First Progress Report

LABOUR ADMINISTRATION AND COMPLIANCE IN JORDAN:

A Multi-Stakeholder Collaboration

OCTOBER 2009

The Ministry of Labour Hashemite Kingdom of Jordan





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## FOREWORD

Workers are the critical foundation upon which Jordan's economic growth and development are built. Consistent with that recognition, the Ministry of Labour's mission is to assure the effective functioning of labour administration mechanisms in Jordan, including the stringent application of Jordan's labour laws and continued progress in working conditions throughout the country. The Ministry of Labour leads these improvements, but there are many other agencies that play an important role in fulfilling this mission and helping Jordan meet its international labour obligations.

Over the past several years, the Government of Jordan has been working diligently on making the necessary institutional and legal reforms to enhance compliance with Jordanian labour law and meeting international standards. In collaboration with domestic stakeholders, including our employers and workers, along with foreign governments and international organizations, we have significantly strengthened our labour institutions and deepened the national consensus around the need for more and better jobs and the importance of labour compliance in our workplaces.

This report details progress made on labour reform in Jordan since our initial report was released in February 2008. We are proud of the many positive steps we have taken as outlined in this report, including the evident improvements in our labour inspectorate and the ground-breaking work we are doing with the International Labour Organization in improving working conditions in the Qualifying Industrial Zones. Of course, we are not yet satisfied, and we still see our efforts as a work in progress.

As we made clear in our first report, we remain committed to becoming a positive model for labour administration and compliance not only for our region, but also in terms of global best practices. In pursuing that goal, we remain committed to the type of transparency and accountability represented by this report.

I would like to take this opportunity to recognize and thank all of our domestic and international stakeholders and partners. Working together makes all the difference, and I greatly appreciate the commitment and involvement of so many who continue to realize the vision of Jordan as a leader in labour administration and compliance with expanding employment opportunities for all Jordanian workers.

Sincerely,

**Dr. Gazi Shbaikat** Minister of Labour, The Hashemite Kingdom of Jordan

## ABBREVIATIONS

## **EXECUTIVE SUMMARY**

ASEZA	Aqaba Special Economic Zone Authority				
BEST					
BSR	Building and Extending Skills Training Systems Business for Social Responsibility				
BWJ	Better Work Jordan				
CECLE	Combating Exploitive Child Labour				
CECLE	through Education				
CEDAW	Committee on the Elimination of Discrimination Against Women				
CHF	Cooperative Housing Foundation International				
CIDA	Canadian International Development Agency				
CIF	Core Inspection Force				
EDSDP	Employer-Driven Skills Development Project				
ESC	Economic and Social Council				
EU	European Union				
ETF	European Training Foundation				
E-TVET	Employment-Technical and Vocational Education & Training				
FTA	Free Trade Agreement				
FTJ	Fair Trade Jordan				
GTZ	Gesellschaft für Technische Zusammenarbeit				
IFC	International Finance Corporation				
IFPA	International Fairs and Promotions Agency				
IISL	Intensive Inspection Surveillance List				
ILO	International Labour Organization				
JAF	Jordanian Armed Forces				
JGATE	Jordan Garments Accessories, & Textiles Exporters' Association				
JICA	Japan International Cooperation Agency				
JOHUD	Jordanian Hashemite Fund for Human Development				
MoL	Ministry of Labour				
MOU	Memorandum of Understanding				
NCFA	National Council for Family Affairs				
NCHR	National Centre for Human Rights				
NCT	National Committee on Trafficking				
NET	National Employment Centre				
NITC	National Inspector Training Centre				
NTEP	National Training & Employment Project				
PSD	Public Security Directorate				
QIZs	Qualifying Industrial Zones				
SABEQ	Sustainable Achievement of Business Expansion and Quality Program				
SOPs	Standard Operating Procedures				
TIP	Trafficking in Persons				
USAID	United States Agency for International Development				
USITC	United States International Trade Commission				
VTC	Vocational Training Corporation				
WTO	World Trade Organization				

OVER THE PAST FEW YEARS, the Government of Jordan has committed itself to an ambitious and comprehensive programme to strengthen labour administration, reform labour laws consistent with international standards, improve compliance throughout the nation, and enhance employment opportunities for Jordanian workers. To this end, the Government developed and released in March 2007 an Action Plan outlining its strategy and programme. The Ministry of Labour (MoL) has led the effort to implement and refine this programme in collaboration with a large number of domestic and international partners and stakeholders. The results achieved thus far are notable in terms of strengthened labour institutions and capacity, reforms to various Jordanian laws, and progress in implementing projects supported by international agencies.

These efforts are taking place in the context of the significant employment and economic growth challenges faced by Jordan. A middle-income developing country, Jordan has in the years before the global recession recorded strong GDP gains despite its limited natural resources and the difficult regional political environment. It has one of the youngest populations in the world, with a median age of 24, and an estimated population growth rate of 2.3 percent for 2009. These demographics require new jobs for an increasing number of new labour market entrants every year, and therefore the need to increase worker skills to support further productivity, market competitiveness, and overall longterm economic growth. Despite these challenges, the Government of Jordan successfully lowered the unemployment rate to 12.7 percent in 2008 from 14.8 percent in 2005. Given the impact of the global financial crisis, even more work remains to be done to create opportunities for the young and growing Jordanian population.

During the past decade, Jordan's commitment to domestic reform and openness to international trade has helped increase economic growth and employment. One well-known growth sector has been apparel. The apparel industry developed following the establishment of the Qualifying Industrial Zones (QIZs) in Jordan under the U.S.-Israeli Free Trade Agreement (FTA) that led to the eventual signing of the U.S.-Jordan FTA. Between 2000 and 2006, apparel exports from Jordan to the United States grew from US \$50 million to some US \$1.25 billion. The rapid growth of the apparel sector put a strain on Jordan's labour market, resulting in a large influx of guest workers, primarily from Asia. This development constituted a particular challenge for Jordan's labour institutions in upholding worker rights. More recently, apparel sector exports have fallen, and will amount to less than US \$900 million in 2009. This reduction poses its own set of challenges for Jordan's labour institutions and employment market.

In response to the combined challenge of creating more jobs for Jordanians and ensuring worker rights for all workers in Jordan, in 2007 the Government adopted a comprehensive labour reform action plan. Within the framework of this Action Plan, the MoL continues to actively collaborate with domestic and international stakeholders to improve labor administration under a three pillar approach: (I) improving working conditions through enforcement and compliance assistance, (II) enhancing institutional capacity, and (III) increasing employment opportunities for Jordanians. In February 2008, the MoL published a comprehensive report on the substantial steps it had taken under each pillar to improve labour compliance in Jordan – Labour Administration and *Compliance in Jordan: A Multi-Stakeholder Collaboration.*<sup>1</sup>

This *Progress Report* is an update on new developments since February 2008, and summarizes the actions taken by the MoL and other domestic and international agencies in support of the three pillars of the strategic framework. Some highlights of these actions for each pillar are summarized below.

### First Pillar – IMPROVING WORKING CONDITIONS THROUGH ENFORCEMENT AND COMPLIANCE ASSISTANCE

The MoL has made important advances in improving working conditions through enforcement and compliance assistance. Among the key compliance changes has been a major reform of the Golden List and the Intensive Inspection Surveillance List (IISL). The criteria for the Golden List, a mechanism to encourage employer compliance in apparel factories, has been made more rigorous. The operating approach to the IISL, which identifies those factories with the most serious compliance concerns, has also been strengthened. The MoL also continues to perform its regular enforcement activities, providing both compliance assistance and issuing sanctions when necessary. For example, in the four major QIZs, where most of the apparel-manufacturing sector is located, for the period July 1, 2008 - June 30, 2009, inspectors provided compliance advice on 856 occasions and issued 125 warnings and 2,293 fines.

Another important aspect of improving working conditions has been enhanced procedural protections for guest workers in Jordan. The Government of Jordan has been providing opportunities and resources to guest workers and their employers inside and outside of the QIZs to regularize their employment documentation and status, thereby limiting potential abuses.

### Second Pillar — ENHANCING INSTITUTIONAL CAPACITY

Since the 2008 report, many important advances have been made in enhancing Jordan's labour institutions. Such changes are helping to put in place a sustainable capacity to assure workplace compliance. Among the recent changes are further improvements in the labour inspectorate and modifications to the legal framework.

Notably, the MoL formalized inspection reform activities into the Inspection Reform Project and allocated an additional 2.2 million JD, which was, inter alia, used to recruit new inspectors and improve inspectorate training. To help with recruitment and training efforts, the MoL has established the National Inspector Centre, a facility to train inspectors. Since last year, 63 more inspectors were trained and sworn in. Under the umbrella of this project, the MoL has also cooperated with the International Finance Corporation (IFC) to develop inspection tools, including a desk manual for

<sup>&</sup>lt;sup>1</sup>Both the Labour Administration and Compliance in Jordan: A Multi-Stakeholder Collaboration and the current First Progress Report are available on the Ministry of Labour's website – www.mol.gov.jo – as well as the website of the Embassy of Jordan – jordanembassyus.org.

inspectors. Providing better pay and the procurement of additional infrastructure for the labour inspectorate has also been an important part of the project.

Further, in response to the recent developments in the labour market, important changes to the Labour Code were formally adopted by the Parliament in June 2008. They include extending coverage to workers in the agriculture and domestic sectors, prohibiting forced labour, and prohibiting harassment and other forms of abuse. These amendments were based on recommendations by a tripartite consultative committee. The Cabinet has also agreed to another 35 amendments, which have been submitted to the Parliament for consideration. Most recently, in August 2009, the MoL issued the new regulations required under the June 2008 reform to specify the rights and protections for migrant domestic workers and the new stricter requirements governing private employment agencies that recruit such domestic workers.

One of the important initiatives under this pillar has been the implementation of the Better Work Jordan Project (BWJ) by the International Labour Organization (ILO). No other single initiative better signifies Jordan's commitment to assure world class labour compliance in its apparel sector and throughout the nation than this project. Jordan was just the second country in the world, and the only one in the region, to undertake such an ILO project with the level of accountability and transparency that is required. Thus far 17 factories have committed to participate in BWJ, representing approximately 20,000 workers or 40 percent of the current labor force in the apparel sector. BWJ expects to have 30 factories participating by the end of 2009, covering two-thirds of the labour force in the apparel sector. Major international buyers are strongly supportive of the BWJ program, and recognize it requires the very highest levels of labour compliance. The Government is currently considering measures to further boost factory participation in BWJ.

In addition, Jordan is increasing its efforts to eliminate forced labour and trafficking. A new anti-trafficking law came into force in March 2009. The Ministry gives the highest priority to combating forced labour, as illustrated by the inclusion of a specific article prohibiting forced labour in the Labour Code in 2008. Also, in 2008, the MoL investigated and addressed more than 500 complaints through its labour hotline, some of which included indicators of possible forced labour.

The MoL has also coordinated the efforts of all agencies responsible for issues of forced labour and labourrelated trafficking through different inter-Ministerial Committees. These are now being replaced by other mechanisms, such as the National Committee on Trafficking (NCT). Established under the new trafficking law, the NCT is currently developing a national strategy to combat trafficking as well as recommendations for establishing shelters for trafficking victims. In addition, the MoL continued working with an ILO project to undertake education and awareness raising programmes on forced labour and trafficking and remediation responses. Similarly, the Government of Jordan has worked to eliminate child labour through public awareness campaigns, and the improved training of labour inspectors on identifying child labour and coordinating with the appropriate social services agencies. A new National Child Labour Steering Committee has been established to further improve coordination between various government agencies and non-governmental stakeholders to better target resources against exploitative child labour.

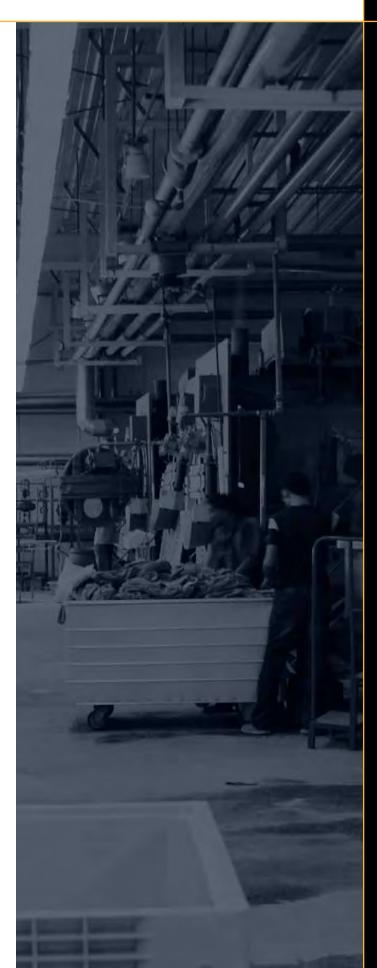
The MoL has also established a Worker Humanitarian and Legal Assistance Fund, which provides aid to guest workers in the QIZs when necessary in terms of funding for food, lodging, airplane tickets, administrative visa fines, and lawyer fees. Since the country also has a sizeable migrant domestic worker population, the Government has worked to strengthen their protections through reforms to the Labour Code aimed at better specifying the rights and responsibilities of domestic workers and their employers, and strengthening the regulation of private employment agencies that recruit domestic workers. Given the importance of international cooperation to combat any potential abuses involving migrant workers, the Government of Jordan has completed a bilateral agreement with Indonesia and is negotiating similar migrant worker agreements with Sri Lanka and the Philippines.

### Third Pillar – INCREASING EMPLOYMENT OPPORTUNITIES FOR JORDANIANS

The overarching goal of the Government of Jordan is to increase employment opportunities for Jordanians, including in the apparel sector. In order to do so, the Government of Jordan has been working with a number of domestic and international stakeholders. The Government has dedicated significant resources to reforming and developing vocational and educational training programmes. A major initiative of the government in this regard is the Employment-Technical and Vocational Education and Training (E-TVET) Sector Reform Project, which focuses on ensuring that vocational training is demand-driven and quality-based, and supports the development of a more globally competitive Jordanian workforce.

Understanding that the private sector is essential to the development of employment opportunities, the Government of Jordan has entered into a number of public-private partnerships, including in the hospitality, logistics, information technology, and construction sectors. One of these partnerships seeks to increase the employment of Jordanians in the apparel sector. The Satellite Factory Project brings work to unemployed Jordanians by establishing apparel manufacturing factories in areas more accessible to such workers. Two satellite factories have been established, employing approximately 350 Jordanian women most of whom were previously unemployed.

In summary, the progress made in labour administration and compliance over the last three years reflects the full commitment of the Government of Jordan to establish Jordan as a positive model on workplace issues. Perhaps no single initiative better demonstrates this commitment than the ILO Better Work Jordan Project, which involves full international accountability for the efforts of the Jordanian Government. In short, the Government of Jordan, in partnership with domestic and international stakeholders, has embraced the challenge to be a leader on achieving labour compliance and quality employment for all workers and employers in Jordan.



JORDAN HAS SHOWN A UNIQUE COMMITMENT in the region to reforming its labour law framework and labour administration institutions. Labour compliance has been prioritized and Jordan can now be seen as a positive model for other countries at the same level of economic development.

Over the past few years, the Government of Jordan has committed itself to an ambitious strategy to strengthen labour administration, reform labour laws consistent with international standards, improve compliance throughout the nation, and enhance employment opportunities for Jordanian workers. To this end, the Government developed and released in March 2007 an Action Plan outlining its strategy and programme.

To track the Ministry of Labour's (MoL) efforts and the work of other agencies of the Government of Jordan, a report was published in February 2008, *Labour Administration and Compliance in Jordan: A Multi-Stakeholder Collaboration*, which documents the significant actions taken in 2006 and 2007 to improve labour administration, working conditions and employment opportunities.

This *Progress Report* documents the actions MoL has undertaken since the initial report was published 18 months ago. These developments cover a broad scope of actions, including changes in laws and regulations, the further professionalization of the labour inspectorate, and important new partnerships within the Government to address concerns such as trafficking and child labour.

These initiatives have been moved forward with the critical support of a number of international partners, including the U.S. Agency for International Development (USAID), the International Labour Organization (ILO), the World Bank and its affiliate the International Finance Corporation (IFC), and other important international donors, including the European Union (EU) and Canada. Without these essential partnerships, Jordan's capacity to move forward on the ambitious labour agenda adopted in 2007 would have been much reduced. Some of the initiatives undertaken by Jordan since the 2008 MoL report include:

- Revisions of the monitoring and compliance mechanisms used by MoL, including the Golden List criteria used to identify superior factories;
- Reform of the labour inspectorate through a comprehensive strategy involving better pay, further training, updated procedures, and improved equipment and facilities;
- Provision of amnesty periods for guest workers without documentation and support infrastructure for migrant workers that need financial or legal assistance;
- Amendments to the 1996 Labour Code to extend protections to agriculture and domestic workers, increase fines for labour violations, prohibit forced labour, prohibit workplace harassment and abuse, and provide a statutory basis for the National Tripartite Consultative Committee;
- Issuance of regulations establishing protections for domestic workers and strengthening requirements on private employment agencies that recruit such workers – seven such firms have been shut in the last year by the MoL for violations;
- Launch of the ILO Better Work Jordan Project, and enrollment of some 17 factories covering 40 percent of the garment work force, with the participation expected to expand significantly before the end of 2009;
- Enactment of a new anti-trafficking law, establishment of the National Committee on Trafficking, and related institutional reforms to enhance enforcement and support for trafficking victims;
- Improvement of training of labour inspectors to target child labour, enhanced cooperation between government agencies and key NGOs, and establishment of the National Steering Committee on Child Labour to coordinate and leverage efforts of various stakeholders; and
- Increased employment opportunities for Jordanians

through further improvements to Jordan's vocational education system.

The full details of these important developments are outlined in this *Progress Report* under the same three pillar approach which has been the strategic framework for the reform effort since the Action Plan's adoption in 2007. These pillars include: (I) improving working conditions through enforcement and compliance assistance, (II) enhancing institutional capacity, and (III) increasing employment opportunities for Jordanians.

Today, Jordan's single biggest challenge is to create employment opportunities for its citizens. While unemployment fell from 14.8 percent in 2005 to 12.7 percent in 2008, the lowest rate in a number of years, the country faces distinct employment challenges due to its population structure. The median age of its population of 6.3 million is 24 coupled with an estimated population growth rate of 2.3 percent for 2009. The young population creates a number of challenges for the Government, namely the need to create new jobs for an increasing number of labour market entrants each year, and therefore the need to increase skill levels to support further productivity, market competitiveness and overall longterm economic growth. To this end, the Government of Jordan has embarked on an extensive reform of its vocational education system to ensure it is demanddriven and quality-based.

While the global financial crisis may not have hit Jordan as hard as some other countries, the effect has most certainly been felt and the impact will continue for some years to come. For instance, whereas the unemployment rate for the last two quarters of 2008 was 12 percent, it was 12.2 percent for the first quarter of 2009, 13 percent for the second quarter, and 14 percent for the third quarter.

No doubt the global financial crisis also has contributed significantly to the weakening of one of Jordan's most globally integrated industries, the apparel sector. The apparel industry grew impressively in Jordan following the establishment of the Qualifying Industrial Zones (QIZs), increasing from US \$50 million in apparel exports to the United States in 2000 to some US \$1.25 billion in 2006. This trend was reinforced by the negotiation of the U.S.-Jordan Free Trade Agreement (FTA), which entered into force at the end of 2001.

The rapid growth of the apparel sector put a strain on Jordan's labour market, resulting in a large influx of guest workers, primarily from Asia. This development constituted a particular challenge for Jordan's labour institutions in upholding labour rights. The Government of Jordan responded aggressively to these concerns, and with the assistance of USAID, undertook its own comprehensive assessment of labour compliance in the apparel industry.

In response to the combined challenge of creating employment opportunities for Jordanians and ensuring worker rights for all workers in Jordan, the Government developed a labour reform strategy constituting a comprehensive commitment to strengthen Jordan's labor institutions and legal regime. The results of these efforts were published as the Action Plan in 2007, which has been successfully implemented over the last two years.

Although apparel exports continue to be of great importance to Jordan, the industry has declined by almost 30 percent since its peak in 2006. Exports of apparel have decreased from almost US \$1.25 billion in 2006 to under US \$1 billion in 2008. Clearly, part of the decline is due to the end of quotas on China and the recent global economic contraction — but perhaps some of this decline reflects Jordan's insistence that labour compliance be respected. After all, the MoL took action to shut down nine factories between July 2006 and February 2008 due to labour violations — but it is worth noting that no apparel factories have had to be closed by the Ministry in the last 18 months for such reasons.

In spite of the economic difficulties Jordan is facing, the Government will remain committed to the full implementation of the Action Plan it has adopted, and will continue to seek international support to accelerate the process. The vision of establishing world class labour institutions that provide both the skills Jordanians need to find ever better jobs in the global economy, and which also assure the dignity of all those working in Jordan, will remain our clear objective.



## THE THREE-PILLAR STRATEGY OVERVIEW

# LABOUR ADMINISTRATION AND COMPLIANCE

### I. Improving Working Conditions through Enforcement

### and Compliance Assistance

- Regular Labour Inspection Enforcement Activities
- New Stricter Golden List Procedures
- The Intensive Inspection Surveillance List
- Regularization of QIZ Guest Workers

### II. Enhancing Institutional Capacity

- Labour Code Reform
- The Inspection Reform Project
- ILO/IFC Better Work Jordan Project
- Eliminating Forced Labour and Trafficking
- Eliminating Child Labour
- Domestic Workers
- Economic and Social Council

### III. Increasing Employment Opportunities

- Vocational Education and Training Reforms
- Public-Private Partnership Projects

## I. Improving Working Conditions through Enforcement and Compliance Assistance

Enforcement and compliance assistance are key elements in ensuring the effective application of essential workplace regulations. These include preventing child and forced labour; preventing discrimination, harassment or abuse; meeting wage and working hour standards; and providing a healthy and safe environment for workers.

In addition to undertaking regular law enforcement activities, since the February 2008 report the Government of Jordan has taken further action to improve the enforcement of and compliance with labour standards by strengthening various mechanisms.

### REGULAR LABOUR INSPECTION ENFORCEMENT ACTIVITIES

The MoL has local Labour Offices throughout the country. Almost all of these have a labour inspection function. Labour inspectors in these offices undertake enterprise inspections on an almost daily basis and use the tools available to them to ensure working conditions are in line with legal requirements.

The four main QIZs in Jordan each have their own labour office with a labour inspection function. Table 1 shows the number and type of actions taken by the

TABLE 1:

Ministry of Labour Inspection Actions between July 1, 2008 and June 30, 2009 in Selected Qualifying Industrial Zones

QIZs	ADVICE	WARNINGS	FINES
Hassan	255	55	1211
Tajamoat	453	17	284
Dulal	41	42	769
Karak	107	11	29
Total	856	125	2293

Labour Inspectorate in these four zones, which contain most of the apparel manufacturing factories in Jordan.

In 2006, the MoL established a hotline, which has now become integrated as part of its regular law enforcement mechanisms. Workers can call the hotline to lodge complaints or to learn more about their rights and responsibilities under Jordanian labour law. The hotline has also been set up to serve guest workers. In addition to Arabic, hotline staff speak five languages: Bengali, Chinese, Filipino, Indonesian, and Sinhalese. In 2008, the MoL investigated 535 general labour complaints received through its hotline.

## **SPOTLIGHT**

## Mohammed — From Garment Factory Worker to Ministry Hotline Staff

Mohammed Al Akhras, 24, has been working at the Ministry for three years as a Sinhalese speaker for the hotline. "The whole process happened very quickly," recalls Mohammed, "one day I was working in a garment factory and the next I was employed by the Ministry to work on the hotline." Since 2004, Mohammed had worked alongside Sri Lankan nationals in a QIZ garment factory, quickly striking up friendships with his co-workers, learning about their culture and traditions, and picking up a new language at the same time. "I used to record what my Sri Lankan co-workers said so I could practice after work," reminisces Mohammed.

As a factory employee, Mohammed earned a basic salary of 85 JD a month, some of which was contributed to his family of ten. Today, he earns 400 JD a month, part of which continues to support his parents and siblings that live in Irbid, while he works and studies in Amman. The other part he uses to further his education. Currently, Mohammed is in his second year as an English language student at a local private university. He attends class three times a week after a full day of work, something that he could not afford right after high school.

"I enjoy what I do, and I like being able to help people," states Mohammed. Skills developed from his early years in the garment industry have allowed him to work closely with labour inspectors in the field and be involved in various situations including difficult strike negotiations, clarifying aspects of the labour law, and providing the assurance to guest workers that the MoL is constantly working to overcome language and cultural barriers.

Mohammed in front of the Ministry of Labour.



### NEW STRICTER GOLDEN LIST PROCEDURES

In 2006, the MoL, in consultation with the private sector, created the Golden List. This monitoring mechanism for garment factories aims to ensure that employers are complying with the law and distinguishes those that also adhere to certain best practices on labour rights and working conditions. Employers that meet the criteria are added to this list, which is used by a number of international buyers in their sourcing decisions as they consider it provides assurances that goods are produced in compliance with Jordanian labour law and international labour standards.

The MoL revised the Golden List criteria in May 2008. Some of the new eligibility criteria stipulate stricter rules limiting overtime hours and the maximum amount that can be deducted from workers' salaries for living accommodations. New procedures also address issues related to child and forced labour as well as physical and sexual abuse in the workplace.

In addition, the MoL increased its Core Inspection Force (CIF), which conducts all Golden List inspections, to 16 staff and trained them on the new procedures to ensure Golden List inspections are uniform and effective. All factories previously on the Golden List, and any new factories that want to join the Golden List, must qualify under the new procedures to become eligible. Factories that held Golden List status under previous criteria but do not meet the new Golden List criteria are given a grace period to make the necessary improvements.

## SPOTLIGHT

## JC Penney and the Golden List

A senior JC Penney representative sent the following e-mail to the MoL on March 18, 2009, expressing appreciation for Government efforts made, in particular with regard to the Golden List:

Mr. Bassem Khalil Al Salem Minister of Labour

In today's constantly changing global environment, we value the Government's help in resolving labour issues. All too often issues of this nature go unresolved by many Ministries around the world.

Stating clear guidelines and standards and applying such points are reasons why we rely on the 'Golden List' as a guide to who passes the Ministry's standards.

Our suppliers constantly talk about the Minister of Labour's willingness to work with them and convey a clear understanding of the Government's labour requirements. This is a key reason why our plans are to double our exports from Jordan over the next 36 months.

JC Penney Purchasing Corporation is proud to have been one of the very first retailers to use the IRBID QIZ.

As a visitor to your country, I want to convey my sincere appreciation for making the experience a successful one.

Regards, Peter McGrath Chairman JC Penney Purchasing Corporation

## THE INTENSIVE INSPECTION SURVEILLANCE LIST

The Intensive Inspection Surveillance List (IISL), initially established in March 2007 for the QIZs only, includes enterprises with a record of having serious and repeated labour violations. The MoL subjects factories on the IISL to more frequent inspections to ensure enterprises are improving their compliance. After the IISL spurred positive results in the QIZs, the MoL decided to apply a formalized version of the IISL throughout Jordan.

As of February 2009, the MoL adopted new criteria for the IISL, emphasizing the number and frequency of penalties issued against an enterprise and the turnover rate of guest workers. If an enterprise is found repeatedly violating the labour law or guest worker criteria, it can be placed on the Blacklist or Watchlist. An enterprise on the Blacklist is forbidden to bring in guest workers. An enterprise on the Watchlist can only bring in guest workers after Inspectorate approval.

To assist in implementing these new regulations, inspection reports on warnings and fines issued to an enterprise are entered into a computer system using newly developed software. The Inspectorate has hired two data entry staff for this purpose. The software programme automatically determines whether an enterprise should be included in the IISL.

## REGULARIZATION OF QIZ GUEST WORKERS

Employer and employee compliance with guest worker policies remains a priority of the Government of Jordan.

Significant progress has been made in the regularization of guest workers in the QIZs since the last report. Table 2 provides the nationality composition of workers in the four primary QIZs.

In March 2008, the Cabinet declared an "amnesty period" during which QIZ guest workers without valid legal documentation would not be subject to fines related to their status, provided they regularize their status or return to their home country. In March and April 2008, employers and workers in the QIZs received information on relevant procedures. As a result of the Government's efforts, 5,676 guest workers successfully received new work and resident permits by the dead-line and 1,307 guest workers voluntarily returned home. In the process, the Government waived fines totalling 7.1 million JD (equal to US \$10 million).

## **SPOTLIGHT**

## QIZ Guest Workers – The Stories Behind the Statistics

**MAXUDA,** from Bangladesh, is the eldest of six children. She has worked in two garment factories in Jordan for the past six years. Beginning in one factory as a quality checker earning a basic salary of 85 JD a month, Maxuda's salary was always sent back to her parents to financially support them and pay the school fees for her four younger sisters and younger brother.

In 2006, the factory she was employed by closed its doors leaving Maxuda and other guest workers stranded without employment. The Ministry of Labour worked closely and swiftly with the workers and a number of garment factories in Jordan to secure employment for the stranded workers.

TABLE 2: Workforce Composition by Nationality in Four Qualifying Industrial Zones as of August 31, 2009

QIZs	Jordanian Workers	Sri Lankan Workers	Bangladeshi Workers	Indian Workers	Chinese Workers	Other Nationalities		
HASSAN	4017	2357	1928	914	3317	744		
TAJAMOAT	1236	1807	2072	524	657	290		
DULAL	1510	4328	3504	1469	-	310		
KARAK	884	474	-	-	960	-		
TOTAL per zone	7647	8966	7504	2907	4934	1344		
Total number of workers for all four zones: 33,302								

Since then, Maxuda has been promoted to be a machine operator earning a basic monthly salary of 110 JD, and is able to provide added and much needed support to her family.

MALIKA is a 34 year old, married mother of two from Sri Lanka. She has been in Jordan for five years. She began her work in a Sri Lankan-owned factory as a machine operator earning a basic monthly salary of 110 JD, and remained in that position for four years. During this past year, Malika was promoted to be a line leader earning a basic salary of 175 JD a month. Malika notes that this promotion happened much in part to the support and endorsements her coworkers expressed to the factory manager and owner. "We [are] one family," states Malika with a broad smile, noting that her co-workers are Jordanian, Sri Lankan, Bangladeshi and Indian all of who enjoy each others company and learn each others languages, cultures and traditions. These friendships developed shortly after Malika's arrival in Jordan, despite her initial apprehension of working in a foreign country alongside workers from various cultures.

Malika tells that over the past five years she has sent a large portion of her salary home to support her two children, parents, siblings, and husband who all live together in one house. She used the remainder of her salary to purchase seven sewing machines to fulfill her plan to open a sewing shop in her hometown once her time in Jordan comes to an end. Malika would like to purchase a few more machines before she leaves Jordan.

**RIZA KAREEM** is a quiet and serious 27-year-old Bangladeshi who has worked in Jordan for the last four years. In that time, Riza has learned several languages including Hindu, Urdu and Sinhalese. Beginning as a leader of the finishing department of one factory, the married father of one earned a basic salary of 177 JD a month, far more than what he could earn in Bangladesh. However, soon after he arrived in Jordan the factory he worked at closed its doors. With assistance and quick action by the Ministry of Labour, Riza was placed in another factory, where management swiftly recognized his language skills and management capacity. He was promoted to HR Manager for Bangladeshi workers and now earns a basic monthly salary of more than 280 JD. Riza's salary goes to support his parents, wife and child as well as his four brothers and two sisters.

When asked what he does in his free time, a smile crosses his face and he states that his factory has good cricket and football teams that do very well against teams from other factories. Riza notes that he would like to stay in Jordan a while longer so he can save more money to buy land in his home country to expand his family's farm.

## II. Enhancing Institutional Capacity

Institutional capacity building is a central component to long-term improvement of Jordan's labour regime. Since the 2008 report, the Government of Jordan has increased the effectiveness of its labour institutions through additional amendments to the labour law, further reforms of the Labour Inspectorate, including inspector training, and increased efforts to combat forced labour and trafficking. Many of these efforts are supported by projects implemented together with international partners such as the ILO, the IFC, USAID, and the Government of Canada.



### LABOUR CODE REFORM

In June 2008, the Jordanian Parliament adopted a number of Government proposed amendments to the 1996 Labour Code. The amendments are partly based on recommendations made by a tripartite consultative committee composed of government, union, and employer representatives created by the MoL in coordination with the ILO. These Labour Code reforms respond to recent developments in the labour market.

In addition, the Cabinet agreed in May 2009 on approximately 35 further amendments to the Labour Code. Subsequently, these amendments were submitted to Parliament for their consideration during one of its upcoming sessions. One of the proposed amendments would enable guest workers to join unions.

## SPOTLIGHT

# New Amendments to the Labour Code

The June 2008 changes to the 1996 Labour Code included:

- an amendment extending the legal protection of the Labour Code to Jordanian and foreign workers in the agriculture and domestic sectors, and requiring further regulations for working conditions and recruitment in these sectors.
- an amendment increasing the fines for certain labour law violations to a minimum of 300 JD and a maximum of 500 JD per infraction.
- new articles prohibiting forced labour, harassment, and all other forms of abuse, including verbal, physical, and sexual abuse.
- a new article providing a legal basis for the establishment of the National Tripartite Advisory Committee to facilitate consultation between the government, unions and employers.

### THE INSPECTION REFORM PROJECT

During the past few years, the MoL has undertaken comprehensive reform of the Labour Inspectorate. Formalized into the Labour Inspection Reform Project, between March 2008 and June 2009, 2.2 million JD were allocated by the Government to fund this reform, and a further 3.6 million JD committed for July 2009 to July 2010. Various reform activities are undertaken by the MoL either by itself or in partnership with international organizations and donors. Project activities include improved recruitment and training of inspectors, increased monetary incentives for inspectors, and better infrastructure and organizational management of the inspectorate.

### The Development of the National Inspector Training Centre

First made operational in 2007, the National Inspector Training Centre (NITC) was officially established as a MoL Regional Office in January 2008. Since then, inspectors and various other groups have frequently made use of the new Training Centre. For example, the NITC provides inspector training on collective bargaining, document inspection, occupational health and safety training, English language skills, and migration policies and labour law. Other training activities that took place at the NITC include a twoday workshop on the Convention on the Elimination of Discrimination Against Women (CEDAW) for staff of the MoL's Women Workers Unit. Further examples of the use of the NITC include four Labour Court sessions during the fourth quarter of 2008 and a twoday training session organized by the ILO Better Work Jordan Project for its staff.

In addition to the various training activities listed above, the basic ILO training of all inspectors took place at the NITC beginning in 2008. The MoL and ILO adjusted the existing training program to be more time and cost efficient and developed a new eight-week ILO training program. In addition to the ILO training, the Inspectorate designed a two-week basic training course for inspectors recruited after December 2008.

#### **Recruitment of Inspectors**

The creation of new facilities and resources for inspection training and inspection infrastructure helped the MoL's efforts to recruit new inspectors. Through the Inspection Reform Project, 30 new inspectors were recruited in 2008 and sworn in on April 25, 2009. A second group of 35 new inspectors were recruited in January 2009. Following the completion of their legallymandated six-month training period they were sworn in as inspectors on August 8, 2009.

Starting in June 2008, following an evaluation, performance-based monetary incentives were provided for inspectors and will continue to be provided. Directors of local labour offices, which perform inspection functions, were provided with monetary incentives as of October 2007. These incentives are essential to the maintenance of a professional and effective Labour Inspectorate.

## **SPOTLIGHT**

## Labour Inspectors – A New Elan

In a drive to ensure improved law enforcement and compliance, labour inspection in Jordan is going through major reform. "In the last few years, we've seen a 180 degree change in approach and action in the Ministry, especially with regard to labour inspectors," notes Ayman who has been a labour inspector for the ministry for the past seven years. "As inspectors, we have been given a significant amount of support that we have not seen in the past." The support has come in the form of clarified job descriptions, equipment upgrades, and an extraordinary amount of both in-class and on-the-job training. With the training came an increased understanding of the scope of work for the inspectors, "we didn't always know what it was we were supposed to be looking for and working on," stated Firas, a labour inspector of five years. Today, with their continuous training and updated learning materials, the inspectors have become effective problem solvers working closely with factory managers and owners as well as the factory workers. "They all have our phone numbers and know us by our first name; it feels good to be able to sort out problems from the smallest to more complex issues," notes Firas, a lawyer by training who can be found in the QIZ labour office of Ad-Dulayl.

The changes have also included a significant recruitment process of new inspectors with varied backgrounds including engineers. "It's a bit difficult to explain to others how engineering and labour inspection go hand in hand," explains Lina, a chemical engineer by education, hired in August 2008. "But when you illustrate how the safety of workers plays an important role in inspection, links are eventually made." Since mid-2008, the Ministry of Labour has hired a total of 65 new inspectors, of which about half were women, bringing the total number of inspectors to date to 145.

"I faced a few challenges when I began my work as an inspector, mainly because my family didn't quite understand that my work involved trips to factories outside of Amman, which sometimes require us to work a little later than most," said Manar, a 24 year old recent Bio-Medical engineer graduate who joined the Ministry inspectorate in January 2009. "Today, though some aspects of the job are still a concern, they are more accepting of what my job entails." Being a female inspector in Jordan has its share of challenges and rewards, especially when it comes to female workers in factories. By the simple fact of being a woman, female inspectors have found that female factory workers feel at ease when discussing a range of concerns and being taken seriously and listened to objectively.

Ayman, Lina, Mazen (Office Director), Manar and Firas.



### **IFC: Development of Inspection Tools**

Within the framework of the MoL Inspection Reform Project, the MoL and the IFC continued developing tools and advisory services to support overall labour inspection reform. The MoL and the IFC developed an inspection manual containing detailed guidance for inspectors concerning inspection procedures and other relevant information. This manual, translated into Arabic, was provided to all Inspectors in August 2009 and includes the first ever written standard operating procedures (SOPs) to be followed while performing inspections. Between March and May 2009, 50 inspectors participated in workshops to become familiar with the SOPs.

In addition, the MoL and the IFC developed an Inspector Diary to help inspectors better manage their workday and track and evaluate their progress. Instructions on how to use the Inspector Diary were delivered to inspectors in December 2008, and inspectors began using the diary in January 2009.

The MoL and the IFC also created an information brochure about inspection for employers. The brochure explains the purpose and significance of labour inspections and also provides detailed information on what can be expected during an inspection visit. Six thousand Arabic and one thousand English versions of this brochure were published in May 2009 and are provided to employers during inspection visits.

#### Infrastructure Improvement

Some of the funds available for inspection reform were used to improve inspection infrastructure. For example, the MoL purchased 25 cars and 50 computers and hired staff to process inspection data.

## **SPOTLIGHT**

## ILO Acknowledgement of Improvements in Labour Inspection in Jordan

A supervisory body of the ILO periodically reviews the application, in law and practice, of ILO Conventions ratified by ILO Member States. In 2009, this ILO supervisory body

published comments acknowledging Jordan's progress in the application of the provisions of Convention 29 on Forced Labour, Convention 182 on the Worst Forms of Child Labour and Convention 81 on Labour Inspection, as follows:

- The Committee noted "with interest" measures taken by the Government of Jordan with regard to Conventions 182 and 81. The Committee uses the phrase "with interest" as a way to express its appreciation with measures taken that (will) contribute to the overall achievement of the objectives of a particular Convention, with the expectation that further progress would be achieved.
- 2. The Committee expressed "its satisfaction" with measures taken by the Government of Jordan with regard to Conventions 29 and 81. The Committee uses the phrase "its satisfaction" when a Government has taken significant legislative or policy measures that achieves fuller compliance with a Convention.
- **3.** The Committee classified measures taken by the Government of Jordan with regard to the application of Convention 81 as "good practice". For 2009 Jordan was one of only 10 Member States listed, and the only Arab Member State listed. The Committee considers that such good practices serve as a model for other countries to assist them in the implementation of ratified Conventions. The Committee classifies a measure as good practice when one of three circumstances apply:
  - a. The practice indicates a new approach to improve or achieve compliance with a Convention;
  - **b.** The practice reflects an innovative or creative way of either implementing a Convention or addressing difficulties which arise in its application; or
  - **c.** The practice is an example of a country extending the application of coverage of a Convention to enhance the objectives of the Convention.

 ILO, Report of the Committee of Experts on the Application of Conventions and Recommendations (2009), Paragraphs 51-60.

### ILO/IFC BETTER WORK JORDAN PROJECT

In July 2008, the Government of Jordan, in cooperation with the ILO and the IFC, launched the Better Work Jordan Project to help further raise labour conditions in the Jordanian apparel sector to worldclass standards. BWJ combines independent enterprise assessments with training and remediation to improve working conditions and enhance competitiveness within the global supply chain of participating factories. In addition, BWJ actively promotes engagement with relevant stakeholders, including international buyers, local enterprises, unions, and the government.

The BWJ team of Enterprise Advisors, consisting of two women and two men, has received extensive training in conducting individual factory assessments and the provision of advisory services. Thus far, 12 factories have completed the process to join BWJ with another five factories committed to do so. Assessments have been completed in seven BWJ factories and initial meetings with factory management to review individual factory improvement plans have been conducted in five factories. The 17 factories committed to participate in BWJ represent approximately 20,000 workers, or 40 percent of the current labour force in the apparel sector. BWJ expects to have 30 factories participating by the end of 2009, employing two-thirds of the labour force in the sector. The Government is currently considering measures to further boost factory participation in BWJ.

The seven factories that have already completed their assessments under BWJ are the following: Needle Craft LTD.; Jerash Classic Garment Manufacturing; Classic Jeans Apparel Manufacturing; Classic Fashion Apparel Industry; Fine Apparel LTD.; Hi-Tech Textile L.L.C., and EAM Maliban Textiles Jordan (PVT) LTD.

In addition, BWJ, with the assistance of Business for Social Responsibility (BSR), a research and consulting group, organized a Buyers' Forum in February 2009 to promote the project with international buyers, suppliers and factories. Representatives of eight buyers attended the Forum – the first time a group of international buyers convened in Jordan to discuss improving the apparel sector. Several major buyers accounting for 70 percent of the sector's annual exports explicitly endorsed BWJ. BWJ, with the assistance of the Jordan Garments, Accessories & Textiles Exporter's Association (JGATE), held meetings to discuss the benefits of joining BWJ with factory owners and managers also accounting for approximately 70 percent of the apparel factories in the QIZs.

## SPOTLIGHT

## IFC on Better Work Jordan Project

"The Better Work Project in Jordan is an opportunity to demonstrate that responsible labour practices have the potential to open export markets."

– Mike Essex, IFC Director for Middle East-Africa Region

## ELIMINATING FORCED LABOUR AND TRAFFICKING

The Government of Jordan, under the leadership of the Ministry of Labour, has taken a number of steps aimed at eliminating forced labour and trafficking.

#### The New Anti-Trafficking Law

A new anti-trafficking law was published in the Official Gazette on March 1, 2009, and became effective on March 31. This law is the result of a process involving all relevant Government entities as well as the National Centre for Human Rights (NCHR), an independent institution in Jordan, and the ILO. Adoption of the new law is part of the Government's strategy to end trafficking abuses in Jordan. Enforcement is a key component of this strategy. The MoL in 2008 closed seven labour recruitment agencies for domestic workers for violation of the regulations, some of which included indicators of possible forced labour. Also, in 2008 the MoL investigated 535 general labour complaints received through its hotline, some of which also indicated possible forced labour, such as long overtime hours.

In recognition of Jordan's efforts to combat trafficking, the 2009 U.S. State Department's *Trafficking in Persons Report* ranked Jordan as a Tier 2 country, an improvement from the designation as a Tier 2 Watchlist country in the previous year.

## Institutional Reform — Inter-Ministerial Cooperation and Coordination

Institutional reform to more effectively fight trafficking has been underway for several years. To address trafficking issues beyond the jurisdiction of the MoL (e.g. withholding of worker passports at a factory which falls under the authority of the Ministry of Interior), an Inter-Ministerial Technical Level Committee was established in early 2007. This effort effectively solved nine cases through administrative measures and referred ten additional cases to relevant judicial authorities in 2008.

Having learned valuable lessons from the functioning of the Inter-Ministerial Committee, the Prime Minister, following recommendations from the MoL, established a new Ministerial Committee on Trafficking on August 12, 2008, with a mandate to recommend action to be taken to combat trafficking. The Ministerial Committee, which met three times, approved fast-tracking the drafting and passage of the anti-trafficking law and authorized the MoL to establish a joint MoL/Public Security Directorate unit to combine MoL Inspectorate and PSD resources to investigate trafficking cases.

Having fulfilled its mandate, the Ministerial Committee ceased functioning but was replaced by the National Committee on Trafficking (NCT) established as required under the new Anti-Trafficking Law. Its Members include representatives from the Ministries of Interior, Justice, Labour, Foreign Affairs, Social Development, and Health, as well as from the Public Security Directorate, the Company Controller's Directorate, the National Center for Human Rights (NCHR) and the National Council for Family Affairs (NCFA). The NCT held its first meeting on June 25 and its second meeting on August 17. It established a Sub-Committee to develop recommendations concerning the establishment of a shelter for the victims of trafficking as well as a Sub-Committee to develop a draft National Strategy to Combat Trafficking. Also, from July 30 – August 2, the NCT held a meeting in collaboration with the ILO Forced Labour and Trafficking Project to discuss further areas for cooperation.

### Institutional Reform – Joint MoL/PSD Unit to Investigate Trafficking

Following the authorization by the Ministerial Committee to Combat Trafficking, the MoL and the PSD have been working together since the beginning of 2009 on trafficking investigations.

In January 2009, the ILO, under the Project to Combat Forced Labour and Trafficking that is described below, organized and financed a study tour. Officials from the MoL, PSD, and Aqaba Special Economic Zone Authority (ASEZA) traveled to Italy to learn from a similar unit of the Italian Government. The tour took place from January 25-31. Similarly, the MoL organized and financed a study tour in the Netherlands in cooperation with the Dutch Ministry of Foreign Affairs. The tour, for the same officials that went to Italy, took place from March 22-27, 2009.



The MoL and PSD are finalizing the operational elements of the new Joint Unit. This Unit will replace the Inter-Ministerial Technical Level Committee, which enforced labour law in areas beyond the mandate of the MoL, such as issues related to domestic workers prior to extension of the Labour Code to such workers.

### ILO Project to Combat Forced Labour and Trafficking

The MoL and the ILO continue to work together to end forced labour and trafficking in persons in Jordan. The ILO Project to Combat Forced Labour and Trafficking has been operational since March 2007. It works to strengthen Jordanian law enforcement capacity to identify, investigate and prosecute offences related to forced labour and human trafficking. While originally scheduled to end in March 2009, the MoL succeeded in securing US \$400,000 in additional funding from the Canadian Government to extend the Project through August 2010. The ILO has also pledged to contribute a further US \$100,000 to the Project.

Education on trafficking issues and the institutional reform of agencies related to trafficking are the focus of the project. In 2008, the Project provided training to judges, prosecutors, lawyers, police, government officials, inspectors, and guest workers to raise awareness of the existing practices of forced labour and trafficking in persons. For example, 30 judges, prosecutors and lawyers participated in a two-day seminar in February 2008. The same month, guest workers in two different QIZs also had the opportunity to attend seminars, co-organized with the Textile Union, designed to raise awareness of labour laws. In addition, seminars were offered to more than 100 guest workers to educate them about their rights and protection under the law. Also, two 3-day training seminars were held in July and September 2008 for more than 50 labour inspectors, police officers and prosecutors.

#### Worker Humanitarian and Legal Assistance Fund

In the first quarter of 2008, the MoL developed the initial framework for the Worker Humanitarian and Legal Assistance Fund with the objective of providing humanitarian assistance to guest workers in the QIZs. Each QIZ factory contributed 43 JD for every worker in its facility that was not initially in compliance with all documentation requirements. This provided the Fund with a starting capital of about 240,000 JDs. When circumstances require, the Fund assists QIZ guest workers with purchasing food, lodging, plane tickets, administrative visa fines, and lawyer fees.

For example, in late 2008, a QIZ factory closed without notification. The Fund was able to help 38 guest workers from this factory by paying for their food, lodging, administrative fines, and transportation costs, totalling about 15,000 JD in worker assistance. In the first quarter of 2009, the Fund distributed a total of 39,853 JD to 94 guest workers for administrative fines and plane tickets when their factory closed, and 38 additional guest workers received assistance to pay lawyer fees. On July 30, 2009, about 190 workers received paid leave owed to them by a factory that went into liquidation. The



payments equalled one month's average salary and totalled about 42,000 JD (US \$59,500). The payments were made through an agreement where the Fund paid the workers and will subsequently be reimbursed upon

## SPOTLIGHT

## Commendable Initiative to Combat Trafficking

The 2009 U.S. State Department *Trafficking in Persons Report* recognized the establishment of the Worker Humanitarian and Legal Assistance Fund amongst its "Commendable Initiatives around the World" to combat trafficking.

"The fund is a creative way to register workers, punish employers for not renewing residence permits, and establish an assistance mechanism for trafficking victims and other workers in distress."

 U.S. State Department Trafficking in Persons Report 2009, page 42-43.

### liquidation of the factory's assets. ELIMINATING CHILD LABOUR

Eliminating child labour remains a high priority of the Government of Jordan. The MoL is working with different partners to build capacity and remove children who are at risk of being exploited.

## Cooperation Between the MoL and the Jordan Hashemite Fund for Human Development

The Jordan Hashemite Fund for Human Development (JOHUD) is the largest local NGO in Jordan. In December 2007, the MoL signed a Memorandum of Understanding (MOU) with JOHUD outlining their cooperation in fighting child labour. Funded by the Government of Jordan with 250,000 JD in 2008 and 2009, joint activities involve the work of the JOHUD Social Support Center (SSC) in Sahab. Labour inspectors identified 2,869 at-risk children in 2008, and referred 500 children to the SSC. Inspectors jointly carried out activities with JOHUD raising awareness concerning the worst forms of child labour with approximately 2,500 parents of working children, students and people within affected communities.

### Cooperation Between the MoL and Cooperative Housing Foundation International

The Cooperative Housing Foundation International (CHF) is a NGO. Together with its partners, it was awarded a grant of US \$4 million from the U.S. Department of Labor in mid-2008 to implement a fouryear project entitled Combating Exploitive Child Labour through Education (CECLE). On May 3, 2009, the MoL and CHF signed an MOU outlining their joint efforts to fight child labour, which aim at building the capacity of labour inspectors to identify child labour and refer cases to CHF supported community-based organizations. In July, 25 inspectors were trained on data collection and child interview and risk assessment techniques. Other activities for labour inspectors in Jordan are also being planned.

## **SPOTLIGHT**

## Royal Support to Combat Child Labour Through Education

JORDAN TIMES – Queen Rania visits the Golden Jubilee Secondary School for Boys

Her Majesty Queen Rania on Tuesday said statistics on child labour in the country are unacceptable and indicate this is a big challenge that should be dealt with in a firm manner.

During a visit to the Golden Jubilee Secondary School for Boys in Marka yesterday, she checked on progress in the implementation of a programme seeking to rehabilitate school dropouts. Implemented by Questscope for Social Development in the Middle East, the programme seeks to provide students who miss out on regular teaching with an opportunity to learn. The Non-Formal Education Programme is part of a larger scheme dubbed, "Combat Child Labour Through Education," which is conducted in cooperation with several local partners in 39 public schools across the Kingdom. Queen Rania yesterday met with 21 students aged between 10 and 17 years who are benefiting from the programme at the Golden Jubilee School, which was established in 1985 and educates 1,080 students from the fourth to 12th grade. The Queen checked on their situations and heard how they benefited from the programme, which provides them with knowledge and skills over two years after which they can enroll in vocational training centres.

Her Majesty also met with partners supporting the Combat Child Labour Through Education Programme. At the meeting, Queen Rania noted that the children she met have the courage, determination and willingness to effect change, adding that these are qualities required to ensure the success of the programme. Her Majesty said that despite the achievements so far, there is more to be done, especially because of the high percentage of working children in the Kingdom.

According to a Department of Statistics survey on child labour in Jordan there are about 33,000 working children in the Kingdom, 32 per cent of them in Amman. The survey, which covered the years 2007-2008, indicates that 91 per cent of the working children are Jordanians, while boys account for 89 per cent of the total.

The Queen said efforts should follow two tracks – first, making children leave their workplace and attend school, and second, protecting those who are likely to dropout and working to keep them in school. She called on the concerned authorities to coordinate efforts and involve parents in shouldering their responsibilities towards their children, especially since it is the children who pay the price for quitting education, which is a right they should not be deprived of.

### Improving Coordination to Combat Child Labour

To enhance co-operation among all stakeholders concerned with child labour, the MoL, in cooperation with the National Council for Family Affairs (NCFA), established a National Steering Committee on Child Labour. The first Committee meeting was held in July 2009. Members of the Committee include the MoL, the NCFA, the Ministry of Justice, the Ministry of Interior, the Ministry of Social Development, the General Federation of Trade Unions, and the Chambers of Industry and Trade and JOHUD.

### DOMESTIC WORKERS

Jordan is host to almost 52,000 migrant domestic workers. Almost all of them are female (approximately 50,000) and almost all of them come from several Asian countries, including Indonesia (approximately 27,500), the Philippines (approximately, 13,250) and Sri Lanka (approximately 11,000). To ensure they are fully protected by Jordan's labour laws, in June 2008 the scope of the 1996 Labour Code was extended to include domestic workers. However, the amendment required that regulations be developed to specify the rights and obligations of domestic workers and their employers. Accordingly, in August 2009 the Government of Jordan issued new regulations specifying the rights and obligations of domestic workers and their employers, as well as new regulations governing the establishment and functioning of private employment agencies that bring migrant domestic workers to Jordan.

## **SPOTLIGHT**

# Protecting Domestic Workers in Jordan

"Jordan's decision to amend its labour code to protect domestic workers is a pioneering step that should be emulated by other countries in the region and the world. But the true test will be whether the regulations provide comprehensive protection and whether they are enforced effectively."

 Nisha Varia, Deputy Director of Women's Rights Division at Human Rights Watch, in Middle East: Move Quickly on Labor Reforms for Migrant Women (December 2008)

The new regulations concerning domestic workers provide the necessary protections and specify, inter alia, that domestic workers:

- must have a contract in a language they understand.
- have regular working hours that cannot exceed 10 hours per day and must have a minimum eighthour rest period between daily work periods.

- are entitled to one day off per week and 14 days paid sick leave and paid annual leave in a year;
- are not allowed (to be put) to work for more than one household and cannot receive work orders from non-household members.
- must be able to communicate freely with family and friends.
- must be provided with medical care, suitable work clothing, food, and accommodation.
- are entitled to a return ticket upon completion of the contract.

The new regulations governing the establishment and functioning of private employment agencies for domestic workers specify, inter alia, that such agencies:

- must be established as partnerships, where they could previously be individually owned.
- must be owned by partners who are Jordanian, with a minimum of 25 years of age, who cannot have a criminal record and cannot be owners of travel agencies, hotels, restaurants, and massage or beauty salons.
- must have a minimum starting capital of 50,000 JD, where previously no starting capital was required.
- must submit a bank guarantee of 100,000 JD, where previously only 50,000 JD was required.
- are subject to warnings, fines, suspension for up to six months, or closure by the Minister when violating relevant requirements.

Realizing that the protection of migrant workers requires cooperation between Jordan and the sending countries, the Government of Jordan signed a Bilateral Agreement with Indonesia on June 27, 2009. Negotiations are ongoing with Sri Lanka and the Philippines to sign similar bilateral agreements.

## ECONOMIC AND SOCIAL COUNCIL

The Economic and Social Council (ESC) of Jordan came into operation in mid-2009. The ESC serves as an independent consultative body to the Government on policy and legislative decisions that are related to social and economic issues, including labour issues. The Council consists of 44 members representing the government, employers, unions, and civil society. The members were appointed in July 2009, following the appointment of the President of the ESC in May. The Council met for the first time in August and decided to form four Committees: the Economic Policy Committee, the Labour Policy Committee, the Education Policy Committee, and the Social Policy Committee. The four Committees have since elected their officers and are currently in the process of developing their respective priorities and work plans.

## III. Increasing Employment Opportunities

The third pillar and one of the main goals of the Government of Jordan is to increase employment opportunities for Jordanians. While unemployment fell from 14.8 percent in 2005 to 12.7 percent in 2008, the lowest rate in a number of years, the country faces serious employment challenges due to its population structure. The median age of Jordan's population of 6.3 million is 24, and the estimated population growth rate was 2.3 percent in 2009. This population structure creates a number of challenges for the Government, namely the need for new jobs for an increasing number of new labour market entrants every year, and therefore the need to increase their skills to support further productivity, market competitiveness and overall long-term economic growth.

This situation has been further complicated by the global financial crisis. Although the impact of the crisis on Jordan is still being assessed, it does appear that Jordan's employment growth prospects have been negatively impacted. For example, where the unemployment rate for the last two quarters of 2008 was 12 percent, it was 12.2 percent for the first quarter of 2009, 13 percent for the second quarter, and 14 percent for the third quarter.

To create opportunities for Jordanian workers and counter the effects of the global recession, the Government of Jordan has continued to implement an extensive reform of its vocational education system to ensure it is demand-driven and quality-based, as well as entered into a number of publicprivate partnerships to directly create employment opportunities for Jordanians.

### VOCATIONAL EDUCATION AND TRAINING REFORMS

Over the past few years, a tremendous amount of effort and resources have been dedicated to reform the Employment Technical and Vocational Education and Training E-TVET Sector. With the support of the EU, the World Bank and the Canadian International Development Agency (CIDA), the MoL is leading the implementation of these reforms.

The goal of the reforms is to develop a Jordanian workforce that is well equipped for and competitive in the 21st century labour market. The elements of the reform include improving employment services; enhancing effectiveness of E-TVET Sector governance and planning; establishing effective performancebased funding mechanisms for initial and continuous training; enhancing the quality of the E-TVET delivery system; increasing the role of the private sector in planning, implementing and quality control of E-TVET; and adapting E-TVET in Jordan to regional and international challenges.

In mid-2008, the E-TVET Sector Reform Project officially started with the launch of the World Bank/Government of Jordan Employer-Driven Skills Development Project (EDSDP) and the CIDAfunded Building and Extending Skills Training Systems (BEST) project. The EU is currently considering contributing 35 million in budget support for further E-TVET reform.

The Development Coordination Unit, based at the MoL, began operations in May 2009 and coordinates the various aspects of E-TVET reform and related initiatives, including development, planning, monitoring, financial controls and communications. The first progress report has been produced and circulated.

As of June 2009, three major initiatives with funding from the World Bank are ongoing: (1) building capac-

ity of the E-TVET Council and Secretariat; (2) assisting the Council to identify national economic development directions on a sectoral basis and human resources planning for certain sectors; and (3) restructuring the Vocational Training Corporation (VTC).

The E-TVET Secretariat is operational, and preparing for and following up on regular E-TVET Council meetings and leading in developing the Centre for Accreditation and Quality Assurance. In addition, four Centres of Excellence (Hospitality, Automotive, Water, and Pharmaceutical, the latter two funded through the EU) are either operational or in the development stage. The CIDA-funded BEST project is fully operational. The BEST project assists in developing the E-TVET Fund, building capacity of the MoL in policy and strategic planning, and increasing the capacity of the private sector to strengthen their role in demand-driven training.

It is expected that as the project develops further and matures, other donors will come forward to support various aspects and that existing donors will identify other initiatives to support.

### SPOTLIGHT

## Donors and Partners of the E-TVET Sector Reform

The following is a list of donors and foundations that are contributing directly, through the E-TVET Sector Reform Project, or indirectly through other donor strategies to the reform efforts.

### World Bank/Government of Jordan

The World Bank in close coordination with the Government of Jordan is contributing US\$ 8.8 million toward building the capacity of the E-TVET system to provide demand-driven and efficient training; to restructure the VTC; and to support the E-TVET Fund to fulfill its mandate.

Some of the World Bank funds are committed to the Employer-Driven Skills Development Project (EDSDP) that supports the policy of the Government of Jordan on reforming the E-TVET system. The objective is to realign policy formulation with E-TVET through the development of employers' participation in: (i) sector policy formulation; (ii) institutional development and reform; and (iii) skill development program design and delivery.<sup>2</sup>

### **Canadian International Development Agency**

The Canadian International Development Agency (CIDA) is contributing \$CDN 6.4 million through the BEST Project. This involves collaboration with the private sector. The project seeks to build on current and past CIDA involvement by supporting the MoL in addressing E-TVET system reform needs and its capacity to identify and respond to changing labour market demands. The two expected major outcomes of the four year project that started in 2008 include improved MoL coordination, policy and strategic planning capacity in the E-TVET sector as well as increased employment/selfemployment opportunities for young graduates in key emerging sectors.<sup>3</sup>

#### Japan International Cooperation Agency

The Japan International Cooperation Agency (JICA) is contributing 5 million JD through its Project for Strengthening the Capacity of Training Management of the VTC (2006-2010), providing bilateral technical assistance for human resource development in industry, and expanding job opportunities in Jordan through capacity building of a model VTC.<sup>4</sup>

### **European Training Foundation**

The European Training Foundation (ETF) has been playing an important role in helping develop Jordan's new strategy for restructuring its educational and training system. In 2008, it helped to boost national capacities in E-TVET reform, and it continues supporting the MoL's development of a National Qualifications Framework that aims to link existing levels and types of qualifications in a coherent and consistent way, based on a common set of descriptors and criteria agreed by private and public stakeholders. The ETF also continues to support MoL in capacity building for employers and unions.<sup>5</sup>

#### The European Union

The European Union (EU) will contribute €35 million starting in 2009. It will be directed towards employment and E-TVET; the Labor Market Information System; Quality Assurance and Accreditation programs; and the National Qualification Framework. It will also provide long and short-term technical support to the above areas and in other areas, including Medium Term Expenditure Framework based budgeting, capacity building of the MoL's Strategic Planning and Policy Directorate and the Employment and Training Directorate. Support will also be provided for the development of sector councils and model skill centers for vocational training in water and environment, pharmaceuticals, and renewable energy. The EU support will also be extended to Secretariats for both the E-TVET Council and the Higher Council for Human Resources Development.

#### The United States Agency for International Development

The United States Agency for International Development (USAID) contributes through four programs: the Siyaha Jordan Tourism Development Project; the Water Resources Management (IDARA) Project; the Water Sector Operations and Maintenance Technician (OMT) Program; and the Sustainable Achievement of Business Expansion and Quality (SABEQ) Program; and also through a grant to the Development Coordination Unit, an entity that facilitates the implementation of E-TVET Council's policies, and the MoL.

The Siyaha Project is designed to develop jobs in the tourism sector and is described below. The SABEQ Project aims to improve the business environment and provide assistance to expand innovation and productivity in Jordanian businesses.<sup>6</sup>

#### Save the Children

Save the Children, a leading NGO on children's issues, contributes through the NAJAH ("Success" in Arabic) – VTC "Life & Employability Skills Integration" Program, which aims to increase the employability skills of Jordanian youth aged 16-24. It links children to existing job opportunities, facilitates access to micro credit and business development skills to set up small businesses and works with communities to build support for youth employment. Save the Children has implemented the NAJAH program in 19 communities in the north, center and south of Jordan over the last three years, 2006 -2009.<sup>7</sup>

### Gesellshaft für Technische Zusammenarbeit

The German Government's Gesellschaft für Technische Zusammenarbeit (GTZ - "Agency for Technical Cooperation") supports the development of occupational classifications for Jordan and the region as well as the establishment of a model skill center for the water sector and capacity building for the MoL.<sup>®</sup>

### **British Council**

The British Council, a government-chartered U.K. organization, contributes through its Skills for Employability Project. The project is in the process of being prepared. It addresses the challenges of globalisation and the demand for skills in a global economy by focusing on training delivered in vocational schools, colleges, technical institutes, and the workplace and on continuing professional development.  $^{\circ}$ 

#### Spanish Government

The Spanish Government has agreed to provide financial and technical assistance for the establishment of a new Vocational Training Center in Aqaba through a Spanish company, "Makiber, S.A.". An MOU between the Spanish Embassy in Jordan and the VTC is to be signed as the first step in the process.

### **National Training & Employment Project**

The National Training & Employment Project (NTEP), an initiative launched by the MoL and financed by the E-TVET Fund provides training and recruitment opportunities to young people and is linked to the private sector. Two satellite offices were already established and five are under construction. There are 10,000 currently enrolled trainees. Some 4,100 have already graduated, with over 1,000 others still in training and more than 4,500 already employed.<sup>10</sup>

- <sup>2</sup> More information on the World Bank project can be found at http://web.world bank.org/WBSITE/EXTERNAL/COUNTRIES/MENAEXT/JORDANEXTN/ O,menuPK:315136-pagePK:141159-piPK:141110-theSitePK:315130,00.html
- <sup>3</sup> More information on the CIDA project can be found at http://bestp.ca/
- <sup>4</sup> More information on JICA's work in Jordan can be found at http://www.jica. go.jp/jordan/english/.
- <sup>5</sup> More information on ETF's work in Jordan can be found at http://www.etf.euro pa.eu/pubmgmt.nsf/(getAttachment)/A9617314941E5D4FC125754D005B7E 3A/\$File/NOTE7NRMJK.pdf.
- More information on USAID's work in Jordan can be found at http://jordan. usaid.gov/.
- <sup>7</sup> More information on the Save the Children projects in Jordan can be found at http://www.savethechildren.org/countries/middle-east-eurasia/jordan.html.
- <sup>8</sup> More information on GTZ's work in Jordan can be found at http://www.gtz.de/ en/weltweit/maghreb-naher-osten/675.htm.
- One information on the British Council's work in Jordan can be found at http://www.britishcouncil.org/jordan.htm.
- <sup>10</sup>More information on NTEP can be found at http://english.ntep.gov. jo/default.asp?ild=HLIDK

### PUBLIC-PRIVATE PARTNERSHIP PROJECTS

The Government of Jordan strongly believes that employment creation should be primarily driven by the private sector. It has therefore entered into several public-private partnerships focused on employment generation.

*Job fairs:* In March 2008, the Fair Employment and Training program of the South Region job fair took

place at the Hassan Cultural Center. Among the 5,000 Jordanians that attended the fair, 200 were able to find new jobs in 50 different companies. Additionally, in partnership with the International Fairs and Promotions Agency (IFPA), the MoL hosted the 2008 Jordan Job Fair and Training Expo in June 2008. More than 120 companies and 10,000 Jordanians participated in the Expo, which resulted in 500 new hires. Following the success of the 2008 job fair, the MoL partnered with the IFPA again for the 2009 Jordan Job Fair and Training Expo in April 2009. More than 100 companies and 10,000 Jordanians participated in the April event.

*Construction:* In 2007, the Government of Jordan and the construction sector established the National Employment and Training Project (NETP) which seeks to train young Jordanians in construction sector trades. Funded by the Government of Jordan, the private sector and the Jordanian Armed Forces (JAF), it provides 18 months of training covering work ethics, theoretical and practical training, and on-thejob-training. Trainees are offered contracts with the JAF increasing the prestige attached to the training, and receive wages and the same benefits as regular army personnel. For 2008, expenditures for the NETP were almost 38.5 million JD. Since September 2007, the NETP enrolled more than 9,000 young men of which about 3,000 completed their 18 months training in June 2009. Of these 3,000, 781 had secured work in the construction sector by August. It is expected most other graduates will find employment by the end of the year.

*Tourism:* The USAID/Jordan Tourism Development Project (Siyaha) is designed to assist Jordan in creating a new model for hospitality and tourism training that will develop human resources for that sector. The project falls under the E-TVET reform umbrella. The program was developed in 2007 in partnership with the MoL, the Ministry of Tourism and Antiquities, the VTC and industry. A total of 2,300 students enrolled and 576 of these students are currently doing practical training in hotels. Some 390 students are currently taking in-class training. Thus far, students have been placed in over 80 industry sites. The project's goal is to develop a total of 11 training centers across Jordan. *Agriculture:* His Majesty, King Abdullah II, declared 2009 the Year of Agriculture in Jordan. Within this framework the Government decided to launch the Agriculture Initiative under which workers will be completely exempt from paying their social security contributions yet still be able to claim social security benefits, and employers will only have to pay 50 percent of their contributions. The initiative, which is close to becoming operational, is estimated to benefit approximately 25,000 persons.

In addition, the MoL is supporting the establishment of the Jordan Valley Agricultural Company. Owned entirely by the private sector, once operational it will target the recruitment of 1,000 unemployed females from the Jordan Valley for training and subsequent placement in agricultural work. The MoL support will consist of providing a training centre location, payment of social security contributions and health insurance for five years, and payment of transportation costs for two years.

*QIZs:* Given certain social barriers in Jordan concerning women commuting to work or living away from home, the Satellite Factory Project seeks to bring jobs to areas with a high female unemployment rate. Under the Project, the Government of Jordan provides certain incentives to investors (rent-free buildings or subsidized wages for example) who set up "satellite factories" in such areas. The investors undertake to train and employ women from the area and are not permitted to hire guest workers for these facilities. A number of QIZ investors have partnered up with the Government to establish apparel satellite factories.

During 2007 and 2008, the MoL and interested investors identified potential sites for such satellite factories. In January 2009, the United States Trade Representative (USTR) published a Federal Register notice announcing five satellite factory QIZ locations, pursuant to an agreement involving the governments of the United States, Jordan and Israel. The first satellite factory initially served as a training facility only and was established in March 2008 in Shoubak. Having obtained QIZ status, it now employs approximately 100 women that were previously unemployed. A second satellite factory was established in Madaba in February 2009 and employs approximately 250 Jordanians, of which about 230 are women. Three further apparel satellite factories are likely to be established in the near future.

## **SPOTLIGHT**

## Mahmoud – Helping to Create Jobs for Jordanian Women in the Apparel Sector

Following Mahmoud through the modest-sized factory floor, the sound of sewing machines, fans, music and chatter blend into an instantly noticeable and friendly atmosphere. The vibrant colors of the thread spools stand in stark contrast to an otherwise white washed room.

Mahmoud Al Attal, a 31 year old factory manager at an American-owned satellite factory located just outside of Madaba, Jordan, describes with evident pride the products his factory workers specialize in creating, and the quality control, packaging and storage processes that follow. He describes how he tracks the production level of his workers on various charts that are posted in different parts of the factory, explaining the effectiveness of a workers incentive system in reaching the factory's monthly goals. As he provides this orientation to the factory, he also tackles a few questions from his staff, a majority of which is about the same age as he, and you can't help but wonder if this fact has an effect on the relaxed, yet busy atmosphere that fills the factory floor.

In the quiet of his office, Mahmoud tells his story. An important story. Entering the garment sector 11 years ago after graduating from a government training institute, his monthly starting salary was 60 JD. He worked his way up the ladder in various factories and in various departments, including quality control, hall manager, and line supervisor. Today, he serves as the factory manager. Mahmoud often uses himself as an example of hard work when speaking to potential, new and current employees. He states "opportunities exist, you just need to work for them." And he still works for them; the factory has been open for just six months and employs 233 people, all Jordanians and residents of the immediate rural area, 210 of which are women and 23 are men. The ages of the employees range between 18-35 years old, making the average age 25 years. The satellite factory is a Government supported pilot project developed by the Ministry of Labour, in cooperation with larger garment factories in Jordan. The objective of the pilot project is to create employment opportunities in poverty pockets where there is high unemployment, especially among women. By providing employment, the Ministry aims to increase the standard of living and quality of life experienced by Jordanians in rural areas around the country, and provide opportunities to empower women in the surrounding communities.

Although the idea seems to be working, many challenges remain. Initially, the main challenge faced by Mahmoud and the factory owners was the community's reaction to having their mothers, daughters and sisters working alongside male non-relatives, as well as countering varied misconceptions of factory employment. Through significant outreach activities including open days at the factory to introduce the families to the facility, location, and amenities offered to the employees, and continuous direct dialogue with the parents, the factory owners and its core staff, including Mahmoud, were able to address a variety of issues and concerns. The evidence comes in the form of the simple fact that the factory was and is fully staffed by Jordanian workers and management.

A second challenge Mahmoud faced soon after the factory's opening was the high turnover rate typically experienced in the garment sector. Mahmoud's factory had a 50 percent turnover in employees in its early months. Through persistent additional outreach activities, meetings and word of mouth in the community, Mahmoud has reduced the turnover rate to 20 percent.

Mahmoud's approach with his employees is very open. He can often be found on the factory floor carrying out inspections on the products, solving technical issues, coordinating and evaluating production levels and goals, and holding weekly staff meetings. "I involve the staff in every aspect of production, from the fabric used to the impact overtime work has on achieving production goals," he states. Mahmoud has worked to create a distinct sense of teamwork in the factory and build a positive link between the work the staff does and the end results. And when talking to staff it is clear the approach worked; they see the big picture and know they are part of it.

In a room located in the factory, a projector and a computer sitting on a desk facing the room's back wall, Mahmoud re-iterates an important point; training and seizing training opportunities as they arise is essential. "This room is our Training Room," he says almost solemnly, "and this is where we provide specific training and guidance on new sewing techniques and new machinery before applying the knowledge on the floor." The training includes video demonstrations and photos on new products and techniques, which is followed by supervised hands-on application on the factory floor. The team is often brought back into the Training Room for a second time to view the demonstrations again and discuss what was learned and any questions surrounding the technicalities of the new tools and products. This type of interaction between management and staff reinforces the philosophy of transparency and teamwork in the factory.

The time devoted by Mahmoud and his training team to upgrade his staff's skill levels produces the obvious benefit of elevating the factory's production rates, but in listening to Mahmoud speak, his pride, passion and grounded common sense attitude convey a message all in their own. As Mahmoud moves between the production lines and talks to each employee, one can see that he aims to provide the same sort of opportunities that he seized upon throughout his own, rather remarkable career.



Mahmoud on the work floor.

## CONCLUSION

This report describes the important progress made by the Government of Jordan in labour administration reform, including in assuring the effective application of Jordan's labour laws and protecting worker rights throughout the country.

Since the issuance of the Ministry of Labour's initial report in February 2008, Jordan has made substantial progress across a range of initiatives to strengthen its labor framework, including legal and institutional reforms. In making these changes, Jordan has embraced partnerships and support from a number of international organizations and donors. Perhaps most emblematic of this commitment to compliance, Jordan is the first country to implement the ground-breaking labor compliance program developed by the ILO since it was pioneered in the apparel sector of Cambodia.

The Government of Jordan will continue its plan of action on labour reform and capacity building, and will continue its efforts with the same quality of transparency. In addition, the Government will continue to embrace domestic and international partnerships to do so. The Ministry of Labour welcomes any comments and input on this report and the initiatives it describes, and will continue to communicate additional developments to the public. As part of this on-going outreach effort, the Ministry of Labour began to issue a quarterly newsletter in the Fall of 2009. The newsletter, and information as to how to subscribe to it, can be found on the web site of the Embassy of Jordan at jordanembassyus.org.



