portal currently posts compliance on selected issues from five countries (in addition to Cambodia, which posts compliance information on a separate site).<sup>xxvii</sup> A factory's compliance findings remain on the portal until a new assessment report is published. Better Work is currently in the process of revamping the transparency portal to increase engagement with the data especially among in-country constituents.

Public reporting was introduced in Jordan starting in July 2017 with support from the Jordanian government and the World Bank. The portal includes 29 compliance questions across different clusters for factories that are in Cycle 2 and above. Among the 86 factories covered in this report, 76 are in Cycle 2 or above and are therefore on the transparency portal. Of these, 20 per cent have no noncompliance findings with publicly reported issues, an improvement since 2021. The average number of violations is 2.3 (see **Figure 16**). The most common public reporting violation is fully implementing the collective bargaining agreement.

**Figure 16: Number of non-compliance violations on Transparency Portal for 2022 assessments**



## ► Next Steps

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Better Work Jordan's **Fourteenth Annual Report** provides some noteworthy trends in Jordan's garment industry. Over a decade of operations in Jordan has allowed Better Work to observe and lead sectoral changes. Better Work has supported industry-level improvements together with national tripartite members.

Better Work Jordan is in the midst of a transitional phase as the programme looks to implement its **Phase IV strategy, which runs from 2022-2027**. This strategy foresees three main outcomes for the garment sector by 2027: 1) an effective system of tripartite-plus labour market governance in which workers' rights are upheld and protected in line with national labour laws and core international labour standards; 2) export growth combined with active labour market policies to increase the garment industry's contribution to Jordanian employment and 3) a positive impact on working conditions and labour market governance beyond Jordan's export-oriented garment industry. These are all working towards a shared vision with garment sector stakeholders for **a competitive Jordanian garment industry built on stakeholder collaboration, which advances national socioeconomic development, lifts people out of poverty and upholds the fundamental rights of all workers**.

Looking ahead to 2023, the following are foreseen in the sector:

- **Increased stakeholder ownership of compliance outcomes** – implement Factory Ambassador Programme, build the capacity of the Better Work unit in the MoL, increase union capacity and union organizers' roles with a specific focus on gender issues, and support institutional capacity of employers' associations.
- **Sustainability of mental health project** - learn from the midterm evaluation, increase ownership for supporting mental health, and incorporate pre-departure elements for migrant workers
- **Conduct research for evidence-based policy making**, including on the value-add of the Jordanian garment industry and pathways to increase Jordanian employment in the sector at all levels. Further work is also needed to implement the recommendations raised during the research efforts in the last year.
- **Increased focus on recruitment process for migrant workers** - The programme will start exploring the possibility of establishing partnerships between social partners in Jordan and relevant institutions in sending countries, with a focus on Bangladesh.

## ► Annexes

### Annex A. Garment factories covered in this report

|   |  |
|---|--|
| Al Areen wear Ltd.  | Classic Fashion Apparel Industry - Satellite Unit Fagua    |
| Al Hanan for Cloth Mfg. Est.                                  | Classic Fashion Apparel Industry - Satellite Unit Moab     |
| AL Masera Textile   | Classic Fashion Apparel Industry Ltd. Co. (Unit 10)        |
| Al Mohandes Company for Ready Made Garments                   | Classic Fashion Apparel Industry Ltd. Co. (Unit 2)         |
| Al Mustamerah for Tex   | Classic Fashion Apparel Industry Ltd. Co. (Unit 4)         |
| Ark Garments Manufacturing Industries Company LTD             | Classic Fashion Apparel Industry Ltd. Co. (Unit 6)         |
| Aseel Universal Garments Mfg. Co.                             | Classic Fashion Apparel Industry Ltd. Co. (Unit 7)         |
| Atateks Foreign Trade Ltd.                                    | Colonia Garments Manufacturing Co. Ltd                     |
| Atlanta Garment Mfg. Co.                                      | El Zay Ready Wear Mfg. Co.                                 |
| Atlanta Garment Mfg. Co. Ltd. (Unit 2) - Satellite            | Fashion Curve Mfg. Apparel Co.                             |
| Best Quality Jordan   | Fine Apparel Ltd.  |
| Cady Garments Company   | Friends Apparels L.L.C                                     |
| Casual Wear Apparel - Satellite (Sama Al Sarhan)              | Galaxy Apparel Industry                                    |
| Casual Wear Apparel L.L.C.                                    | GIA Apparels Industry                                      |
| Century Miracle Apparel mfg. Co. Ltd.                         | Haifa Apparel  |
| Classic Fashion Apparel Industry - Satellite Unit AlJunaid    | Hi-Tech Textile L.L.C. - Orjan Satellite Branch            |
| Classic Fashion Apparel Industry - Printing etc.              | HY Apparel for Ready Made Garments Co. Ltd.                |
| Classic Fashion Apparel Industry - Satellite Unit Al Azmaliah | Indo Jordan Clothing Company (Unit 1)                      |
| Classic Fashion Apparel Industry - Satellite Unit Bussairah   | International Elegance Garment Mfg. Co. Ltd.               |
| Classic Fashion Apparel Industry Ltd Co. (Unit 01)            | Ivory Garments Factory (Obsolete)                          |
| Classic Fashion Apparel Industry Ltd Co. (Unit 11)            | Ivory Garments Factory L.L.C. (Satellite)                  |
| Classic Fashion Apparel Industry Ltd Co. (Unit 12)            | Jerash Garments and Fashions Mfg. Co. Ltd (Al – Hasa Unit) |
| Classic Fashion Apparel Industry Ltd Co. (Unit 3 / Laundry)   | Jerash Garments and Fashions Mfg. Co. Ltd (Unit 2)         |
| Classic Fashion Apparel Industry (Unit 5 / Sampling 2)        | Jerash Garments and Fashions Mfg. Co. Ltd. (Unit 1 & 3)    |
| Classic Fashion Apparel Industry Ltd Co. (Unit 8)             | Jerash Garments and Fashions Mfg. Co. Ltd. (Unit 4)        |
| Classic Fashion Apparel Industry – Satellite Unit Al Tafilah  | JOBEDU   |
| Classic Fashion Apparel Industry - Satellite Unit Ajloun      | Jordanian Modern Textile                                   |
|   | K & F Garment Co. Ltd.                                     |

Kareem Industrial Textiles Co. Ltd.

MAS AL SAFI Apparel Mfg. LLC – MAS KREEDA Al Safi Dulayl

MAS AL SAFI Apparel Mfg. LLC – MAS KREEDA Safi Madaba

MAS AL SAFI Apparel Mfg. LLC – MAS KREEDA Al Safi Sahab

Mustafa & Kamal Ashraf Trading (Jordan) Garment Ltd.

Needle Craft (Al Mafraq – Sarhan)

Needle Craft for clothing industry

New Century Clothing Industry L.L.C.(QIZ)

Noor Seen Apparel

Nour AL- Islam for Garments Industry Co. Ltd.

Peace Gate Garment

Pine Tree Co. for textile Mfg. P.S.C (TWJ)

Premium Clothing Industry LLC

Prestige Apparel Mfg. Ltd. Co.

Rainbow Textile L.L.C.

Rich Pine International Group Ltd.

Samad Wear Manufacturing Company Ltd

Sana Garment Co. (Irbid City)

Sana Garments Co.

Sidney Apparels LLC.

Southern Garment Mfg. Co. Ltd.

Straight Line for Apparel Co.

Tusker Apparel Ltd. Co.

Tusker Apparel Ltd. Co. Satellite (Jerash)

Tusker Apparel Ltd. Co. Satellite (Rusaifa)

United Creations L.L.C.

United Creations L.L.C. (Satellite Al Azraq)

Victorious Apparel Mfg. Co. Ltd.

W&D Apparel (Jordan) Corp.

World of Knitting

## Annex B. List of participating buyers

Abercrombie & Fitch

Amazon Fulfillment Services, Inc.

American Eagle Outfitters, Inc.

ascena Retail Group Inc.

Columbia Sportswear

DICK's Sporting Goods Ltd.

Disney Worldwide Services

GAP Inc

G-III Apparel Group

L.L. BEAN Inc.

Li & Fung (Trading) Limited

New Balance Athletics, Inc.

Newtimes Development Ltd

NIKE, Inc

PVH Corp

Ralph Lauren Corporation

Spanx Inc

Target Corporation

Under Armour, Inc

VF Corporation

## Annex C. Methodology and limitations

**Factory Assessments:** Better Work conducts factory assessments to monitor compliance with core International Labour Standards and national labour laws. Assessment reports highlight non-compliance findings, which are then used to help factories identify areas for improvement. Collecting and reporting these data over time helps factories demonstrate their commitment to improving working conditions.

Better Work organizes reporting into eight clusters. The first four clusters comprise the core labour standards – Child Labour, Discrimination, Forced Labour, and Freedom of Association and Collective Bargaining. These standards protect fundamental rights at work under the ILO’s eight Core International Labour Conventions, and International Labour Standards are used as a baseline for compliance in these four clusters. The remaining clusters – Compensation, Contracts and Human Resources, Occupational Safety and Health, and Working Time – fall under Working Conditions. The compliance points for these areas incorporate differences in national legislation depending on the country of operation. Better Work establishes a benchmark based on international standards and good practices in areas where national laws do not cover or sufficiently address an issue regarding working conditions. The eight clusters are then divided into compliance points, and each CP includes a number of questions, which may vary by country.

As the majority of workers in Jordan’s garment industry are from South Asia, Better Work Jordan has continued to work with consultants from Bangladesh and Sri Lanka to strengthen the programme’s engagement with workers and factories. This has allowed the programme to build direct communication and engagement with workers and enable access to information.

**Worker and Manager Surveys:** In both June and December 2019, and in July 2020, 2021, and 2022 Better Work Jordan conducted surveys in an ongoing effort to collect information on the state of the garment industry. The programme worked with a local research team to collect responses from workers and managers. Over the course of four weeks in July 2022, a team of enumerators collected survey results from 1,567 workers across 84 factories, or roughly 2 per cent of the garment sector workforce. The team surveyed a different, random selection of workers at the same factories surveyed in previous rounds. The survey design was stratified by gender and nationality within each factory to ensure an accurate representation of workers along these lines. Within each group, workers were chosen at random. Most workers were surveyed on Fridays in a neutral setting outside of the factory. The survey was conducted online, and the majority of workers used their own phones to complete the survey. The survey took approximately 30 minutes for workers who could read, and around 60 minutes for workers who used the audio recording. One manager from each factory also completed a separate survey as well. In July 2021, a supervisors’ survey was introduced with 364 supervisors completing the survey in 2021, and an additional 438 supervisors in 2022. ‘Pooled results’ refers to responses across all four rounds of survey collection. Otherwise, responses from July 2022 are used.

**Calculating Non-Compliance:** Better Work calculates non-compliance rates for each factory and reports them in individual factory reports. The non-compliance rate is reported for each compliance point, and a CP is reported as non-compliant if one or more of its questions show evidence of non-compliance. In public annual reports, Better Work uses the average compliance rates across all participating factories within the reporting period. For instance, an average non-compliance rate of 100 per cent under a question indicates that all participating factories had violations in that area.



**Limitations of Better Work Assessment:** Detailed factory assessment reports are based solely on what is observed, investigated and analysed during assessment visits. Before the reports become official, factories are given five working days to provide feedback and clarifications, which in some cases impacts the language in the final report. Certain issues remain difficult to assess and verify independently. The low literacy level of a large percentage of workers can affect the integrity of documentation related to workers' consent for overtime work, storing personal documents, disciplinary procedures and employment rights. To overcome such limitations to some extent, information provided by workers and management are crosschecked through representative interview samples and various documents maintained at the factory.

**Limitations of Better Work Jordan Assessments:** In the context of Jordan, limitations in the assessment process can also arise when monitoring issues specific to migrant workers. It is beyond the scope of the programme to thoroughly investigate contracting procedures in workers' countries of origin. Age verification for migrant workers can be challenging, as birth dates in national passports – the primary document available to verify a worker's age – can be falsified with fake birth certificates.

Detecting violations of workers' entitlements upon termination of their contract has been difficult, especially in cases where no proper documentation is maintained to indicate the amount paid to workers. Furthermore, in some cases where the paperwork may show that the worker received all their entitlements, whether the worker had actually received the stated amount cannot be verified once the worker has left the country. Unlawful terminations are also difficult to justify through multiple sources and are usually dependent on cross-checking workers' statements following incidents such as work stoppages or strikes. In such cases, management may maintain paperwork to show that the worker had wilfully resigned or may not maintain any termination-related documents at all.

Assessing compliance with FoA in Jordan has been challenging for Better Work Jordan for a number of reasons. The existing Jordanian Labour Law does not adequately protect freedom of association, and the single-union structure prevents workers from forming a labour union of their choice. Factories become non-compliant on questions related to freedom of association by default. Better Work Jordan continues to monitor other aspects of union operations, including union access to factories and facilities, anti-union discrimination, compliance with the sector-wide CBA, and strikes at the enterprise level. At the same time, the trade union for the Jordanian apparel sector does not fully represent the majority migrant workforce. The union also has limited capacity in adequately communicating with the migrant workforce due to language barriers.

**Limitations of Calculating Non-Compliance:** The binary 'yes or no' structure of the answers to compliance limits the ability of Better Work to numerically present the severity of non-compliance, and is not conducive to capturing the 'levels of non-compliance'. For example, a factory may significantly improve in a particular area but may still not qualify as compliant. While an aggregate and strict indicator, the non-compliance rate is useful for Better Work to compare data across countries and have a general idea of areas of non-compliance in the industry. It is often beyond the capacity of such numbers to fully capture the specific issues observed during factory assessments. Accordingly, it is important to examine the Clusters and CPs in further detail to create a more comprehensive understanding of the industry and the overall non-compliance rates, and to understand the specific reasons for violations (as presented).

## Endnotes

- I. "Jordan truckers strike over costly fuel, some shops shut in solidarity," 14 December 2022, Reuters, Suleiman Al-Khalidi; "Jordan's truckers struggle to get by, sparking protests, violence," 22 December 2022, Al Jazeera, Hanna Davis.
- II. Jordan Department of Statistics, Quarterly Estimates for Gross Domestic Product by Economic Activity at Constant Prices, (2008-2022). Accessed 31 March 2023.
- III. "Jordan's economy shows signs of pandemic recovery," Jordan Times, 2 January 2023.
- IV. Jordan Department of Statistics, Monthly Consumer Price Index.
- V. The World Bank in Jordan, [Country Overview](#), accessed 31 March 2023.
- VI. Jordan Department of Statistics, "[23.1% unemployment rate during the third quarter of 2022](#)".
- VII. Ministry of Labour, [National Labour Market Indicators \(2017-2021\)](#), September 2022. Table 1.
- VIII. Ibid. Table 40.
- IX. Ibid. Tables 42 and 43.
- X. "[Better Work Jordan: Working Hours and Wages in the Jordanian Garment Sector](#)," Report, November 1, 2022.
- XI. "[Joint press release on the current proposals for the modernization of the public sector and the proposed plans to abolish the Ministry of Labour Issued by a group of civil society organisations](#)," August 2022, Arab Renaissance for Democracy and Development.
- XII. Authors' calculations based on data gathered from the Department of Statistics on 2 March 2023. Garment exports for article of apparel and clothing accessories, knitted or crocheted (HS61); articles of apparel and clothing accessories, not knitted or crocheted (HS62); and other made-up textile articles, sets, worn clothing and worn textile articles and rags (HS63).
- XIII. Data gathered by Better Work Jordan during assessment visits throughout 2022.
- XIV. Centre for the Promotion of Imports from developing countries (CBI), "[Value Chains Analysis \(VCA\) Garments, Jordan](#)", January 2019.
- XV. Ministry of Labour, "[Annual Report on Garment Companies at Development Zones](#)", 2022.
- XVI. "[Better Work Jordan Report: Working conditions in BWJ Participating Non-garment Factories](#)," 7 September 2022.
- XVII. [Better Work Jordan Phase IV Strategy \(2022 – 2027\)](#), 7 July 2022.
- XVIII. A policy brief accompanies each round of data collected. All policy briefs include key information on worker opinions about working conditions, grievance mechanisms, stakeholder engagement, and one additional topic. The first policy brief summarises the data gathered in June 2019 and focuses on stress in the workplace, see "Better Work Jordan: Worker Voice Survey Results", November 2019. The second policy brief summarises the data gathered in December 2019 and focuses on third-party audits, see "Better Work Jordan: Worker and Manager Survey Results", June 2020. The third policy brief summarises the data gathered in July 2020 and focuses on mental well-being, see "Better Work Jordan: Worker and Manager Survey Results", November 2020. The latest policy brief covers changes in results over the last three years and introduces the supervisors' survey, see "Better Work Jordan: Worker, Supervisor and Manager Survey Results," November 2021.
- XIX. This number covers all factories participating in Better Work Jordan, including some non-garment factories. There are an estimated 77,820 workers in Better Work Jordan-participating garment factories.
- XX. For more information, see [International Labour Standards on equality of opportunity and treatment](#), ILO.
- XXI. Direct Requests (CEACR) - adopted 2020, published 109th ILC session (2021), Equal Remuneration Convention, 1951 (No. 100) and Discrimination (Employment and Occupation) Convention, 1958 (No. 111) – Jordan.
- XXII. The garment sector PAC agreed to adjust the standard for the employment quota. In the Labour Law, the quota should be four per cent the whole workforce. However, the PAC decided that hiring quota for persons with disabilities may be determined based on the number of Jordanian workers only.
- XXIII. "[Jordan's garment sector removed from US forced labour listing](#)," ILO, 9 October 2016
- XXIV. "[Better Work Jordan: Working Hours and Wages in the Jordanian Garment Sector](#)," Report, November 1, 2022.
- XXV. Raymond Robertson. November 2019. Discussion Paper 32 – [Working Conditions, Transparency, and Compliance in Global Value Chains: Evidence from Better Work Jordan](#).
- XXVI. Better Work's Discussion Paper 29, [Lights On: Transparency and Compliance analyses factory-level compliance from Cambodia to evaluate the effect of reintroduction of public reporting in Cambodia](#).
- XXVII. Better Work [Transparency Portal](#).



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