



► Annual Report 2024: An Industry and Compliance Review

Better Work Jordan

Reporting period: January - December 2023



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Organization



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► List of Abbreviations

AOFWG	Association of Owners of Factories, Workshops and Garments
ARDD	Arab Renaissance for Democracy and Development
BOESL	Bangladesh Overseas Employment and Services Limited
BWJ	Better Work Jordan
CAT	Compliance Assessment Tool
CBA	Collective Bargaining Agreement
CSO	Civil Society Organization
DVA	Domestic Value Added
CP	Compliance Point
EMV	Economic Modernization Vision
EU	European Union
FAP	Factory Ambassador Programme
FoA	Freedom of Association
FTA	Free Trade Agreement
GBV	Gender-Based Violence
GoJ	Government of Jordan
GFJTU	General Federation of Jordanian Trade Unions
IFC	International Finance Corporation
ILO	International Labour Organization
JCI	Jordan Chamber of Industry
JD	Jordanian Dinar
J-GATE	Jordan Garment, Accessories & Textiles Exporters' Association
JTGCU	General Trade Union of Workers in Textile, Garment and Clothing Industries
MHPSS	Mental Health and Psychosocial Support
MoITS	Ministry of Industry, Trade & Supply
MoL	Ministry of Labour
NGO	Non-Governmental Organization
OSH	Occupational Safety and Health
SOP	Standard Operating Procedures
PAC	Project Advisory Committee
PPE	Personal Protective Equipment
RoO	Rules of Origin
SSC	Social Security Corporation
ToT	Training of Trainers
TVPRA	Trafficking Victims Protection Reauthorization Act
ULC	Union Labour Committee
USDOL	United States Department of Labor
USJFTA	United States Jordan Free Trade Agreement
ZTP	Zero-Tolerance Protocol

► Summary Findings

This report presents findings and observations from Better Work Jordan's interactions in the garment sector throughout 2023. It provides a comprehensive update on the state of Jordan's garment industry in Jordan, and selected non-garment factories in the programme. The report draws from multiple data sources, including assessment findings from unannounced compliance visits to factories conducted jointly with the Ministry of Labour; data the programme collects during regular interactions with factories through advisory services; and survey data gathered over the last five years from workers, supervisors and managers. The triangulation of these different data sources allows for a deep understanding of the achievements of the programme and highlights areas that require further work.

The garment industry holds substantial political and economic importance for Jordan, and it was highlighted as a "high-value industry" in the Jordanian government's 2022 Economic Modernization Vision. Despite this, the sector faced significant challenges in 2023. Key issues included rising raw materials costs and already high energy prices and labour expenses, leading to higher production costs. A global economic downturn reduced garment orders and slowed business significantly, leading to a decrease in exports of 12 per cent in 2023 compared to the previous year. Furthermore, ongoing regional conflicts and disruption in supply chains have added additional uncertainties to the sector.

These challenging conditions have exposed vulnerabilities within the industry. Serious non-compliance issues, including both child labour and forced labour, were identified in 2023. One factory in particular was cited for several major violations, including forced labour, late payment of wages, excessive overtime, along with many breaches of working and living conditions. Action taken by the Ministry of Labour did not bring the necessary changes, prompting workers to advocate for their rights through the media, strikes, and protests. Although this situation does not represent typical working conditions in the Jordanian garment sector, it underscores the high degree of vulnerability of workers, especially migrant workers. It also demonstrates a lack of support for the workers' voice, as shown by the ineffective union labour committee during the crisis and inaction among other stakeholders in the sector.

The following are highlights from each compliance cluster:

Core Labour Standards

Child Labour: According to the Jordanian Labour Law, the legal minimum age for employment is 16, and workers under the age of 18 are considered juvenile in Jordan. One factory employed workers aged under 16 and workers under 18 without proper documentation, while another employed workers under 18 without proper documentation – all cases involved female workers. Cases of child labour, especially for migrant workers, are notoriously hard to identify because of the widespread use of falsified passports and documents, so there may be other instances of child labour that have not been detected.

Discrimination: Better Work Jordan assesses discriminatory behaviour in factories through observation, interviews, and review of documents, but proving instances of discrimination behaviours is more difficult in some areas than others. The issue of pregnancy tests for migrant workers is relatively easy to detect and is an area that has seen significant improvement over the last few years. In 2023, 4 per cent of factories were cited as non-compliant, while 55 per cent were non-compliant just three years ago. Sixteen per cent of factories failed to meet the quota for hiring people with disabilities, which is relatively straightforward to check during assessments. Sexual harassment remains under-reported, and no factories were cited non-compliant despite 18 per cent of workers reporting concerns with sexual harassment in an anonymous survey conducted in July 2023.

Forced Labour: Forced labour has been an endemic problem in the garment industry in Jordan, driven by the *Kafala* system that ties migrant workers to one employer and the widespread practice of factory management holding worker passports. While the *Kafala* system remains, major improvements have been made in this area. Three factories were cited as non-compliant in 2023 for forced labour: two for withholding personal documents, and another for keeping migrant workers on the job despite their contracts having expired (see discussion under Forced Labour for details). One additional forced labour incidence was noted but not cited as non-compliant as the factory denied Better Work Jordan's access for assessment.

Freedom of Association and Collective Bargaining: All factories assessed continue to be non-compliant on workers' ability to freely form and join unions. Jordan has not ratified ILO Convention No. 87 on Freedom of Association and Protection of the Right to Organize, and the government only allows one union per sector for a set list of sectors. Despite these restrictions, the garment industry has ratified a series of Collective Bargaining Agreements (CBAs) and the union has access to most factories. However, in 2023, 71 per cent of factories failed to fully implement all provisions of the 2022 sectoral CBA. The most common issues were violations of maximum overtime hours, day-care facilities, and mental health trainings. Maximum overtime hours and mental health provisions are new requirements in the 2022 CBA, and this is the first time they are included in the assessment.

Working Conditions

Compensation: Better Work Jordan monitors many aspects of compensation beyond basic wage payments, including overtime pay, annual and sick leave, and in-kind payment for food and accommodation in the case of migrant workers. Per the 2022 garment sector CBA, the minimum wage in the sector is 220 Jordanian dinar (JD) per month, with migrant workers receiving JD 125 in cash and JD 95 in-kind (the sectoral minimum wage has been unchanged since 2017). There were no compliance issues for basic wage payment, but four factories had issues with paid leave. Timely payment of wages remains a key driver of non-compliance under compensation, with 10 per cent of factories non-compliant.

Contracts & Human Resources: Several key aspects of working conditions fall in this area, including the employment contracts themselves, the way that contracts are enforced, relationships between workers and management, and termination policies. Some contracting issues remain problematic, including compliant factory bylaws, accessibility of contracts, and unified contracts for all workers. Verbal abuse also remains concerning, with 14 per cent of factories cited non-compliant for verbal abuse. In contrast, the issue of recruitment fees has improved remarkably over the last several years with 8 per cent of factories being non-compliant for this issue compared to 30 per cent in 2021.

Occupational Safety & Health (OSH): OSH continued to see some of the highest non-compliance rates among factories, but there were notable improvements in OSH management, health services and first aid, particularly concerning meeting OSH specialist requirements and employing adequate medical staff. In 2023, Better Work Jordan started assessing mental health provisions as stipulated in the 2022 sectoral CBA, and 27 per cent of factories were cited as non-compliant.

Working Time: The 2022 sectoral CBA introduced a maximum of four hours of overtime per day. In 2023, 27 per cent of factories were cited as non-compliant for overtime hours. The sector saw a reduction in working time in 2023, with migrant workers working an average of 55 hours per week and Jordanians an average of 41 hours, compared to 59 and 42 hours, respectively, in 2022. The reduced working hours had greater impacts on migrant workers' total earnings, as they rely on overtime to supplement their monthly income.



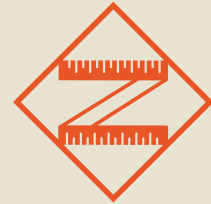
96

Factories



504

Advisory visits



86

Assessment reports



73,964

Workers in
registered factories



3,906

Training
participants



20

International buyers



► Introduction

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

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

The report proceeds as follows: the *Introduction* covers the country and labour market context, the garment sector in Jordan, the main activities of the Better Work Jordan programme, and the collaboration with stakeholders. The main findings and analysis are covered in *Working Conditions in the Garment Sector*, which draws from non-compliance findings from **83 assessment reports**, data gathered during advisory visits, and worker, supervisor, and manager surveys conducted in 2023. Finally, the *Next Steps* presents the way forward and key priorities for the programme and the garment sector in the coming year.

Country Context

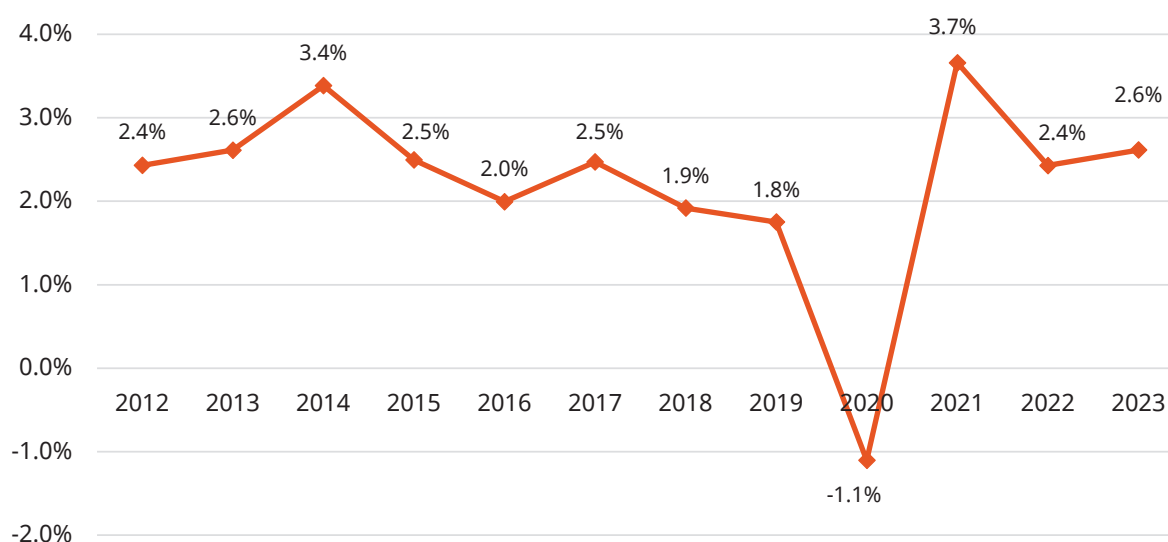
Jordan is a middle-income country with a population of 11.6 million.ⁱ It is a resource-poor country with limited agricultural land, no oil resources, and a scarce water supply. However, unlike some of its neighbours such as Syria, Iraq and Lebanon, Jordan has been politically and economically stable. Jordan is also the host of an estimated 724,000 Syrian refugees, making it the country with the second largest number of refugees per capita.ⁱⁱ The swift population growth has exacerbated the strain on its already limited resources, especially water, which is further impacted by climate change.

The following sections examine the economy and labour market in Jordan more deeply and the specific aspects of the legislative context that are relevant to the garment sector.

Economy and Labour Market

Jordan has a small economy that is dominated by the public sector and has faced challenges in creating quality jobs in the private sector at the scale required for its young and growing population. Over the past decade, the country has experienced a low-growth equilibrium, averaging around 2.2 per cent between 2012-2022. Jordan's post-COVID economic recovery has been challenged by global headwinds, ranging from the war in Ukraine, to weak global growth and worldwide inflationary pressures. Nonetheless, the economy has shown resilience. Real GDP growth reached 2.4 per cent in 2022 and has further accelerated to 2.6 per cent in 2023, surpassing the pre-COVID-19 (2012-2019) average of 2.4 per cent (see **figure 1**).ⁱⁱⁱ The ongoing Israel-Hamas conflict has led to a severe humanitarian crisis in Gaza, causing further instability in the region and rising uncertainties. Depending on the duration and expansion of the conflict, it has the potential for material economic repercussions for the Jordanian economy.

Figure 1. Real GDP Growth



Source: Department of Statistics, Government of Jordan.

Annual inflation saw a significant decline, falling from 5.4 per cent in September 2022 to 1.3 per cent in November 2023.^{iv} This reduction can be attributed to two main factors. First, there is a positive base effect resulting from comparing to previously high inflation rates. Second, monthly price changes, driven by lower fuel and transportation prices and the contained effect from food and core items, have been minimal, with an average of 0.2 per cent in January – October 2023, compared to 0.5 per cent during the same period in 2022, reflecting a gradual easing of the supply disruptions linked to the conflict between Russia and Ukraine.^{vi}

Jordan's central government is successfully maintaining its fiscal consolidation in the first seven months of 2023, supported by improved revenue and a modest decrease in public expenditure. In the first seven months of 2023, the overall government deficit decreased from 5.6 per cent to 5.2 per cent of estimated GDP compared to the same period in 2022. Despite this improved fiscal performance, debt-to-GDP continues to increase from already elevated levels. By the end of August, the government debt had reached 88.7 per cent of the country's estimated GDP.^{vii} This debt limits the government's fiscal flexibility and presents a risk to the sustainability of future growth.

The economic recovery is yet to translate into labour market improvement, and with employment generation remaining a significant challenge. Labour force participation continued a downward trend, dropping to 33 per cent in the second quarter of 2023, down from 39.2 per cent in 2019 (participation in the labour market measures the proportion of individuals are either working or have searched for work in the last month).^{viii ix} Jordan has one of the lowest female labour force participation rates in the world – only 13.8 per cent of women over the age of 15 participated in the labour market in Q2 2023. In contrast, the labour force participation rate is 53 per cent for men, still low by global and regional standards.

Unemployment in Jordan is significantly higher than pre-pandemic levels (16.8 per cent in 2019), with an unemployment rate of 21.4 per cent in Q4 2023.^x Youth unemployment is particularly pronounced, with nearly half of individuals aged 15-24 unemployed.^{xi} Additionally, salient gender disparities persist, with 29.8 per cent of women unemployed compared to 18.9 per cent of men.

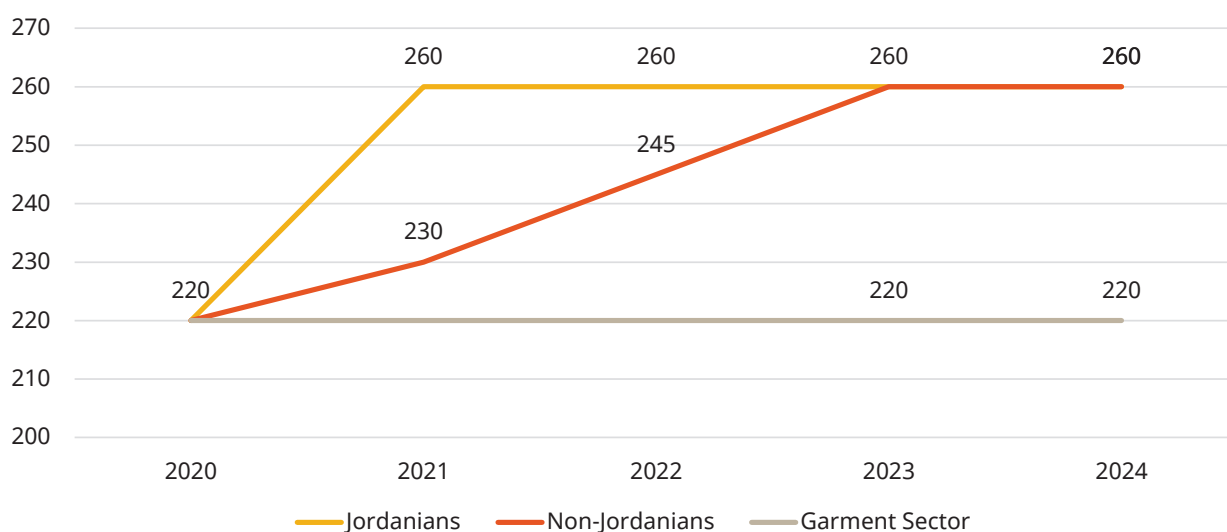
The total population in Jordan stands at 11.5 million, with approximately 70 per cent Jordanian nationals.^{xii} The Jordanian labour market is comprised of three segments: Jordanians, migrant workers, and refugees. In Jordan's employment statistics, refugees are classified as migrant workers, though some labour market policies apply to refugees and not to migrant workers. In 2021, the latest year for which there is data, there were approximately 333,000 non-Jordanian workers registered with the Ministry of Labour (MoL). The number of registered workers dropped by 36 per cent in 2020, but in 2021 these numbers rebounded almost to reach the level of 2019. The majority of the registered workers are from Bangladesh, Egypt and Syria, and, despite the shrinking workforce, the majority continue to be employed in agriculture, construction, manufacturing and domestic work. Egyptian men are commonly employed in the construction sector, whereas Bangladeshi women workers are associated with the domestic and garment manufacturing sectors. There are also many unregistered workers, so the total number of non-Jordanian workers in Jordan is likely higher. Jordan has continued to implement the *Kafala* (sponsorship) system that ties migrant workers' immigration status with their employment status and a specific employer.

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

There have historically been differences in the minimum wages of Jordanian and migrant workers, and differences in the minimum wage for the garment sector compared to the full economy. On 25 February 2020, the Labour Tripartite Committee decided to increase the national monthly minimum wage, but this increase was postponed due to the COVID-19 pandemic. As of 1 January 2023, the minimum wage is JD 260 (US\$ 367) per month for Jordanian and non-Jordanian workers. However, these minimum-wage decisions exclude domestic workers and workers in the loading/unloading sector, as well as Jordanian and non-Jordanian labourers in the garment and textile industries (see **figure 2**).

The Labour Tripartite Committee that determines the minimum wage nationally stated that the minimum wage in the garment sector should be set by the sectoral Collective Bargaining Agreement. The minimum wage in the garment sector remains at JD 220 (US\$310) per month, 18 per cent lower than the national minimum wage. Non-Jordanians are paid a minimum of JD 125 as take-home wage and JD 95 as in-kind (accommodation and food), with the total amounting to JD 220 as per the sector's collective bargaining agreement. According to a study commissioned by the Jordan Garment, Accessories & Textiles Exporters' Association (J-GATE) in 2017, the in-kind element of migrant workers' wages is valued at JD 95. The minimum wage in the garment sector has been set at JD 220 per month since 2017 and remains unchanged in the latest CBA.

Figure 2: Minimum wages over time in Jordan



Freedom of Association

Jordan has yet to ratify ILO Convention No. 87 on the Freedom of Association and Protection of the Right to Organize, and Jordanian law places several legal restrictions on Freedom of Association (FoA). The freedom to establish unions is highly constrained, and all trade unions must be governed by the restrictive Unified Trade Union Bylaw issued by the General Federation for Jordanian Trade Unions (GFJTU). Since 1976, the number of legally permitted trade unions has remained unchanged, with 17 legally recognized. This regime is in contravention of the ILO Convention No. 87 on the right of workers to establish and join organizations of their own free choosing. Workers in the garment sector are represented by the General Trade Union of Workers in Textile, Garment and Clothing Industries (JTGCU, or the union).

Legislative Updates

In 2023, Jordan experienced significant developments in its labour-related legislation and practices. These changes impacted various aspects of the workforce, ranging from amendments in the Labour Law to the negotiation of a new Collective Bargaining Agreement (CBA). This period was marked by advancements in occupational safety and health regulations, as well as challenges regarding social dialogue and adherence to labour laws.

Labour Legislation Amendment: In 2023, labour-related legislation underwent significant amendments. The initial change occurred on 16 April 2023, with the amendment of the Labour Law. This revision introduced crucial modifications, including the inclusion of a definition for sexual harassment and an escalation of penalties.

New Workplace Safety and Health Regulations: The Ministry of Labour introduced three new regulations focused on occupational safety and health (OSH), marking the first revision of OSH regulations since 1998. It is worth noting that these regulations have been influenced by recommendations provided by Better Work Jordan regarding various OSH aspects over the years.

Regulation No. 31 of the amended Labour Law addresses **Occupational Safety and Health and Occupational Hazards Prevention**. It sets forth measures to protect workers and prevent workplace hazards. Employers, especially those with 20 or more workers, are required to conduct thorough risk assessments, implement controls, and implement emergency plans. Following Better Work Jordan's recommendation to raise awareness of mental health issues in the workplace, the regulation acknowledges psychosocial hazards as one risk factor in industrial sectors, including the garment sector. Furthermore, the regulation mandates employers to provide safety measures and health facilities, including facilities to allow accessibility for persons with disabilities. Taking into account Better Work's recommendation on safely using heavy machinery in the workplace, the regulation outlines guidelines for machinery usage and maintenance, with the Ministry issuing specific instruction for its implementation.

Regulation No. 32 of 2023 emphasizes **Preventive and Curative Medical Care for workers in Establishments**. It mandates periodical medical examinations to maintain workers' health, requiring employers to keep detailed medical records. The regulation outlines the responsibilities of employers in providing medical facilities, employing medical personnel, and ensuring compliance with health standards. Employers are required to provide preventive health plans and first aid to workers. Furthermore, this regulation specifies the conditions for establishing medical units at workplaces and mandates that associated costs are to be borne by the employers. Accreditation of medical professionals and the provision of medical care by smaller employers are also addressed.

Regulation No. 33 of 2023 focuses on the **Formation of Occupational Safety and Health Committees and Appointment of Supervisors in Institutions**. Drawing from Better Work Jordan's recommendation to establish OSH committees in the workplace, this regulation mandates the formation of bipartite OSH committees in establishments with 50 or more workers, detailing committee composition and duties. It specifies the qualifications and responsibilities of safety supervisors. Employers are required to appoint safety supervisors based on the risk category in their economic activities and the number of employees. Furthermore, the regulation emphasizes the protection of safety supervisors and committee members from any adverse action from performing their duties.

The latest OSH regulations categorise industries into high and low-risk sectors based on their economic activity risk level. The manufacturing industry, including the garment sector, falls into the high-risk category. As such, garment factories are now obligated to appoint OSH and medical staff required for high-risk industries.

The introduction of these regulations marks a milestone for the Ministry in the realm of occupational safety and health, representing a significant step towards closer alignment with international standards.

The Ministry further complemented these regulations with a series of instructions for their effective implementation.

2023 Collective Bargaining Agreement: On 17 August 2023, JTGCU and J-GATE entered into a new CBA, despite the existing 2022 CBA, originally intended for a duration of three years, still being in effect. Importantly, JTGCU, as the sole legal representative of workers in the garment sector, signed the CBA without consulting worker representatives at lower levels. This deviates from core principles of social dialogue and contradicts the agreed-upon commitment to ensure workers' voices and their active participation in social dialogue and negotiation processes.

Better Work Jordan also observed provisions in the 2023 CBA that conflicted with national labour laws. In response to these concerns, Better Work Jordan issued a letter to both the union and J-GATE, raising questions on these specific points. Although responses were received, some questions were not directly or adequately addressed, leading to ambiguity and a lack of clear resolution.

Industry Overview

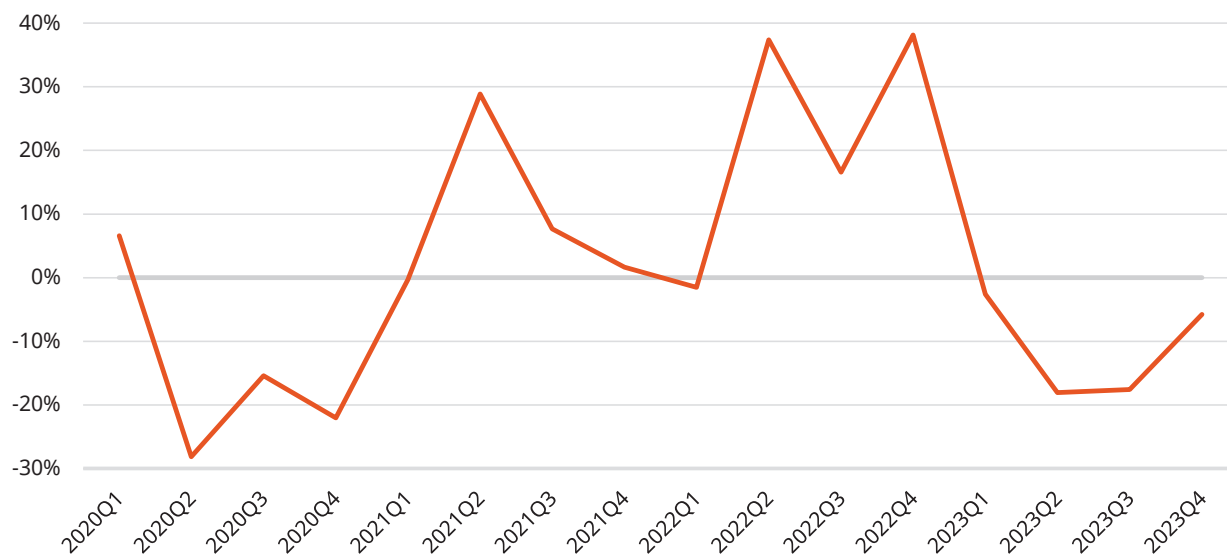
The Jordanian economy benefits from several free trade agreements. The most important agreement for the garment sector is the United States-Jordan free trade agreement, the **US-Jordan Free Trade Agreement (USJFTA)** that was signed in 2000 and went into full effect in 2010. The USJFTA allows Jordan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

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

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

Garment Industry

The garment industry in Jordan is primarily driven by large exporting factories that export to the US under the USJFTA. The garment industry has shown resilience against shocks in the past. After a 15 per cent decline in exports in 2020, the industry rebounded in 2021 with 8 per cent growth, followed by a substantial 22 per cent growth in 2022. But the trend reversed in 2023, with total exports dropping by 12 per cent compared to the previous year, totalling US\$ 1.9 billion (see **figure 3**).^{xiii} The garment industry's share of total exports has been dropping over the last few years – from 28 per cent in 2019, to 17 per cent in 2023. The US continues to be a major export market for Jordan, with 21 per cent of all exports going to the US, although this has also dropped in recent years. .

Figure 3. Growth in Jordan garment exports

Source: The Department of Statistics.

2023 was one of the toughest for the garment industry as demand for clothing items fell globally. Clothing imports into the US – the key consumer market for Jordanian goods – decreased substantially, partially due to lower demand from American consumers amid inflationary pressure. The industry also faced higher production costs due to increased prices of raw materials. In Jordan, these pressures were compounded by already higher production costs due to relatively high labour costs, high energy prices, and high taxes. Current regional conflicts and disruptions in supply chains – particularly those in the Red Sea region, which resulted in higher shipping costs and longer delivery times – pose yet another significant challenge to Jordan's export garment sector.

Around 73,800 workers were employed in the garment-exporting sector in 2023. ^{xiv} Migrant workers make up three-quarters of the workforce. These workers, primarily from South Asia, typically work in Jordan for a contracted period of two to three years, which can be extended. Over 50 per cent of migrant workers are from Bangladesh, followed by workers from India, Sri Lanka, Nepal, and Myanmar. There are around 400 Syrian workers in the sector. Jordanian workers make up the remaining 25 per cent of the workforce. The majority of workers are women – nearly 75 per cent of the production workforce – whereas men hold the majority of management positions.

Within the exporting garment industry, there are three types of factories. The largest factories are direct exporters who produce goods directly for buyers. These factories are mostly located in the main economic zones of Dulayl, Irbid and Sahab. Under these factories in the supply chain are numerous subcontracting factories – smaller factories that produce goods for the direct exporters upon request. Parallel to this system are satellite units, which operate outside of the industrial zones, primarily employ Jordanians, and are typically small. Currently, the 23 satellite factories registered in the Better Work Jordan programme employ over 7,000 Jordanian workers. The Government of Jordan incentivizes satellite factories through monetary and logistical benefits in an effort to bring jobs to rural areas where many Jordanians live but employment opportunities are limited, especially for women. Satellite units are typically affiliated with large exporting factories and help those factories reach their quota of Jordanian workers.

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

Economic Modernization Vision

In June 2022, the Government of Jordan launched the Economic Modernization Vision (EMV) – a ten-year plan to increase job opportunities, incomes, and Jordan's standing among countries by investing in high-value industries, new services, education, and green technology. Under the EMV, the garment sector was identified as one of the high-value industries with a focus on moving up the value chain, including through horizontal integration, increased sales throughout the seasons, and expanding vocational training and job opportunities for Jordanians. With these initiatives, the government hopes to reach US\$ 7.3 billion in exports by 2033, and employment of 225,000 in the sector, an average annual growth of 12 per cent and 9.5 per cent respectively.

After the initiation of the EMV, the government embarked on formulating the Executive Plan for the years 2022-2025. In October 2023, the Cabinet approved this comprehensive plan, encompassing 366 initiatives spanning 35 sectors. Notably, 93 per cent of these initiatives are earmarked for execution during the initial phase (2022-2025), with a focus on expediting "quick win" initiatives for immediate impact.

Within the industrial sector, key priorities include the establishment of an Industrial Fund, implementation of the National Employment Program, and the formulation and execution of a National Export Strategy. Launched in February 2023, the Export Strategy operates along two strategic axes. The first axis is dedicated to enhancing the efficiency of production factors and infrastructure by facilitating access to financing, ensuring quality management and technical compliance, fostering export capabilities for companies, facilitating knowledge transfer, providing commercial information, and easing trade and logistics services. The second axis aims at diversifying product markets through fortifying the regulatory and legislative framework, supporting high-value-added goods, endorsing service exports, and promoting e-commerce.

As part of its collaboration with national partners to build their institutional capacity, forge stronger partnerships, and enhance the Jordanian garment, textile, and leather (GTL) industry competitiveness, the ILO/Better Work Jordan programme has supported the Jordan Chamber of Industry (JCI) to conduct and publish research exploring the "National Economic Contribution of Jordan's Garment, Textile and Leather Industry". This research delves into the sector's strengths and challenges, and their implications for economic and employment policies. It centres on vital aspects such as domestic value added (DVA), linkages with other sectors in Jordan, and its role in creating direct and indirect employment (see **box 1**).

Box 1. National Economic Contribution of Jordan's Garment, Textile and Leather Industry

In 2023, as a part of its continuous cooperation and support to national stakeholders in advancing the competitiveness of the garment sector, Better Work Jordan partnered with the Jordan Chamber of Industry (JCI) to conduct and publish research on Jordan's garment, textile, and leather (GTL) industry and its economic contribution to Jordan's economy.

Over the past decade, the GTL industry has shown remarkable growth, doubling exports from US\$ 1.1 billion in 2012 to US\$ 2.2 billion in 2022, surpassing the overall expansion of Jordan's exports by 70 per cent during the same period. Official statistics indicates that the industry makes up 7.7 per cent of Jordan's manufacturing GDP and contributes to 19.8 per cent of total goods exports. Benefiting from the US-Jordan Free Trade Agreement, the sector enjoys preferential access to the US market.

The research revealed that the industry's domestic value added (DVA) accounted for 41.7 per cent of production output in 2018. The percentage is relatively high when compared against low- and middle-income countries with significant export-oriented garment and textile industries, and against other Jordanian manufacturing sectors. Crucially, the industry has combined a high level of DVA with a high export growth rate, indicating that it has been able to make a substantial contribution to GDP while remaining globally competitive.

Returns to capital comprised 54.6 per cent (US\$ 433.3 million) of the sector's DVA, whereas labour payments comprised 40.8 per cent (US\$ 323.6 million), and the remaining 4.6 per cent (US\$ 36.5 million) was accrued to the government in the form of income, corporate, and production taxes. While approximately one-third of payments to labour are currently remitted to migrant workers' home countries, it is noteworthy that the recently introduced Economic Modernization Vision aims to boost the employment of Jordanians in the sector, suggesting a potential increase in the proportion of DVA retained in the country in the coming years.

The industry has significant economic ties with other sectors of Jordan's economy, particularly with the real estate sector, road transportation sector, and the machinery, equipment and furniture manufacturing sector. These connections have contributed to generating additional employment opportunities in the country. The research estimated that the GTL industry activities in Jordan created around 12,400 indirect jobs in the national economy. This implies that for every seven workers directly employed by the garment industry, there is one additional worker employed in a job indirectly created by the sector.

For more information the sector's DVA, see "[Better Work Jordan: National Economic Contribution of Jordan's Garment, Textile and Leather Industry](#)", 31 July 2023.

Non-garment Industry

Better Work Jordan expanded to several non-garment sectors – chemical, engineering, and plastic – in 2018 to monitor working conditions in factories exporting to the EU under the relaxed Rules of Origin (RoO). Better Work Jordan collaborated with the MoL, the Ministry of Industry, Trade and Supply (MoITS) and the EU delegation to Jordan to develop inspection instructions to help Jordanian companies exporting under this scheme abide by the country's labour laws and meet international labour standards. The programme delivers advisory and assessment services to these sectors through a collaborative inspection committee alongside the MoL.

According to MoL regulations and records from the Ministry of Industry and Trade (MoIT), 20 factories have benefited from the RoO scheme. Among these, 14 factories are registered with Better Work Jordan, with five of them are non-garment factories. However, in 2023, two out of the five registered factories temporarily halted their participation with Better Work Jordan. Their concerns are either no exporting benefit or suspended production due of lack of orders. The remaining three factories range in size from 20 to 120 workers and employ a total of 190 workers, of whom 48 are Syrians. Unlike in garment factories, the majority of workers in the non-garment factories are men (72 per cent). Jordanians make up the majority of the workforce, with Syrian workers at 25 per cent of the workforce.

Through the assessment, the programme identified that the primary non-compliance issues with these non-garment factories fall within the Occupational Safety and Health (OSH) cluster, mostly related to chemicals and hazardous substances management, emergency preparedness and worker protection. There is preliminary evidence that participation in the programme can improve the compliance situation, however, this is conditional on factory management being willing to make changes and work constructively with workers. When factory management is not invested in the improvement process, progress is difficult to achieve. In the garment sector, factory managers have an incentive to improve working conditions due at least in part to the pressure from international buyers. However, there are not many international buyers sourcing from the non-garment factories in the programme, and as a result, this leverage is largely reduced and there has been slow progress in addressing the gaps in working conditions.

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

Better Work Jordan

Since 2008, Better Work Jordan has worked to enhance decent work, opportunities for women and business competitiveness in the Jordanian garment industry. The Phase IV (2022-2027) strategy of the programme lays out the sustainability goals of the programme.^{xvi} Through capacity building, collaboration with stakeholders, and convening around key policy issues, the programme is working to ensure that the tripartite stakeholders (representatives from government, employers and workers) can take a leading role in maintaining and improving working conditions. There are three main outcomes in the Phase IV strategy:

- **Outcome 1:** By 2027, Jordan's garment industry will have an effective system of tripartite-plus labour market governance, in which workers' rights are upheld and protected in line with national labour laws and core international labour standards.

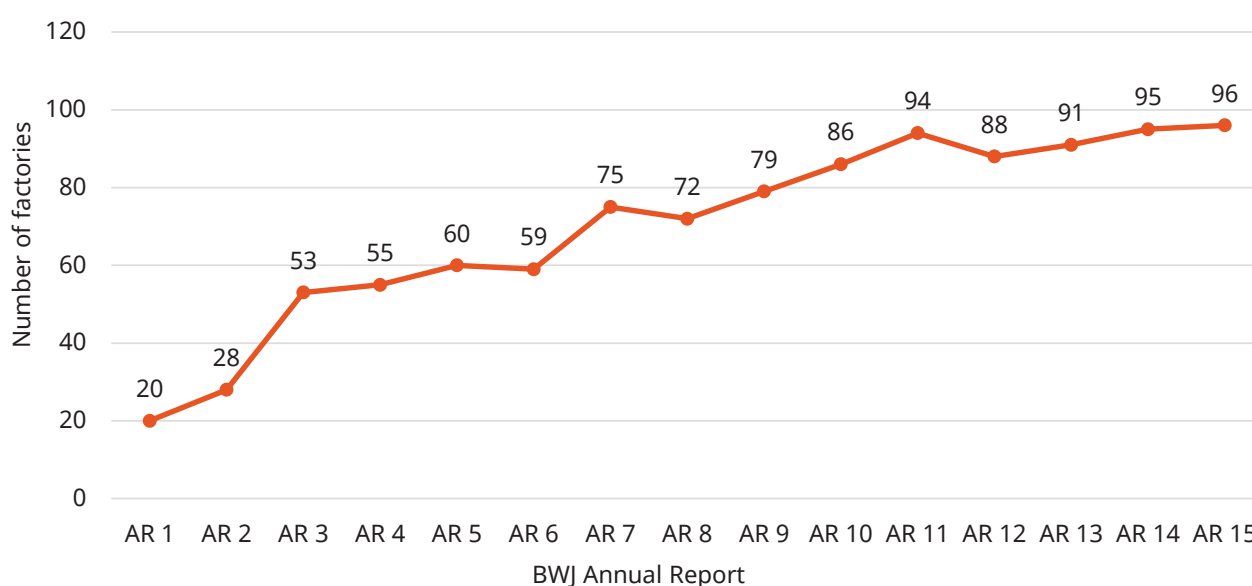
- **Outcome 2:** By 2027, export growth combined with active labour market policies will increase the garment industry's contribution to Jordanian employment.
- **Outcome 3:** By 2027, Better Work Jordan will have made a positive impact on working conditions and labour market governance beyond Jordan's export-oriented garment industry.

The Phase IV strategy also incorporates five cross-cutting themes across its three strategic outcomes: gender equality, migration, social dialogue, data and evidence, and digitalization. These themes are informed by the GoJ's national policy priorities, as well as the needs of workers and employers in Jordan's garment industry.

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

The number of Better Work Jordan factories has grown with the garment industry's expansion. After a contraction in the industry in 2020, there has been a small rebound in 2021 and further increased in 2022 and 2023. **Figure 4** illustrates the number of factories enrolled in Better Work Jordan as reported in the programme's annual reports. As of December 2023, 96 factories were enrolled in Better Work Jordan – 47 direct exporters, 21 subcontractors, 23 satellite units, and 5 non-garment factories.

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



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

- ▶ **Mental Health** - Better Work Jordan launched a mental health project in January 2021 that aims to improve the mental health of garment workers, many of whom face physical and psychological stressors. The project focuses on building garment workers' resilience against mental health risks, improving factory-level support, and developing mental health referral systems that are accessible to all workers. Better Work Jordan has two main approaches for achieving this aim: a) increasing mental health awareness, and b) improving mental health & psychosocial support (MHPSS) services accessibility, especially among women and migrant workers. For key achievements of the projects in 2023, see *Mental Health Project*.
- ▶ **Inclusion of people with disability** – Better Work Jordan has taken a comprehensive approach towards promoting the integration and active participation of workers with disabilities in Jordan's garment sector. Beyond simply implementing the government-mandated quota for employing persons with disabilities, Better Work Jordan has carried out series of awareness-raising and capacity building workshops to promote equal opportunities for all workers, including persons with disabilities. Moreover, Better Work Jordan has collaborated with partners in the sector to develop a guidelines document to enhance the employment of workers with disabilities. For more information on PWD, see **box 4**.
- ▶ **Migrant workers** – Migrant workers are a central focus of Better Work Jordan in safeguarding the rights and well-being of workers in Jordan's garment sector. In 2023, the programme started a mapping exercise to identify potential social partners in Bangladesh. Simultaneously, internal research was launched to assess programme achievements and identify areas for improvement in supporting the rights and well-being of migrant workers. For more information on the programme's effort on migrant workers, see **box 2**.
- ▶ **Grievance mechanisms in the garment sector** – Better Work Jordan is committed to supporting garment factories in establishing effective grievance handling mechanisms, dispute resolution procedures, and a comprehensive sector-wide referral system. In collaboration with the Arab Renaissance for Democracy and Development (ARDD), the programme convened a series of meetings and workshops with key stakeholders throughout the year for discussions and coordination that aimed at advancing grievance handling practices in the sector. Based on these discussions, a Standard Operating Procedure (SOP) document for grievance redress mechanisms was developed by the end of 2023, under which a specific gender-based violence SOP also falls. For more information on grievance mechanisms, see **box 8**.

Box 2. Understanding the needs of migrant workers in the Jordanian garment sector

Jordan's garment sector depends heavily on migrant workers, with three quarters of the workforce being migrants. Seventy-three per cent of migrant workers are women, compared to 78 per cent of Jordanians. Since the establishment of the programme, Better Work Jordan has placed a high priority on addressing the challenges faced by migrant workers. The programme witnessed the US removing garments produced in Jordan from the Trafficking Victims Protection Reauthorization Act (TVPPRA) list. Better Work Jordan also played a critical role in collaborating with stakeholders to develop a unified contract for migrants. This contract clearly outlines employment conditions and workers' rights during employment, including the procedure for early termination. It addresses the issue of migrant workers signing multiple contracts, ensuring transparency and fairness in the employment conditions. In recent years, there has been a remarkable improvement in recruitment practices in the sector, marked by a substantial reduction in both recruitment fees and pregnancy tests.

Despite significant improvements in working and living conditions in the Jordanian garment industry, migrant workers still confront great economic and mental health vulnerabilities. In 2023, Better Work Jordan initiated an internal study aimed at identifying challenges faced by migrant workers and assessing the availability of the existing support system for migrant workers, in order to better inform the programme to target interventions. Preliminary findings include:

1. *Income volatility*: migrant workers face high financial insecurity as their income depends heavily on overtime work, which can be easily affected by external shocks.
2. *High mental well-being risks but limited access to the support system*: migrant workers face heightened mental well-being challenges, but there is limited mental health support available. Language and cultural barriers, along with their living arrangements, create further difficulties for them to access the already constrained system in the country. Mismanaged expectations due to inadequate pre-departure orientation can exacerbate mental health risks.
3. *Underutilization of existing grievance mechanisms*: effective grievance channels are crucial for improving working conditions and overall well-being, but currently, over one quarter of workers say they don't feel comfortable using them. This finding points to a systemic gap, which negatively impacts the transparency and fairness of the working environment in the sector.

Mental health project

In 2023, the Mental Health Project of Better Work Jordan continued working to enhance well-being in the garment sector. The project made substantial progress in effectively raising awareness among participating factories and advancing mental health discussions, particularly among those embracing the project approach. The 2022 CBA states that employers must endorse the Better Work workplace mental health policy, conduct mental health training, and refer workers to specialized psychological healthcare centres in Jordan upon request. The assessment data show that 73 per cent of factories were compliant with mental health requirements under the CBA.

To support factories in implementing the mental health policy, Better Work Jordan conducted routine follow-up and advisory visits to factories. During these visits, the project team identified several challenges facing the sector, including an overall lack of understanding of mental health issues from the factory management, difficulties in identifying referral pathways, absence of training plans, high turnover amongst trained mental health focal points, and instances of factories deporting workers with mental health issues without consulting a specialist. The identification of factory challenges and sector needs guided the project's design of targeted interventions. Moreover, these factory visits helped the project team to build strong relationships with mental health focal points in the factories, grounded in mutual trust and support.

Addressing the gap in mental health and psychosocial support services, especially for migrant workers, is another major topic. Better Work Jordan, in collaboration with the union, established a mental health clinic supervised by a specialized psychiatrist in the Dulail industrial zone. In 2023, this clinic successfully provided support to 26 cases. Regrettably, towards the end of the year, the agreement concluded as the union decided not to continue investing in providing clinic space. Better Work Jordan is actively exploring alternative options to ensure the continuity of this essential service for workers.

Throughout 2023, the project continued its commitment to enhancing the capacities of factory staff, equipping them with a deeper understanding of mental health in the workplace to better support their colleagues. During the year, the project organized a series of capacity-building initiatives tailored for mental health focal points, supervisors from diverse positions, and medical personnel across different factories, with a total participation of 159 staff members. Additionally, two industrial seminars were conducted, bringing together participants from various factories to discuss emerging issues impacting mental health.

Nonetheless, mental health remains a pressing issue in the sector. During the year, Better Work Jordan recorded more than 400 cases being addressed by mental health focal points. These cases were managed either through direct support by trained staff or counsellors within the factories, or through referrals to external service providers, including the Dulail Mental Health Clinic. Additionally, in 2023, there were reports of three suicides, all relating to migrant workers, within the sector. In response to these tragic incidents, Better Work Jordan is working to strengthen grievance handling processes and mental health support in the factories involved.

These tangible initiatives undertaken by Better Work Jordan, combined with the integration of mental health provisions in the sectoral CBA, have directly influenced the MoL to review the mental health aspects within OSH regulations. The newly issued OSH regulations by MoL in November 2023 identified psychosocial hazards as a key risk factor in various industrial sectors, including the garment sector.

The project also saw a growing interest among factories in engaging with mental health initiatives over the year. More factories have hired mental health practitioners, with the latest research showing an increase to a total of 13 specialized staff. Factories also took on a leadership role by organizing various activities and events to commemorate World Mental Health Day, with nine factories participating in these events with support from Better Work Jordan. This heightened involvement underscores the growing commitment within the sector to prioritise and actively contribute to mental health awareness and support initiatives.

Partnerships for Impact and Sustainability

Better Work Jordan's sustainability plan focuses on building stakeholders' capacity to implement the programme's core services and empowering tripartite constituents to take a leading role in sustaining and advancing the programme's impact on working conditions in the garment industry. Each stakeholder already has a key mandate, and Better Work Jordan is focused on increasing the partners' capacity, effectiveness, and responsibility to carry out their mandate.

Government

As part of Phase IV, Better Work Jordan worked with the MoL to monitor decent work principles in garment and non-garment factories. Better Work Jordan achieved this by building the capacity of the MoL, especially the Better Work Unit under the Inspection Department, through intensive on-the-job coaching as part of training for labour inspectors. This capacity building effort contributed to two long-term changes: trained labour inspectors now have an understanding of international labour standards, and are equipped with the tools to advise employers on how to comply with national labour laws and international labour standards.

As part of this collaboration with MoL, 14 labour inspectors from various cities across Jordan (Amman, Irbid, Zarqa, Alkarak, Al Tafileh, Aqaba) participated in the on-job coaching with Better Work Jordan in 2023. Among them, five inspectors led assessment visits and independently prepared comprehensive assessment reports.

Better Work Jordan continued its collaboration with the MoL by conducting joint and individual assessment and advisory visits to both garment and non-garment factories. Throughout 2023, labour inspectors carried out a total of 86 assessment visits jointly with Better Work Jordan, and 38 of these visits were independently conducted by the inspectors under Better Work Jordan's monitoring. Additionally, labour inspectors conducted 220 advisory visits to garment, engineering, plastic, and chemical factories registered with Better Work Jordan. Among these visits, 22 were conducted jointly with the Better Work Jordan team.

In 2023, the programme undertook additional steps to enhance the MoL's communication capacity. To strengthen MoL's engagement with employers and international stakeholders, Better Work Jordan arranged tailored English training for 12 labour inspectors, focusing on improving their English conversation skills and report writing abilities. To improve communication with a diverse workforce and ensure high-quality assessment and advisory services, Better Work Jordan supported the Better Work Unit in hiring language professionals, including a full-time translator proficient in Hindi, Nepali, and Urdu and a part-time translator in Bangla.

In collaboration with the Occupational Safety and Health (OSH) Directorate, Better Work Jordan organized two industrial seminars for all registered factories under the programme, including both garment and non-garment factories. The first seminar focused on the revised Golden List requirements within the Jordanian Labour law. The second seminar, held subsequently to the issuance of the new regulations (*see Legislative Updates section*), aimed to inform employees and employers about recent-introduced amendments to regulations and instructions about OSH issues across the country's industries and promote a workplace culture centred around safety and compliance.

Workers

The General Trade Union of Workers in Textiles, Garment & Clothing (JTGCU, or the union) is the worker representation body for Jordan's garment sector. With its presence in Jordan's major garment industrial zones and factory-level union committees, the union engages with migrant workers from different nationalities in addition to Jordanian workers. The union is key to the development of industrial relations in Jordan, including in the negotiation of sectoral CBAs.

With support from Better Work Jordan and the ILO Bureau for Workers' Activities (ILO/ACTRAV), in 2021, JTGCU developed its first-ever comprehensive strategic plan. This five-year strategy sets out the union's plans for advancing industrial relations in the sector, strengthening its governance, and expanding its membership, through building stronger relationships with workers and providing its members with demand-driven services. In 2023, the programme continued to work closely with ILO/ACTRAV to support the implementation of this plan and signed a second implementation agreement with the union.

The most recent implementation agreement aims to continue Better Work Jordan's support to the union in building its capacity and realizing the goals outlined in its strategic plan, including those outlined in the sectoral CBA. The overarching objectives of the agreement feed into supporting the union to better represent the rights and interests of its members and to support the union in building its capacity and realizing its strategic goals. Specifically, Better Work Jordan focused on providing technical support and advice to the union, including the establishment of a worker grievance mechanism and the better use of digital channels for effective communication with workers. Additionally, Better Work Jordan worked on building capacities for trade union members and staff in areas such as digital skills and worker organizing.

Backed by IndustriALL, the union formed migrant workers committees in four industrial zones in 2023. These committees, operating at the industrial-zone level, were established to represent migrant workers within their respective zones, without the participation of Jordanian workers.

Admittedly, a gap persists between the union leadership and the workers they represent. This was starkly evidenced in 2023 when the factory-level union labour committee failed to effectively advocate for its workers during a factory crisis, leaving workers unsupported amidst severe labour violations. Recognizing the challenges, Better Work Jordan engages with NGOs and the media to ensure workers' voices are heard and distributed through alternative channels.

Better Work Jordan and the union also collaborated on several factory-level services. The union independently delivered 282 advisory visits (56 per cent of all advisory visits).

Employers

Most of the engagement with factories happens at the factory level. From the general manager of the factory to the compliance manager, to HR managers and supervisors, Better Work Jordan engages with factory management during assessment and advisory visits and delivers capability-building activities to all levels of managers.

Better Work Jordan continued the Factory Ambassador Programme (FAP) in 2023 to develop the capacity of key factory representatives, enabling them to take greater responsibilities and ownership of the compliance process. FAP is a long-term investment that is delivered in three main phases over a duration of up to 12 months to ensure the successful transfer of skills and Better Work tools to potential leaders at factory level. Twenty-seven factory ambassadors (FA) have completed the in-class training, on-job coaching, shadowing quality control activities in promoting social dialogue/training, and development of the factory's two-year Road Map under Better Work Jordan's guidance in 2023. Following this, the programme will continue remote support the FAP Road Map implementation. Since the initial launch in February 2022, the programme has engaged a total of 41 factories, including both direct and indirect exporting factories, which cover approximately 83 per cent of the sector's workforce.

Better Work Jordan also works with various employer organizations in Jordan: the Jordan Garment, Accessories & Textiles Exporters' Association (J-GATE), the Jordan Chamber of Industry (JCI), and the Association of Owners of Factories, Workshops and Garments (AOFWG). J-GATE is the main organization representing garment-exporting factory employers and is primarily concerned with advocating for policies to improve the economic and business situation of employers in the garment industry. JCI represents all industrial sectors in Jordan, including the garment sector, and provides technical services to its members. AOFWG is the employers' syndicate covering all employers in the garment industry. They are also members of the Better Work Jordan Project Advisory Committee (PAC), but they have not been very active due to limited resources. Better Work Jordan engages with these organizations to build their capacity and promote decent working conditions at the enterprise level, as well as working to improve the sector's competitiveness. Both J-GATE and AOFWG are parties to the sector's CBA.

In September 2023, Better Work Jordan concluded and signed a new implementation agreement with JCI. The agreement encompassed items including the establishment of «HR Networks» aiming to augment knowledge of HR-related issues in the garment sector, as well as the facilitation of «Learning Sessions» between garment exporting factories and SMEs to transfer knowledge on sector-related issues.

Moreover, and as part of its commitment to strengthening national partners and enhancing the competitiveness of Jordan's GTL industry, Better Work Jordan actively supported JCI in executing and disseminating a comprehensive study titled the «National Economic Contribution of Jordan's Garment, Textile and Leather Industry» (see **box 1**).

Better Work Jordan envisions that similar studies on domestic value added can be replicated by interested stakeholders in other sectors and for the garment sector in the future. To this end, BWJ and JCI jointly organized a two-day capacity-building workshop in July 2023. The primary objective of this workshop was to equip JCI staff and relevant stakeholders with the necessary skills and tools to effectively replicate the research study. Specifically tailored for this purpose, these tools were accompanied by a dedicated replication guide.

The overarching objective of this workshop was to facilitate the seamless transfer of knowledge. By imparting critical skills and insights, the intention was not only to significantly enhance JCI's capabilities but also to enable them to conduct similar studies in the future. Furthermore, this replication process (all study and replication tools were handed over to JCI) is envisioned to extend its reach, encompassing a diverse array of sectors beyond the initial scope, thereby amplifying its impact on Jordan's economic landscape. This initiative exemplifies the commitment to sustainable capacity-building and collaborative growth.

Better Work Jordan partnered with JCI and J-GATE to organize the 15th Annual Multi-Stakeholders' Forum, originally scheduled for September 2023. The forum was designed to focus on the collaborative efforts necessary to drive the advancement of Jordan's garment sector toward sustainable growth and prosperity. Nevertheless, in light of the region's intricate and enduring security situation, the decision to postpone this event to a later date was deemed disappointing yet necessary.

Other Partners

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

Currently, 20 buyers source from Jordan under USJFTA and participate in the Better Work programme (for a list of participating buyers, see Annex B). Some buyers also choose Jordan as a sourcing destination for the EU market using the EU-Jordan RoO trade scheme. Most buyers sourcing from Jordan are enrolled in the programme and access reports and on-line progress updates for the factories they work with through the Better Work Portal. Buyers who are not enrolled in the programme can leverage the assessment information available on the Transparency Portal for sourcing decisions (see *Publicly Reported Issues* section).

Buyers source garments from many countries and seek to receive high quality garments in a predictable, timely and low cost manner. Responsible purchasing practices and the Buyer Code of Conduct have taken on an increasingly central role in the global garment industry and buyers have increased efforts to respect workers' rights. It is important for buyers to trust that compliance with national labour laws and international labour standards is maintained as the tripartite partners play a bigger role in in-factory service delivery and in social dialogue. For this to occur, Better Work Jordan and its social partners must demonstrate their capacity to maintain the quality of services to promote decent working conditions. Better Work Jordan is using a quality assurance/quality control (QA/QC) system to monitor the quality of core service delivery.

Brands sourcing from Jordan have also broadened their focus beyond supplier factories to take a larger view of the challenges in the sector, partially as a result of regular Better Work reports which identify common issues in the sector and gaps in the existing governance.

Governments with FTAs also play a key role in ensuring the sustainability of decent working conditions in the sector. Jordan's garment sector exists in large part due to the FTA with the US, which heavily incentivizes garment production. This FTA is predicated on ensuring good working conditions throughout Jordan's garment sector. In the past ten years, Better Work Jordan has worked closely with the US government, particularly the US Department of Labor, to ensure that decent working and living conditions are the norm across the garment industry.

Better Work Jordan also established a constructive relations with civil society organizations (CSOs) and NGOs. Better Work Jordan facilitated the agreement between the union and local NGOs to provide legal aid to the workers. The National Centre of Human Rights has a seat on the programme PAC. Better Work Jordan will continue to support enhanced relations between NGOs and local constituents so that their engagement becomes more constructive and fruitful for all parties.

To further strengthen its relationship with the local media and NGOs, in September 2023, Better Work Jordan organized a workshop to present findings from its 2022 Annual Report. This event garnered significant interest, bringing together a diverse group of journalists and NGO representatives. Following the workshop, participants reached consensus on the importance of amplifying workers' voices through different channels including the local media.

Box 3. Sustainability of the programme and its challenges

In the pursuit of project sustainability, Better Work Jordan recognizes the challenges inherent in building the capacity of social partners, improving institutional governance, and shifting focus from individuals to systems. Addressing these challenges strategically is paramount to the program's success.

The Phase IV (2022-2027) Strategy outlines the key components of Better Work Jordan's sustainability approach. It articulates the programme's shared vision for the future of the industry and emphasises the unique roles each stakeholder must play in shaping it. Rather than solely delineating what Better Work Jordan will do for the stakeholders, the strategy underscores stakeholders' active participation in this transformative journey.

Working with national stakeholders has been key for knowledge transfer to enable them to fulfil their respective mandates. In the current phase, programme initiatives prioritise building stakeholder capacity at individual, organisational, and policy levels, thereby contributing to the sustainability of programme impacts.

However, the programme has encountered challenges in its current stage of implementation. Concerns have been raised regarding technical capacities of social partners and their ability to ensure the sustainability of the activities, emphasizing the needs to design interventions with partners that address these issues more constructively. Such interventions are crucial for enhancing partners' ability to fulfil their roles and mandates in the sector, ultimately impacting their ability to perform effectively.

Moreover, there has been some resistance to changes, leading to questions about social partners' commitment to expanding services. Additionally, a lack of collaboration among key stakeholders in the sector requires Better Work Jordan's continuous and substantial involvement in identifying, addressing, and preventing labour rights violations.

Despite these challenges, the program remains committed to its mission to work jointly and through social partners and institutions and continues to work towards improving labour conditions in the sector.

► Working Conditions in the Garment Sector

The following section focuses on working conditions in the Jordanian garment sector. This information is based on triangulating data from assessment visits with other data and information, including from large scale surveys of workers, supervisors and managers conducted in July 2023.

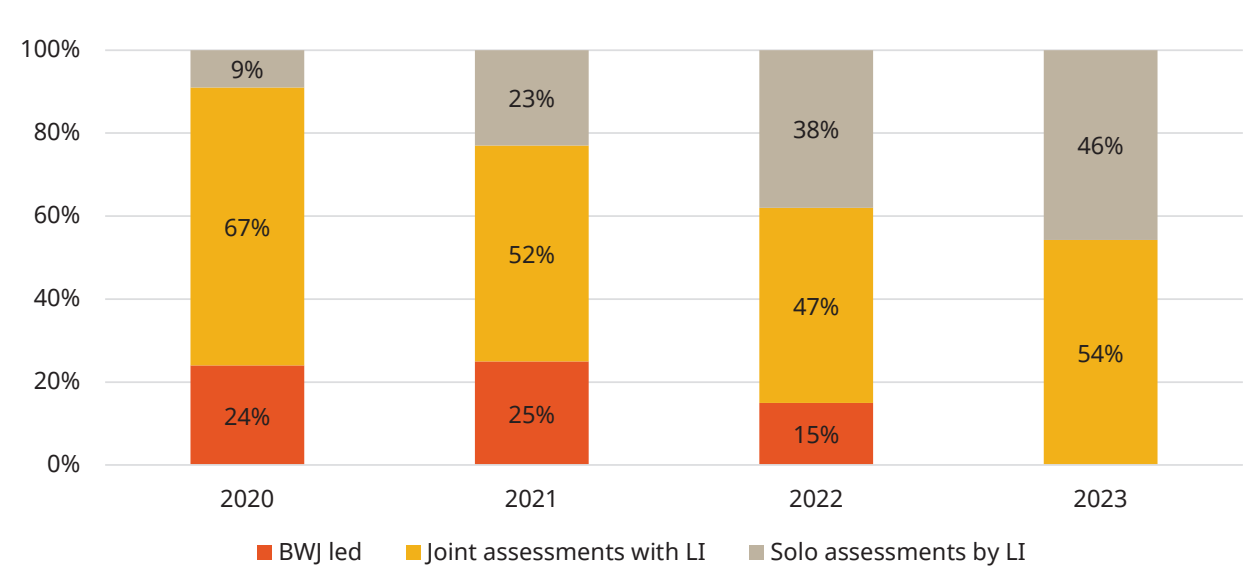
Methodology and Data

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

Better Work's enterprise assessment – a two-day unannounced onsite visit – is a key component of the programme's core services. During this assessment, factories are marked as non-compliant if the assessment team finds that they do not adhere to specific components of Jordanian national labour law or core international labour standards. The compliance data is divided into eight clusters: four designated as core labour standards (assessed against international labour standards) and four falling under working conditions (assessed according to national law and regulations).^{xvii} While individual assessment reports allow Better Work, the factory, and buyers to identify and understand non-compliance in factories, the annual report presents an opportunity to analyse sectoral trends and put them in context.

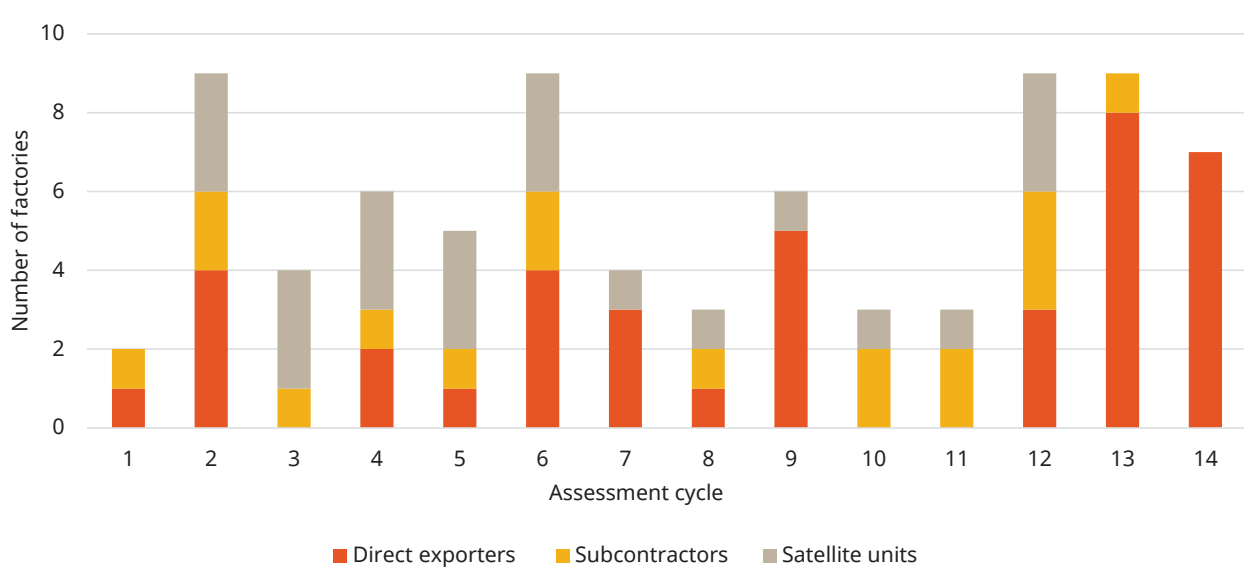
This report covers assessment findings from 83 factories. All assessments were conducted jointly between Better Work Jordan, the Ministry of Labour and the Social Security Corporation. Better Work Jordan is systematically transferring factory assessment delivery to the Ministry of Labour and the Social Security Corporation. All assessments have been done with Labour Inspector presence since the end of 2019, with labour inspectors taking an increasingly larger role in leading assessments over the past years. Whereas 23 per cent of assessments were done solely by labour inspectors in 2021, that percentage reached 46 in 2023 (see **figure 5**). Better Work Jordan maintains a strong quality assurance and quality control role and frequently shadows assessments to ensure that the assessment quality is maintained.

Figure 5. Distribution of assessments by assessor type.



The factories with assessments in this report fall into three types – 43 direct exporters, 17 subcontractors and 23 satellite units. Two factories in the sample completed Cycle 1 of the Better Work model and the average was Cycle 8 (see **figure 6**). Overall, the compliance data in this report covers 83 (of 91) garment factories and 96 per cent of workers currently participating in the programme.

Figure 6. Distribution of Factories per Cycle and Type in Annual Report 2023



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

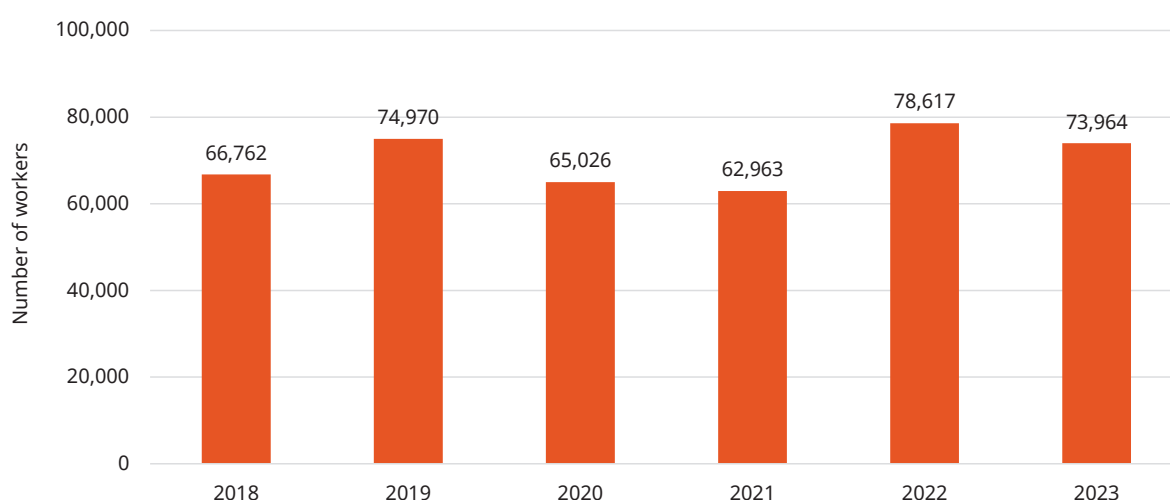
- ▶ **Representative survey of workers** in Better Work Jordan participating factories in July 2023. This survey aggregates perspectives from over 1,500 workers across 77 factories. The July collection was the sixth data collection using the same survey instrument since 2019. Summaries of the survey results can be found on the Better Work Jordan website and have been used in various publications ^{xviii}.
- ▶ **Survey of line supervisors** conducted in conjunction with the worker survey. A total of 438 supervisors completed the 2023 supervisors' survey.
- ▶ **Survey of managers** conducted in conjunction with the aforementioned surveys. One manager from each of the 77 factories completed the survey in 2023.
- ▶ **Data gathered by advisors over the course of advisory visits.** The advisory log has rich information, such as the number of visits and the topics discussed.
- ▶ And finally, **team observations from factory visits** and conversations with tripartite stakeholders and buyers.

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

Demographics of the Workers Employed

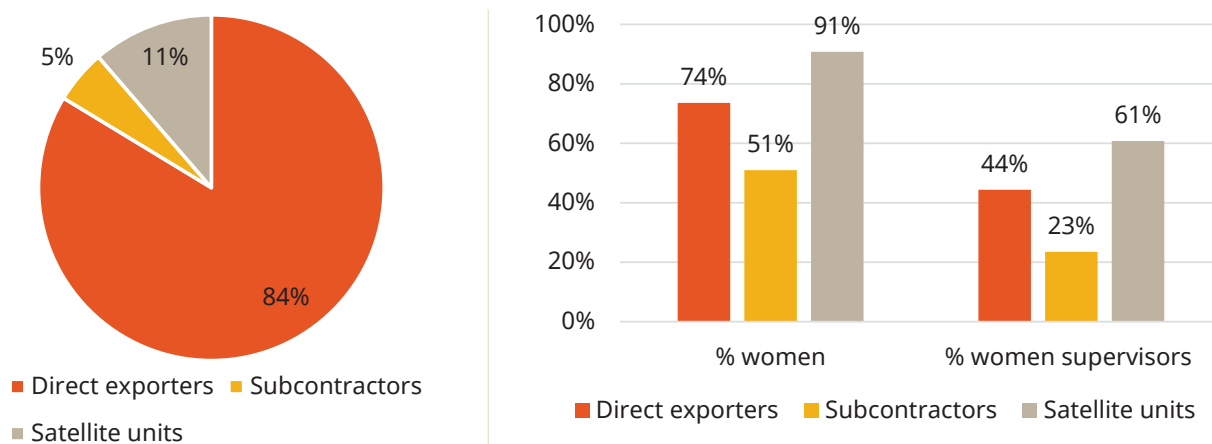
According to payroll data gathered by Better Work Jordan through December 2023, there were **73,964 workers in Better Work Jordan participating factories**, including 73,771 workers in garment factories. This figure marks a 6 per cent reduction in the workforce compared to the previous year (see **figure 7**). Notably, 60 per cent of the reduced workforce consisted of Jordanians. The largest single factory in the garment sector employed over 3,800 workers, while the smallest employed just 12. The sector is dominated by one major investor who employs over 23,000 workers across 12 main units and 7 satellite factories.

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



The majority of workers are women (74 per cent), and the work force is mostly made up of migrants (75 per cent). Seventy-three per cent of migrant workers are women, compared to 78 per cent of Jordanian workers. Direct exporters employed the vast majority of the workforce, with satellite units employing roughly 11 per cent and subcontracting units the remaining 5 per cent (see **figure 8**). Women are most heavily concentrated in satellite units (91 per cent of the workforce), followed by exporting factories (74 per cent) and finally subcontracting factories (51 per cent). The ratio of female supervisors follows this same pattern: 61 per cent of supervisors in satellite factories are women, compared to 44 per cent in exporting factories and 23 per cent in subcontracting factories. Overall, the proportion of female supervisors in Better Work Jordan participating factories has increased in the last three years. In 2020, 35 per cent of supervisors in participating factories were women, but this number has increased to 47 per cent. Jordanians are also under-represented in supervisor positions – 14 per cent of supervisors are Jordanian, while 26 per cent of workers are Jordanian. In total, approximately 6,200 supervisors are employed in the Jordanian garment industry.

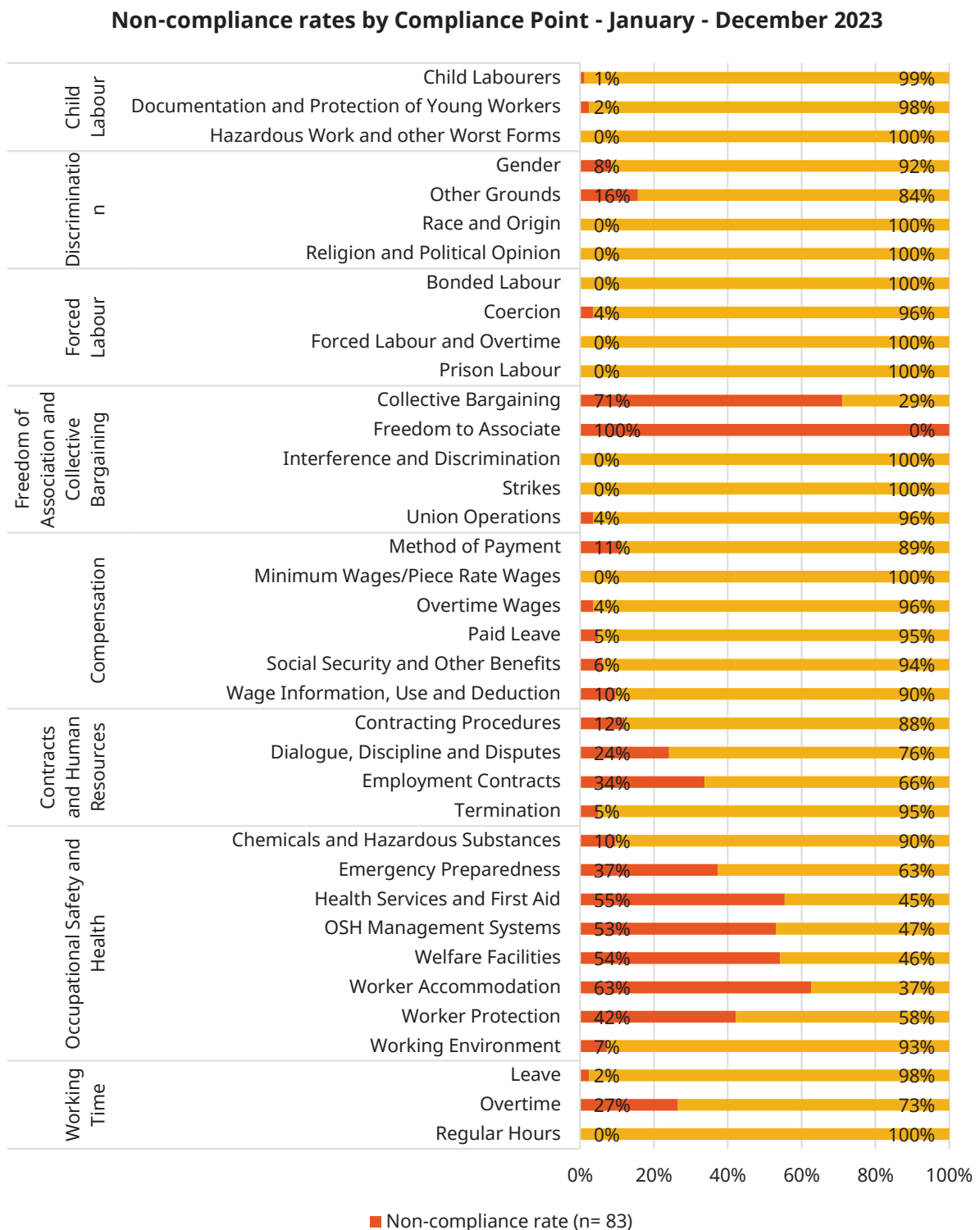
Figure 8. Percentage of total workers and women workers employed by factory type.



Compliance Situation

Figure 9 summarises the non-compliance rate for the 83 assessed factories. Non-compliance rates are reported for each compliance point (CP) under the eight Core Labour Standards and Working Conditions clusters, followed by detailed observations.

Figure 9. Non-compliance rate by Compliance Point



Child Labour

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

Two factories were cited as non-compliant for child labour in 2023. The first factory was cited for both child labour and improper documentation of workers under the age of 18. During the assessment, assessors identified four cases of newly recruited Bangladeshi female workers under the age of 18, with two below 16 and the other two at 17, all with falsified dates of birth on their passports. The second factory was cited for improper documentation of workers under the age of 18, involving one case of a Bangladeshi female worker at the age of 17 with a falsified date of birth on her passport. Both factories' management claimed that they were not aware of these cases and that they would follow up with the Bangladesh Overseas Employment and Services Limited (BOESL), the central recruiting agency for Bangladeshi workers. Following the zero-tolerance protocol, Better Work Jordan reported these cases to the MoL. The Anti-Human Trafficking Unit within the ministry followed up with medical tests, confirming all five workers were under the age of 18. Consequently, the Jordanian Ministry of Labour mandated the employers to pledge to return the workers to Bangladesh and settle their entitlements within 72 hours. Both factories complied, facilitating the repatriation of the young workers and fulfilling all workers' financial settlements.

Discrimination

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

Common non-compliances under Discrimination are related to the compliance points Gender (8 per cent), and Other Grounds (16 per cent). Pregnancy tests for migrant workers are no longer the main driver of non-compliance under gender discrimination. No factories were non-compliant with the *Race and Origin or Religion and Political Opinion* compliance point.

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

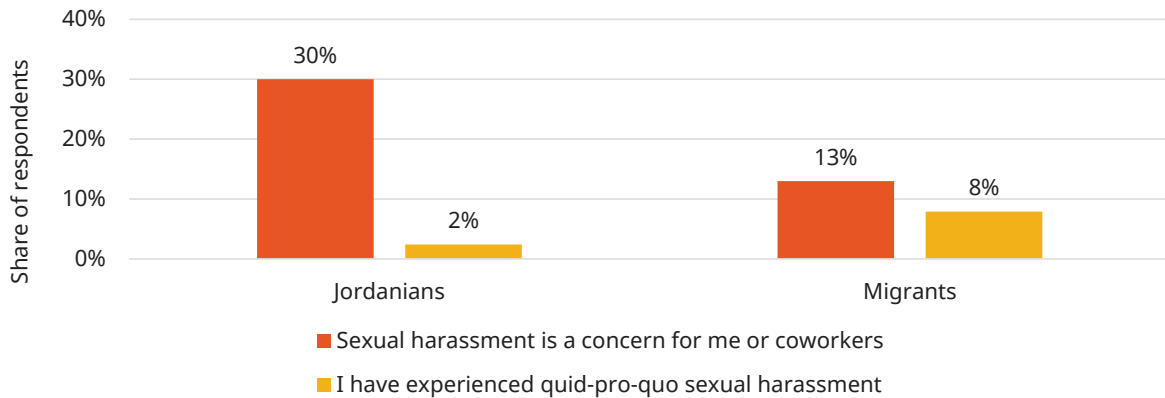
Gender

Gender-based discrimination comes in many forms and can be overt or covert. Overt gender discrimination is blatant, obvious, and intentional acts of treating someone unfairly based on their gender, while covert discrimination is subtle, often unintentional, and rooted in unconscious biases, therefore making it harder to identify and address. Discrimination also occurs when rules or practices appear to be neutral (and therefore do not *overtly* discriminate) and yet disproportionately affect certain groups. This is called indirect discrimination, and as it becomes visible only when it affects large groups, it is particularly hard to detect. Better Work Jordan mostly observes instances of non-compliance on issues of overt discrimination, whether in the hiring phase, in the workplace, or in the dormitories. Measures aimed at protecting women based on stereotypical assumptions are considered discriminatory, for example, having a curfew only for women workers. While this was an issue in past assessments, factories have since amended their policies and practices.

Since stakeholders toughened their stance against the use of pregnancy tests during recruitment in 2019, non-compliance on this issue has dropped sharply. **In 2023, non-compliance with pregnancy tests was identified in three factories (or 4 per cent), reaching its all-time lowest level.** This compares to 51 per cent of factories in 2019. This achievement is partly due to joint efforts from factories and J-GATE putting pressure on the BOESL to end this practice. However, towards the end of 2023, Better Work Jordan noticed a surge in pregnancy testing among newly recruited Bangladeshi workers. Better Work Jordan informed J-GATE about this observation, who then followed up with the BOESL. BOESL admitted that these cases were due to some recently enlisted medical centres who mistakenly included the pregnancy test and assured that corrective actions would be implemented to rectify this error in their follow-up procedures. Better Work Jordan documented these cases as compliance with notes.

Four factories were cited as non-compliant for using gender as a factor regarding conditions of work. All cases were related to childcare subsidy payments and access to facilities, which should be provided to eligible workers irrespective of gender. However, in all these factories, childcare subsidies were only paid to working mothers, while working fathers received no such benefits (see *Welfare Facilities* in the Occupational Safety and Health for a further discussion of childcare provision in the sector).

Sexual harassment is a pervasive problem in garment factories, and Jordan is no exception. According to Better Work Jordan's worker survey conducted in July 2023, 18 per cent of respondents say that they or their co-workers are concerned with sexual harassment and more than 6 per cent of workers say that they experienced quid-pro-quo sexual harassment. While a significant percentage of Jordanian workers say that sexual harassment is a concern for them or their co-workers, not many personally experienced quid-pro-quo harassment (see **figure 10**). **Despite this, as in most previous years, no factories were cited as non-compliant with having workers being subject to sexual harassment.** As of now, Better Work Jordan has only documented non-compliance instances during the assessment conducted in 2021. The programme acknowledges that sexual harassment is difficult to detect and prove during the course of the two-day assessment visit and in a way that consistently protects the identity of workers. Therefore, it is likely that the incidence of sexual harassment has been underreported over the years. Anonymous data collection methods, such as Better Work Jordan's annual surveys with workers, supervisors and managers, are more likely to provide a more accurate picture as respondents may feel safer answering questions related to sexual harassment when they are not individually identified.

Figure 10. Sexual harassment experiences and concerns

Race and Origin

Better Work Jordan assesses discrimination based on race and origin from three angles: in recruitment, during employment (including, for example, pay, conditions at work, harassment), and termination. **No non-compliances were cited for discrimination based on race and origin in 2023.** The issue of minimum wages in the garment sector in Jordan is complicated. While the garment sector minimum wage is set at 220 JD, migrant workers are paid this wage in two parts. According to a study commissioned by J-GATE in 2017, the in-kind element of migrant workers' wages is valued at JD 95, bringing the value of the in-kind and cash elements (125 JD) of migrant workers' wages to equal the cash value of Jordanian workers' wages. Better Work Jordan does not cite non-compliance so long as the employer is implementing the wage-related provisions of the sector-wide CBA, such that Jordanian and migrant workers' wages are equal, when the value of the cash elements and the in-kind elements (as established and agreed to in the 2019 CBA) are taken into account. When calculating overtime payments, social security payments, and annual leave, the employer should use the same figure for Jordanian and non-Jordanian workers.

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

Other Grounds

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

Sixteen per cent of factories failed to meet the quota for hiring people with disabilities. Most of these factories hired workers with disabilities, but they did not reach the quota. An average of 12 people with disabilities are employed in each factory, although the distribution is not uniform (see **table 1**). In total, **993 individuals with disabilities were employed in the garment sector in 2023**, of which 62 per cent were women. While Better Work Jordan does not collect nationality-disaggregated data on persons with disabilities in the sector, from experience, the vast majority are Jordanian. Better Work Jordan has taken steps in the last year to go beyond the quota system for persons with disabilities to monitor whether they are being effectively included in the sector (see **box 4**).

Table 1. Distribution of people with disabilities in the sector

Number of workers with disabilities	Number of factories
Zero	15
1 to 4	11
5 to 10	13
11 to 20	26
21 to 30	16
More than 30	2

Box 4. Inclusion of People with Disability in the Garment Sector in Jordan

In 2023, Better Work Jordan worked closely with the Higher Council for the Rights of Persons with Disabilities to conduct comprehensive awareness-raising sessions across three industrial zones. These sessions targeted workers with disabilities, human resources personnel, trade union staff, and labour inspectors, emphasizing the rights and responsibilities of workers with disabilities in the workplace.

Following these collaborative efforts, Better Work Jordan commissioned the development of guidelines for the employment of workers with disabilities in the garment sector. This document was created in partnership with the Phenix Center for Informatics Studies and through consultations with tripartite partners and experts in the field. Endorsed by stakeholders, these guidelines serve as a crucial resource for promoting inclusive employment practices within the sector.

Looking ahead, Better Work Jordan is committed to conducting training sessions for middle management in factories on the effective implementation of these guidelines. By equipping management with the necessary knowledge and skills, the programme aims to create a more inclusive and supportive work environment for workers with disabilities.

Forced Labour

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

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

Three factories were cited non-compliant for forced labour in 2023, with two of them involving the confiscation of workers' passports. In one factory, the assessment team found that workers were forcibly made to sign an agreement allowing the management to keep their passports. This incident was reported to the Ministry of Labor (MoL), which subsequently took legal action and imposed sanctions against the factory. In the second case of passport confiscation, the factory returned passports to workers on the day of assessment. Nevertheless, Better Work Jordan, strictly adhering to the zero-tolerance protocol, reported the case to the MoL for the record.

The third noncompliance finding involved one factory that kept migrant workers on the job despite their contracts having expired. The factory management said they could not afford to expatriate all migrant workers home due to severe financial problems (for a detailed discussion on this case, see **box 5**).

In addition, Better Work Jordan identified one more factory engaging in forced labour. This factory denied Better Work Jordan's access for assessment in 2023, but workers from the factory told the programme that their passports were held by the management, and they were not allowed to retain their passports. This case was not cited as non-compliance since no assessment was conducted in 2023, and the factory is documented for denying access.

Box 5. Workers' Rights and Non-compliances in the Garment Sector

In a recent incident, workers at a Jordanian garment factory faced significant challenges after their employer declared bankruptcy, leaving them stranded without pay for several months. The situation was resolved through the collective efforts of stakeholders both inside and outside Jordan, with workers advocating for their rights through media coverage, strikes, and protests. This case highlights the importance of ongoing monitoring and collective intervention to protect workers' rights and to address problems proactively.

The factory had been part of the Better Work programme for 13 years, undergoing annual assessments. The most recent assessment in July 2023 revealed severe violations, including forced labour, delayed payments, excessive overtime, mishandling of social security contributions, and inadequate living and working conditions. The Ministry of Labour took several actions in response to the problems, but ultimately, fines levied on the company did not prompt the needed changes.

Support from the legal system in Jordan was limited, but media coverage and advocacy from NGOs played a crucial role. An American NGO specialising in labour rights pressured the primary brand sourcing from the factory, ultimately leading to the payment of full salaries to the workers, illustrating the impact of external advocacy.

While this case is not representative of typical working conditions in the Jordanian garment sector, it does shed light on some key issues and underlying power dynamics. The vulnerability of workers, particularly migrants, is a significant concern, with the *kafala* system binding them to a single employer who is responsible for maintaining their residency and work permit status. While this responsibility falls on the employer, the consequences are borne by the worker who can face penalties while being unable to leave Jordan. There is also a general lack of support for workers' voices, as the union labour committee (ULC) failed to function during the factory's crisis. Despite its mandated role in highlighting violations in the sector and advocating for worker rights, in this case, workers chose to bypass the union to seek outside support.

To prevent such situations and ensure decent working conditions, greater coordination among stakeholders is essential. Early detection and intervention can help address violations before they escalate, emphasizing the need for ongoing monitoring and advocacy efforts in the garment sector.

Freedom of Association & Collective Bargaining

Freedom to Associate

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

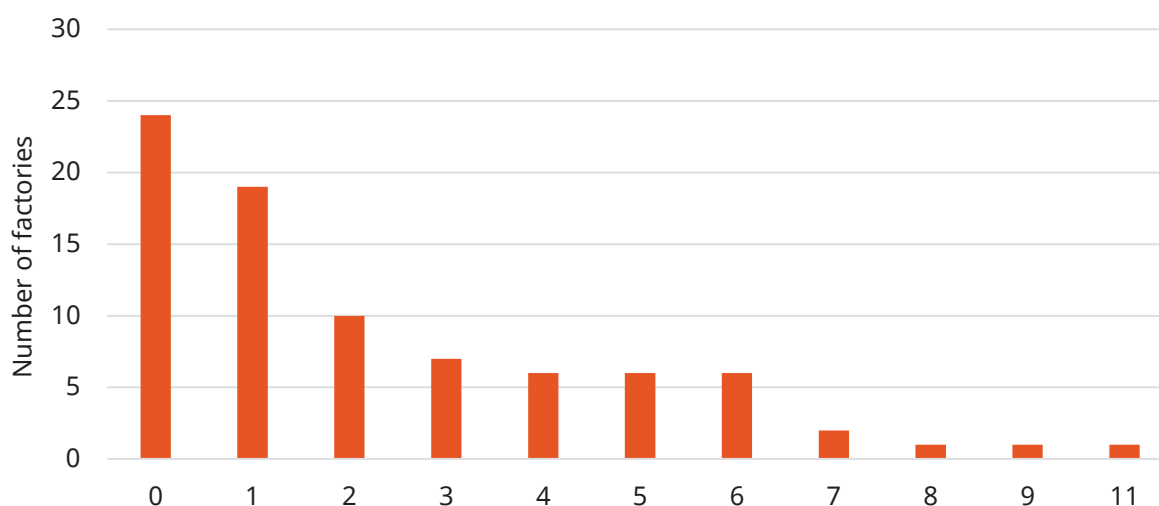
freely form and join a union?” and “Can the union freely form and join federations and confederations of their choice?”

Collective Bargaining

Stakeholders in Jordan have successfully ratified a series of sector-wide Collective Bargaining Agreements (CBAs) that set industry standards relating to wages, working conditions and industrial relations. Factories in this report were assessed against the 2022 CBA, which has been applied for assessments as of 1 January 2023. As the CBA has grown to encompass more issues, Better Work Jordan has observed a stark decrease in employer compliance with all provisions in the CBA because a finding of non-compliance with any single issue triggers a lack of compliance with the CBA. In the 2023 assessments, **71 per cent of factories failed to implement at least one of the provisions of the CBA.**

The main drivers of this result are non-compliance findings on overtime hours per day (25 per cent), daycare facilities (22 per cent), and providing training on mental health (20 per cent). Notably, 2023 was the first year for factories to be assessed on the limit on overtime hours and on mental health provisions in the CBA. The overall percentage of factories fully complying with the CBA has improved compared to last year, and the number of violations of the CBA has decreased since 2020. During assessments, Better Work Jordan looks at whether factories are complying with 42 distinct points in the CBA (see **figure 11**). On average, factories were non-compliant with about 2 points in the CBA, compared with around 3 points in 2020.

Figure 11. Number of collective bargaining agreement (CBA) provisions not met by factories in 2023.



Most factories meet the minimum standards for informing workers about the CBA, but knowledge about the contents of the CBA, as reported by workers, remains low. During 2023, Better Work Jordan cited one factory as non-compliant for not adequately informing workers about the CBA. The factory failed to post the CBA on the special notice board, as mandated by the Jordanian law. In addition, all interviewed workers from this factory reported that they were unaware of the recent CBA during the assessment. While management acknowledged the issue, they contend that it is the responsibility of the union to inform the workers about the CBA.

According to the representative worker survey conducted by Better Work Jordan, 52 per cent of workers are familiar with the CBA and its contents. Another 11 per cent of workers are familiar with the CBA but not its contents. Migrant workers are more likely than Jordanian workers to be familiar with the provisions in the CBA. Factories may be doing what is legally required of them to inform workers about the CBA, however, the gap in worker knowledge suggests that the union may need to do more to ensure that workers know about the CBA and are aware of their rights under it.

Union Operations

Three factories were cited as non-compliant for restricting union access to the workplace or for not properly deducting union dues. One factory deducted the union dues from workers without consent, one factory paid union dues on behalf of workers who had not consented to be part of the union and were not aware of their union membership, and another factory paid union dues on behalf of all workers and workers were aware of their membership. Better Work Jordan observed instances where the union signed agreements with factories, stipulating that employers are obligated to cover union membership fees for all their workers. Although this practice is currently not part of the assessment, it is important to note that such an agreement is inconsistent with the sectoral CBA and does not comply with the Jordanian Labour Law or international labour standards.

Better Work Jordan gathers data on union membership from factory records based on how many workers paid the JD 0.5 monthly membership to the union. Factory management reports the gender breakdown of union members, and Better Work Jordan double-checks the aggregate number by reviewing the factory payments to the union. There were 57,356 workers registered with the union in 2023, with 77 per cent of union members being women. Notably, 20 per cent of factories had no union members, while 25 per cent of factories had 100 per cent union membership.

The union also tracks its membership, but historical records show that their numbers diverge significantly from the Better Work Jordan records. To enhance the union's accountability and improve its data quality, Better Work Jordan took the initiative to support the union in building a database to track its members and its operational progress in 2023. The first phase of the database was completed at the end of the year, and the union is currently in the process of systematically recording its membership data.

Compensation

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

Non-compliance related to compensation remained low. Similar to previous years, no factories were cited as non-compliant for basic wage payments. However, four factories had issues related to paid leave, with two factories cited for non-compliance with accurate annual leave payments, and another two for failing to pay workers full payment of wages during idle periods. For a broader discussion of wages in the Jordanian garment sector, see **box 6**.

Box 6. Wages in the Jordanian Garment Sector

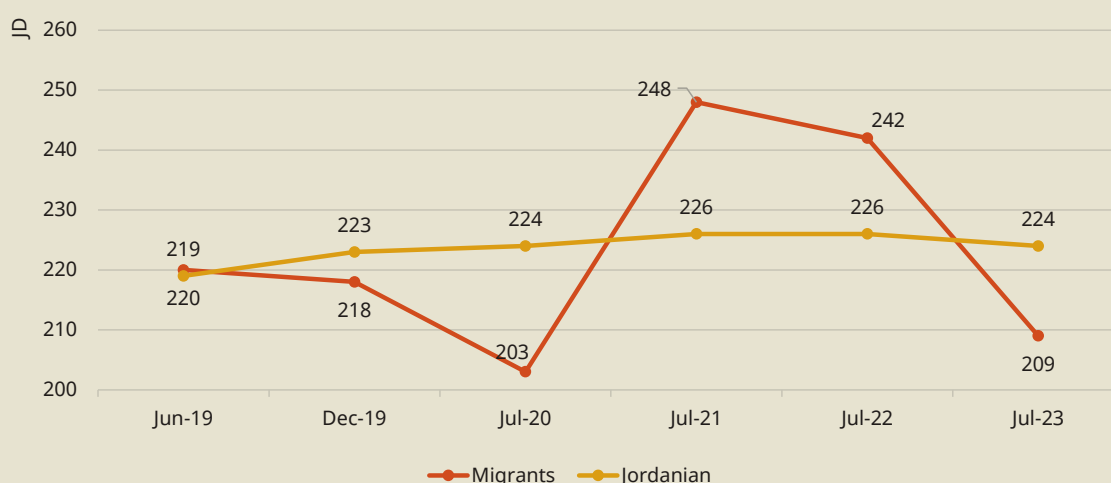
The minimum wage in the garment sector was determined by the sectoral collective bargaining agreement in 2017 at JD 220 per month, and it has remained unchanged since. Migrant workers are paid a minimum of JD 125 in cash as take-home wage and JD 95 as in-kind (accommodation and food), with the total amount adding to JD 220. Overtime pay is calculated based on the workers' full compensation package, which gives migrant workers a significantly higher monetary incentive than Jordanians to work overtime. Consequently, overtime work, and overtime pay, are a substantial part of migrant workers' take-home pay. Beyond the basic wage, workers are entitled, per the sectoral CBA, to a 5-JD seniority bonus for each year with the same employer.

As the availability of overtime work can be unpredictable and is affected by external factors, take-home pay for migrant workers varies widely, whereas pay for Jordanians is relatively stable. Better Work Jordan's worker survey data reveals that Jordanian workers and migrant workers reported similar take-home pay before the pandemic, at roughly JD 220 per month (see **figure 12**). During the pandemic, however, take-home pay for migrant workers dropped significantly to an average of JD 203 per month. Pay then rose in 2021 to 248 JD per month and remained high in 2022. In 2023, the average take-home for migrant workers dropped to JD 209 per month. During this time, pay for Jordanians remained relatively stable, with just a slight rise from JD 219 to 224 per month over the three years.

Overall, migrant garment workers in Jordan saw their pay decrease significantly in 2020 and again in 2023 when working hours also dropped. The trends in take-home pay reflect to some extent the trends in working hours, which then vary according to orders from buyers.

The survey data also reveals a statistical difference in wages between male and female workers. On average, men earn JD 16 per month more than women.

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



For more information on wages in the sector, see "[Better Work Jordan: Working Hours and Wages in the Jordanian Garment Sector](#)", 1 November, 2022.

Beyond basic wage payments, there were issues related to compensation, especially on-time payments, accurate payment of ordinary and special overtime, and providing proper information to workers about wage payments (see **table 2**). **However, the non-compliance rate has decreased in all these areas compared to 2022.** Eleven per cent of factories were cited non-compliant for method of payment, with most issues related to delays in payments. As per Article 46 of the Jordanian Labour Law and the sectoral CBA, employers are required to have a well-defined payment cycle with a set payday for their workers. Workers must be paid all wages, bonuses and overtime accordingly within seven days of this set date. Three factories had issues for not paying bonuses on time, and five failed to pay wages on time. Additionally, one factory was cited as non-compliant for paying deducted in-kind benefits to migrant workers who received a base salary of more than 125 JD, but the management claimed it was due to errors in the salary calculation system.

Table 2. In Focus: Compensation

Compliance Question	NC Rate by Question		
	2021 (n=77)	2022 (n=86)	2023 (n=83)
Are workers paid within seven days from the date wages become payable in the manner required under the CBA?	4%	23%	10%
Does the employer properly inform workers about wage payments and deductions?	8%	10%	6%
Does the employer pay workers 125% of their normal wage for all ordinary overtime hours worked?	10%	12%	4%

Whether wages are paid in cash or digitally is an important issue for workers. The sector has already seen a gradual shift towards digital payment over the past years, starting in large export factories, and the COVID-19 pandemic played a vital role in accelerating this transition, extending it to the entire sector. In December 2020, the Jordanian government launched the Estidama programme, requiring all Jordanian workers to digitally receive their wages. In August 2023, Better Work Jordan, in partnership with the trade union, conducted a rapid assessment among satellite units to understand workers' experience in the transition (see **box 7**).

Box 7. Transition to digital wages

Traditionally, Jordan's garment sector predominantly used cash payments, with only a fraction of the workforce in larger exporting factories receiving digital payments. In recent years, there has been a gradual move towards digital wages, and the onset of the COVID-19 pandemic accelerated this transition. Government support and regulatory changes facilitated a significant shift in the sector, resulting in the widespread adoption of digital payment methods across the sector.

Better Work Jordan, in collaboration with the General Trade Union, conducted a study in 2023 to assess and understand the experiences and perspectives of workers in satellite factories – mainly Jordanians – regarding prevailing wage payment methods.

Key findings revealed an almost complete transition from cash to digital wages, with less than 4 per cent of workers in the satellite factories still receiving cash payments. The vast majority (91 per cent) of surveyed workers expressed satisfaction with the transition, even though the decision to transition was made by factories. Limited accessibility to ATMs, however, continued to be a challenge. Only one surveyed factory reported frequent ATM usage on its premises, while workers from other factories faced financial and time costs when travelling to distant facilities for cash withdrawal.

The study highlighted some additional financial costs for workers, with over 40 per cent of surveyed workers spending JD 1-3 monthly for cash withdrawals. Additionally, 22 per cent spent around JD 5, which equates to over 2 per cent of their minimum wage. Gender disparities were also evident, with women seeking wage advancements more frequently despite having fewer outstanding loans. The research also indicated limited financial decision-making autonomy for women, raising concerns about financial empowerment and gender equality.

For more information on the digital transition in the sector, see "Adapting to Change: A Rapid Assessment of the Transition to Digital Wage Payment", September 2023.

The Jordanian Labour Law requires that employers pay 125 per cent of their normal wages for all ordinary overtime hours worked and 150 per cent for all overtime hours during weekly rest days and public holidays. Normal wages include all entitlements (including seniority bonuses) and in-kind payments when calculating ordinary overtime. **Four per cent of factories were cited as non-compliant with accurately paying workers for ordinary overtime, a significant improvement from past years.** Common issues in these factories were using deducted in-kind benefit in the overtime wage calculation, or excluding the 5-JD seniority bonus from the calculation.

Overall, 10 per cent of factories were non-compliant on some aspect of wage information, use and deduction. Five factories were cited as non-compliant because they failed to provide workers with pay slips in their native language. Workers interviewed by the assessment team stated that they did not understand how their salaries were calculated. According to the representative worker survey conducted by Better Work Jordan in July 2023, about six per cent of workers expressed concerns about not understanding their salary calculation, with migrant workers more prone to this concern than their Jordanian counterparts.

According to the Jordanian Social Security Law, the monthly social security insurance contribution rate is 21.75 per cent of the worker's wage, with 14.25 per cent payable by the employer and 7.5 per cent deducted from the worker. This includes in-kind payments for migrant workers. The law also requires employers to forward this contribution to the SSC within the first 15 days of the following month and to increase the employer contribution by one per cent for workers in hazardous occupations. When migrant workers leave the country, they are entitled to a full reimbursement of their own contributions (7.5 per cent), and failure to do so is marked as non-compliance under the termination sub-point. **Overall, six per cent of factories were non-compliant on some aspect of accurate payment of social security benefits or other benefits.** Four factories were cited as non-compliant as they failed to include in-kind benefits or senior bonuses in their social security contribution calculations.

Contracts and Human Resources

Several key aspects of working conditions fall under the Contracts and Human Resources compliance point, including the employment contracts, the way that contracts are enforced, relationships between workers and management, and termination policies. Employers must not only have contracts that comply with the basic laws, but they must also make a genuine effort to ensure that workers understand their contracts. At a bare minimum, this means translating contracts into the appropriate languages for workers. In addition, contracting procedures also include how workers are recruited to jobs.

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

Contracting Procedures

The issue of workers paying recruitment fees falls under contracting procedures, absent significant aggravating circumstances that would elevate the issue to one of bonded labour. Better Work Jordan follows a zero-recruitment-fee policy which was endorsed by national stakeholders and went into effect on 1 January 2019. The practice of recruitment fees has improved substantially since. **Eight per cent of factories were cited non-compliant for having workers who paid recruitment fees in 2023, with the majority of these factories being subcontracting factories.** Indian workers are by far the most likely to pay recruitment fees, and the average fee they pay is also the highest. Due to the fragmented nature of labour recruitment from India, addressing the use of recruitment fees there has been especially challenging.

Contract duration is also an issue for workers. However, the Jordanian Labour Law does not impose any limitation on the duration of the contract. As long as both employers and workers mutually agree on the contract's duration, it is considered legally permissible. Therefore, a short contract duration is not a compliance violation. In recent years, Better Work Jordan has noticed an increased usage of three-month contracts for Jordanians, whereas in the past most Jordanians were issued contracts for one year. According to the representative worker survey conducted in July 2023, 19 per cent of Jordanian workers were issued three-month contracts, while an additional 12 per cent held six-month contracts. This practice of issuing short-term contracts can lead to job insecurity and increased vulnerability of workers.

Dialogue, Discipline and Disputes

A cornerstone of the ILO's approach to resolving workplace problems is dialogue. Setting up systems for transparent and open dialogue is particularly important in contexts with imbalanced power relations between workers and management. This is the case across the global garment sector and is especially important in Jordan where the majority of the workforce are migrant workers who face additional communication and cultural barriers to open dialogue.

As per the CBA, factories are required to establish workplace bipartite committees that meet regularly to discuss workplace concerns and deliberate potential solutions. Starting in 2010, Better Work Jordan helped factories set up workplace bipartite committees, Performance Improvement Consultative Committees (PICCs), and used these committees as an essential part of social dialogue and the advisory process to bring together both managers and workers to find solutions for addressing non-compliance violations. These committees involved meetings between workers and managers, but the union was not involved in the initial years due to the management's reluctance to meet with the union. In recent years, the union has pushed for more direct involvement at the factory level. In light of the programme's broader sustainability strategy, Better Work Jordan supported the union in establishing the enterprise-level Union Labour Committee (ULC) in each factory. The ULC consists solely of workers and meets with the factory management periodically. The 2019 CBA formally introduced the ULC as the factory-level bipartite committee in the garment sector, replacing the original PICC. The union bears responsibility for regulating all matters relating to the ULC, including candidacy requirements, number of committee members, voting, quorum, decision making mechanics, and documentation of minutes of meetings. The union sets the date of ULC elections in coordination with the employer. The employer's responsibility is to allow the union access to the factory, to meet with committees when they are formed, and to provide workers serving on the committees with paid time off.

Table 3. In Focus: Dialogue, Discipline and Disputes

Compliance Question	NC Rate by Question		
	2021 (n=77)	2022 (n=86)	2023 (n=83)
Have any workers been bullied, harassed, or subjected to humiliating treatment?	17%	19%	14%
If a Union Labour Committee is formed, does the employer meet worker representatives on a regular basis?	9%	1%	6%
Do disciplinary measures comply with legal requirements?	4%	2%	5%

The majority of factories have a ULC that was formed by the union and that meets regularly with management. Five factories were cited as non-compliant for failing to meet with the ULC if it is formed (see **table 3**). In four of these factories, a ULC was formed, and the management met with it regularly but failed to present minutes of these meetings. One factory was cited as non-compliant because the management only met the ULC once in the last six months.

Data from worker surveys shows that while two-thirds of workers think that the ULC in their factories are effective, approximately 20 per cent are unfamiliar with these committees, suggesting potential issues with their visibility or their engagement in resolving disputes. Nevertheless, both factors point to a gap in the functionality of committees. Migrant workers and female workers are more likely to have knowledge about the committees and perceive them as effective compared to Jordanians and male workers.

Better Work Jordan tracks whether factories have adequate grievance handling mechanisms and dispute resolution procedures as a separate issue from committees, and cited the first non-compliance case in 2023. The factory failed to present any document that shows clear options for submitting grievances and disputes that ensure anonymity, confidentiality, and non-retaliation. Through document review, the assessment team checks if factories have procedures for handling worker grievances. However, it is important to note that this is a minimum standard. **The low non-compliance rate does not mean that grievance handling procedures are necessarily effective.**

Survey data gathered in July 2023 indicates that 78 per cent of workers are satisfied with the opportunities available to place complaints or grievances at the workplace. However, workers fear retaliation for raising formal grievances, especially for sensitive issues such as sexual harassment. About 21 per cent of workers thought that it would be extremely risky to raise a formal grievance in the case of quid-pro-quo sexual harassment. For a border discussion about grievance mechanisms, see **box 8**.

Box 8. Grievance Standard Operating Procedures in the garment sector

Better Work Jordan and the Arab Renaissance for Democracy and Development (ARDD) are collaborating to improve and strengthen grievance handling mechanisms in Jordan's garment sector. A significant milestone of this collaboration was the development of a comprehensive Standard Operating Procedures (SOPs) document, which highlighted a collective commitment to advance grievance handling practices and ensuring the protection of workers' rights in the garment sector.

The SOPs were developed to streamline grievance handling processes within the sector. They are a set of standardized guidelines and protocols aimed at ensuring consistent and effective responses to grievances and complaints from female and male workers. These procedures cover several areas, including the identification of relevant authorities responsible for receiving and addressing grievances, mechanisms for referral between service providers, and protocols for maintaining confidentiality and privacy. Employers, the union, MoL, and legal aid service providers are all entities workers can resort to. The purpose of the grievance SOPs is to raise awareness among workers, the primary beneficiaries, about the means available to them should they face any problems at work within the sector. Moreover, the SOPs also support service providers in ensuring the efficiency of efforts and avoiding duplication of resources.

Throughout this initiative, stakeholders engaged in insightful discussions, drawing upon essential tools such as sectoral Collective Bargaining Agreements, the Ministry of Labour's Hemayah platform, and the garment trade union's website. These dialogues facilitated the formulation of strategies aimed at enhancing the efficiency and accessibility of grievance handling procedures.

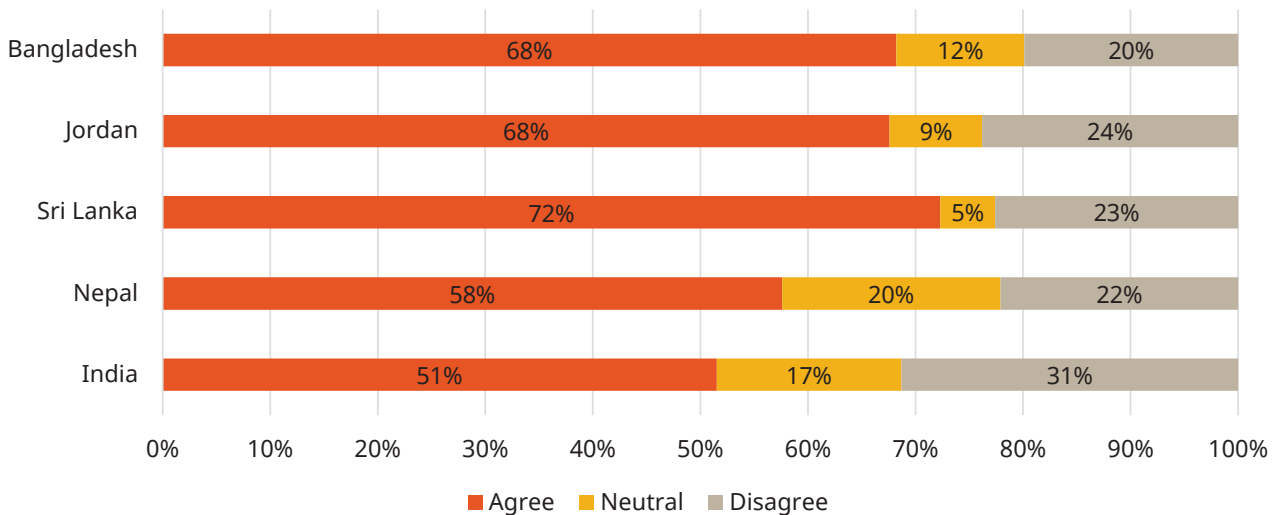
Looking ahead, the endorsement of the SOPs from sector stakeholders is likely. This endorsement will further reinforce efforts to improve grievance handling mechanisms and ensure the protection of workers' rights in the garment sector. In addition, comprehensive training is planned in 2024 for trade union staff and HR personnel in the sector. This training aims to equip them with the knowledge and skills necessary to adeptly utilise the SOPs and efficiently handle grievance cases.

Five per cent of factories did not have disciplinary measures that comply with legal requirements in 2023. One common issue is that workers did not have a chance to defend themselves or state their case. In one factory, two migrant workers were terminated without warning because they intentionally reduced the production. But, according to the discipline protocol, formal written warnings should precede the termination.

Verbal abuse, including bullying, harassment, and humiliation, is one consistent issue in the sector, although the non-compliance rate in this area decreased in 2023. Fourteen per cent of factories were cited as non-compliant for verbal abuse. However, Better Work Jordan noted that in recent years, this issue extends beyond satellite factories, where the programme has identified complaints of verbal abuse in the past, to several main exporting factories. According to the anonymous workers' survey, 34 per cent of the worker respondents expressed concern with workplace verbal abuse in 2023. Jordanian workers were far more likely than migrant workers to be concerned about verbal abuse. Bullying, harassment, and humiliation of workers can affect relationships between workers and managers. A proxy for measuring worker-manager relations is to look at the mutual trust between managers and

workers. In 2023, about 66 per cent of all worker respondents think that there is mutual trust between managers and workers in their factory. There, however, is significant variation by nationality (see **figure 13**). In contrast, 93 per cent of managers surveyed thought that there was mutual trust between workers and managers in their factory.

Figure 13. Worker perceptions on mutual trust between management and workers, by nationality



If workers are unable to resolve their disputes with management, they may leverage their collective power and go on strike. Better Work Jordan documented 11 strikes in the sector in 2023. The most significant occurred in a closed factory, where four strikes were recorded within the year. However, these strikes were considered illegal under Jordanian labour law, as workers failed to provide a 14-day notice to the employer before initiating the strikes. For this reason, the union did not document these strikes in their record. It is important to note that the union currently lacks a database for recording labour strikes. The ongoing initiative led by Better Work Jordan to assist the union in building a database is currently progressing into its second phase, focusing on creating a database dedicated to monitoring grievances and labour strikes.

Employment Contracts

Several issues were cited under employment contracts. Eighteen per cent of factories were cited as non-compliant for issues with factory by-laws. Better Work Jordan looks at several aspects of factory by-laws, including MoL approval, translation into all worker languages, being posted in the workplace, and an internal policy which prohibits violence and harassment. While the vast majority of factories have internal by-laws, the largest gap continues to be in adopting an internal policy against violence and harassment. This is a requirement of the CBA that is in line with the ILO Convention 190 on Violence and Harassment in the world of work. In addition, 16 per cent of factories failed to provide workers with a copy of their contract. Fourteen per cent of factories were cited as non-compliant for not using the Unified Contract Template for hiring or renewing Jordanian workers, although all of them have done so for migrant workers.

Termination

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

Occupational Safety and Health

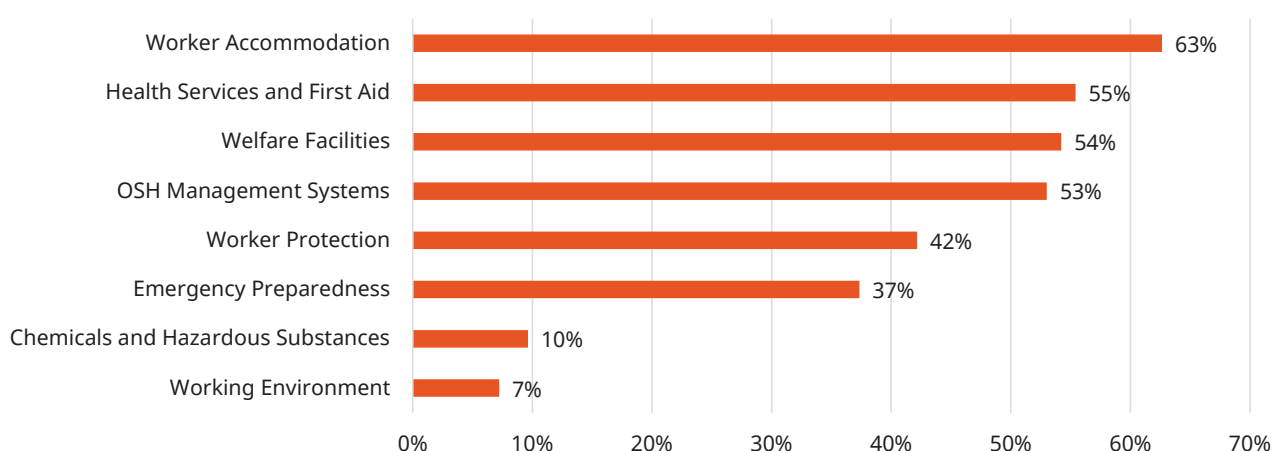
Occupational Safety and Health (OSH) is the largest cluster in Better Work Jordan's compliance assessment tool, with 55 questions under eight compliance points. The compliance points include: Chemicals and Hazardous Substances, Emergency Preparedness, Health and First Aid, OSH Management Systems, Welfare Facilities, Worker Protection, Worker Accommodation, and Working Environment.

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

There were noticeable improvements in OSH compliance, particularly in OSH management, health services and first aid. These improvements were driven by collaborative efforts, such as more frequent and regular advisory visits by labour inspectors under the Better Work Units focusing on OSH topics, OSH awareness campaigns led by the OSH Directorate of the MoL, industrial seminars introducing new OSH regulations conducted jointly by Better Work Jordan and the MoL, and factory audits carried out by the SSC in 2023.

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

Figure 14. Questions under OSH with the highest non-compliance rates



Worker Accommodation

Factories provide migrant workers with accommodation while they work in Jordan. The quality and safety of these accommodations, mostly dormitories, form a large part of the experiences of migrant workers in Jordan. The conditions in dormitories cannot be separated from the conditions on the factory floor – if workers have a problem in one area, it will most likely carry over to the other.

There are numerous compliance violations when it comes to worker accommodation, and non-compliance in this area has shifted in different ways over the last three years (see table 4). The areas with the highest violations are cleanliness (48 per cent non-compliance) and the overall environment such as heat, cold and dampness (37 per cent non-compliance). However, both areas have improved since last year. Cleanliness is a persistent issue in the sector's employer-provided dormitories, and the findings related to the environment are also affected by seasonal factors and, consequently, the time of the assessment. During the hot summer months, heat can be an issue in the dorms, whereas damp and cold are issues in the winter. Spring and autumn are milder and have fewer issues.

Table 4. In Focus: OSH requirements in Accommodations

Compliance Question	NC Rate by Question		
	2021 (n=77)	2022 (n=86)	2023 (n=83)
Is the accommodation clean and protected against disease-carrying animals or insects?	52%	52%	48%
Is the accommodation adequately protected against heat, cold, dampness and noise, and is it adequately ventilated and lit?	27%	42%	37%
Is the accommodation protected against fire?	17%	19%	20%
Has the employer adequately prepared for emergencies in the accommodation?	49%	17%	18%
Does the accommodation have adequate cooking facilities?	27%	9%	12%

Accommodation safety provision is another area of concern. Exposed wiring and overloaded power sockets in the accommodation are common issues, with 20 per cent of factories being non-compliant for protection against fire in 2023. Additionally, some dormitories did not have functioning alarm system, with 18 per cent of factories cited as non-compliant with adequate preparedness for emergencies.

Both cleanliness and safety concerns are linked to inadequate cooking facilities. Workers often cook or eat in their rooms if there are not adequate facilities – which can lead to insects and animals in the dorms and increased risk of fire. In 2023, 12 per cent of factories were cited as non-compliant for not having adequate cooking facilities in the dorms.

Meanwhile, there have been sustained improvements in some areas of worker accommodations in the last four years. Crucially, compliance with minimum space requirements has improved significantly, from 36 per cent non-compliance in 2020 to 11 per cent non-compliance in 2023. In addition, eating and living areas (14 per cent non-compliance) and adequate toilets, showers, and garbage disposal (7 per cent non-compliance) have both improved substantially.

Health Services and First Aid

Health services and first aid have always had high rates of non-compliance, but there is considerable progress in 2023, particularly on staffing and regular health checks. Thirty-seven per cent of factories are non-compliant with proper medical staffing, compared to 52 per cent in the previous year. With the exception of one factory, all others have at least one full-time doctor and nurse on the payroll. The staffing requirement, however, depends on the size of the factory, and larger facilities may be required to employ multiple doctors and nurses. Retaining doctors and nurses has been a challenge, especially as Jordanian labour law restricts these professions to Jordanians, and Jordanian doctors are often reluctant to travel to industrial zones. Despite not having the legally required number of staff, the majority of factories were able to complete the necessary health checks for workers. Ten per cent of factories were non-compliant on this issue, compared to 20 per cent in 2022.

In 2023, Better Work Jordan started to track whether factories comply with mental health provisions required by the 2022 CBA. Under the CBA, employers must adopt the workplace mental health policy, complete with SOPs, to ensure the provision of mental health and psychosocial support services at the factory level, in line with the Better Work Jordan programme. Employers are obligated to refer workers to specialized psychological healthcare centres in Jordan upon request. Additionally, employers are required to provide mental health training to all employees including factory floor workers, particularly on the importance of mental well-being and methods of care. Factories are cited as non-compliant if they fail to meet any of these requirements. **Twenty-seven per cent of factories were cited as non-compliant for mental health provision.** Among these factories, only two had endorsed a mental health policy with clear SOPs, and none had conducted any training in the last 12 months of the assessment.

Welfare Facilities

Per Jordanian labour law and the CBA, factories must provide basic welfare facilities to workers, including day care facilities and eating areas. **While non-compliance with day care facilities has persistently been an issue in the sector, there has been some improvement in 2023.** Overall, 25 per cent of factories were non-compliant in providing adequate day care facilities. The current law requires employers to provide an on-site nursery if they employ workers with at least 15 children under five years old. If not, employers may – per the 2021 Alternative to Institutional Day Care Facilities - offer financial subsidies for childcare services, and, for workers in the garment sector who typically earn less than 300 JD per month, the payment should be 50 JD per child per month. In February 2023, the MoL introduced amendments to childcare instructions. These amendments give employers the option to offer alternatives to childcare services, and these alternatives must be regulated by a CBA concluded between employers and worker representatives or unions. Accordingly, a separate CBA regarding this matter was concluded in April 2023, and, among other issues that were identified by Better Work Jordan, the financial subsidy for childcare services was set at 30 JD per month.

Adequate eating areas and enough food of decent quality are particularly important for migrant workers as part of their salaries are paid through “in-kind” benefits. While the non-compliance rate remains low with adequate eating areas (2 per cent non-compliance), assessors have found an increased number of factories did not provide food of decent quality. Twenty-four per cent of factories were cited as non-compliant for food quality. Two of these factories were non-compliant because the factory cooks did not have the required medical certificate. In the remaining factories, there were complaints from workers regarding food quality. Consequently, workers in these factories were often cooking by themselves, resulting in extra expenses for food and groceries.

OSH Management Systems

Successful OSH management systems allow factories to monitor and improve occupational safety and health within their own factories. Better Work looks at several aspects of OSH management systems, including the recording system that factories use to track accidents in the factory, sufficient specialists to make sure that the rules are followed, and coordination with workers.

Non-compliance with OSH management systems is mostly due to the lack of OSH specialists in factories, but there is a notable trend of improvement in 2023 (see **table 5**). As per the law, employers should hire at least one OSH specialist and two technicians if the workforce is between 201 and 500. If workforce numbers are between 501-1,000, employers are required to hire at least two OSH specialists and three OSH technicians. This requirement increases by one specialist and two technicians for each additional 1,000 workers. Notably, the requirement for OSH staff changed in the last quarter of 2023 based on regulation No. 33 (see details in the section Regulatory update). In November 2023, Better Work Jordan, in collaboration with the MoL, conducted an industry seminar to introduce the changes and new instructions in the regulations to factories. Better Work Jordan will start assessing against this new requirement in 2024.

Most factories have MoL-approved specialists and technicians, but they frequently do not meet the required number. Additionally, 11 per cent of factories did not have a written plan for OSH programs, and 12 per cent did not form an OSH committee.

Table 5. In Focus: OSH Management Systems

Compliance Question	NC Rate by Question		
	2021 (n=77)	2022 (n=86)	2023 (n=83)
Does the factory employ the required OSH specialists?	68%	62%	42%
Does the employer have written plans for OSH programs?	31%	14%	12%
Has the employer formed a joint worker/management OSH committee?	26%	8%	11%

Worker Protection

Personal Protective Equipment (PPE) has long been crucially important in garment factories. The provision of PPE such as masks, metal gloves, glasses and hearing protection is essential in ensuring workers' safety, and employers are required to adequately train workers to use such equipment. Both workers and employers are responsible for ensuring the effective usage of PPE.

Forty-two per cent of factories were non-compliant with some aspect of worker protection. The most common issue was the provision of worker training for PPE and machine usage (34 per cent non-compliance) which has been a consistent issue over the last few years. Another issue concerns the installation and maintenance of proper guards on all dangerous machines and equipment, with 18 per cent of factories found to be non-compliant. However, factories have improved significantly in providing all necessary PPE to workers. Non-compliance rates dropped from 23 per cent in 2020 to only 1 per cent in 2023.

Emergency Preparedness

Thirty-seven per cent of factories were cited as non-compliant in some aspect of emergency preparedness – a broadly similar finding to the non-compliance rates in the last three years. Like last year, one of the areas with the highest rate of non-compliance was the proper preparation for emergencies through emergency drills (17 per cent non-compliance). Emergency drills should be conducted twice per year, and at least one of them should be under the supervision of the Civil Defence, while factories should provide fire-fighting training at least once a year to a minimum of 10 per cent of the workforce. Labour inspectors highlighted these points during OSH-focused advisory visits in the last year. Additionally, 20 per cent of factories were cited as non-compliant regarding emergency exits. While these factories have an adequate number of emergency exits, accessibility to these exits is not fully guaranteed, either by obstacles in the emergency aisles or even locked exits.

Working Time

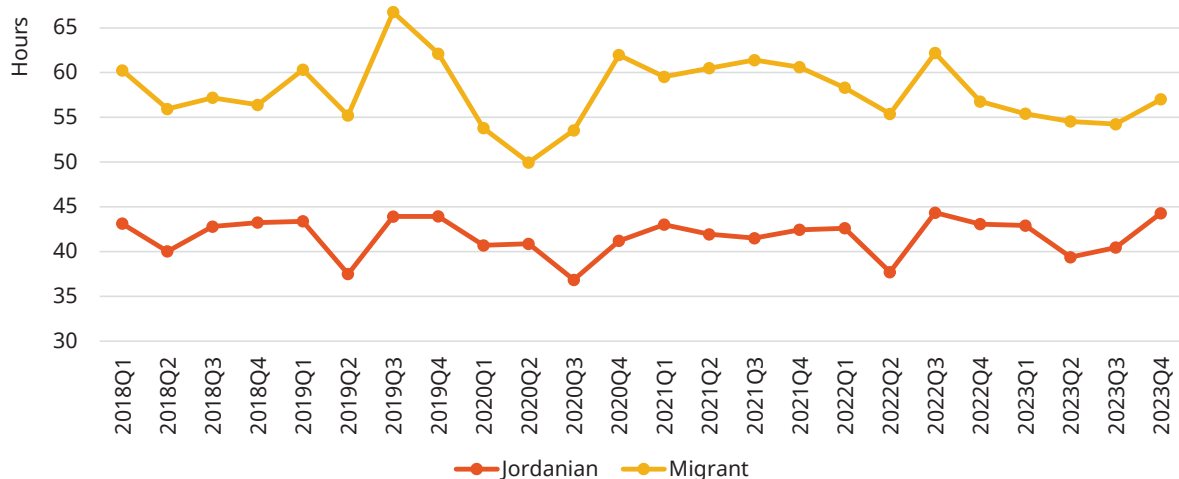
There are significant issues with long working hours in the sector. Historically, there has been no limits on the amount of overtime that can be worked (either daily, or weekly) under Jordanian law. This meant long hours of work were legally acceptable, provided the worker voluntarily agreed to any hours exceeding 48 hours per week, 11 hours per day, or on Friday (rest day). However, the 2022 sectoral CBA introduced a new provision on working time, setting a cap on maximum overtime hours at four hours of overtime per day. This equates to 12 hours per day and 72 hours per week over a six-day work week. Based on historical data from a sample of working hours from 9,500 workers between 2017 and 2022, no Jordanians worked more than 72 hours per week, but around 10 per cent of migrant workers did.^{xxiii} Starting on 1 January 2023, Better Work Jordan began looking at factory compliance with overtime hours limits.

Working hours are verified from payslips during yearly assessment visits. In 2023, the global contraction of garment orders directly affected the working hours of many workers in the sector, resulting in an overall reduction of working hours. This reduction was most pronounced among migrant workers, who are far more likely to work overtime. The structure of wages in the sector highly incentivizes overtime hours for migrant workers. In addition, residing in factory dorms located in remote industrial zones and

being away from their families means that migrant workers have fewer external obligations, leisure opportunities, or transportation compared to Jordanians.

According to data gathered during the 2023 assessment, workers on average worked 51 hours per week, with migrant workers working an average of 55 hours per week and Jordanians an average of 41 hours per week. This indicates a decrease compared to the 2022 figures, where migrant workers averaged 59 hours per week while Jordanians worked an average of 42 hours per week (see **figure 15**).

Figure 15. Average weekly hours



Despite an overall reduction in available overtime hours in the sector due to fewer production requirements, 27 per cent of factories were cited as non-compliant for overtime hours. Notably, in eight factories identified for non-compliance in the last quarter of 2023, management said the issue was linked to the ongoing regional conflict and its disruption to shipping routes. In addition, two factories were found to be non-compliant for not providing the proper time off for breastfeeding breaks.

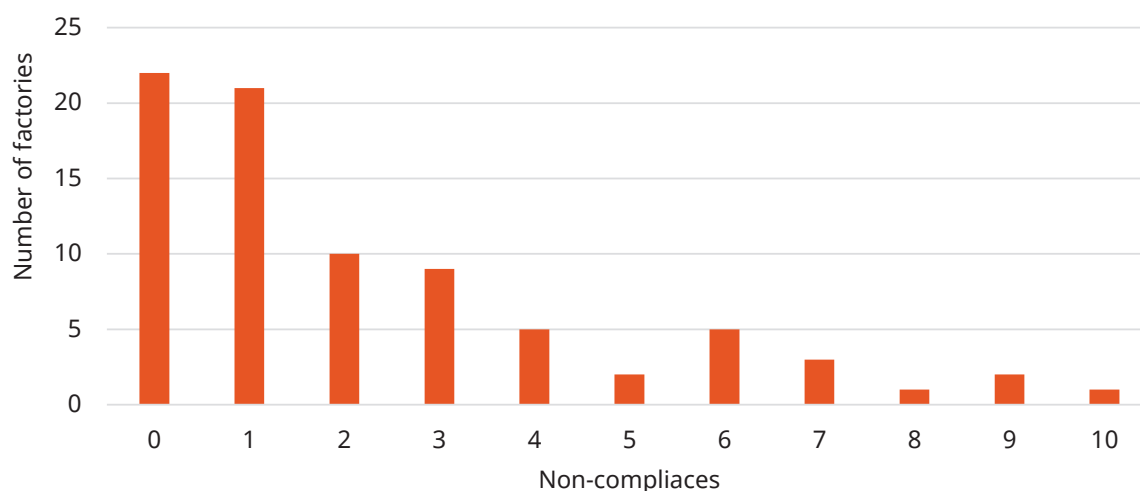
Publicly Reported Issues

Greater transparency is expected to increase accountability and consequently, compliance. The Better Work Transparency Portal currently posts compliance on selected issues from five countries (in addition to Cambodia, which posts compliance information on a separate site).^{xxiii} A factory's compliance findings remain on the portal until a new assessment report is published.

A 2019 study in Jordan showed that the transparency portal lowered non-compliance rates on publicly reported issues.^{xxiv} Better Work had initially tested public reporting on selected compliance questions in Cambodia and Haiti and had observed positive results.^{xxv} Based on this evidence, Better Work expanded transparent reporting to other countries.

Public reporting was introduced in Jordan in July 2017 with support from the Jordanian government and the World Bank. The portal includes 29 compliance questions across different clusters for factories in Cycle 2 and above. Among the 83 factories covered in this report, 81 are in Cycle 2 or above and are therefore on the transparency portal. Of these, 27 per cent have no noncompliance findings with publicly reported issues, an improvement since 2021. The average number of non-compliance is 2.3 (see **figure 16**). Similar to the previous year, the most common public reporting violation is fully implementing the collective bargaining agreement.

Figure 16. Number of non-compliances on Transparency Portal for 2023 assessments



► Next Steps

Better Work Jordan's Fifteenth Annual Report provides some noteworthy trends in Jordan's garment industry. Over 15 years of operations in Jordan has allowed Better Work to observe and lead sectoral changes. Better Work has supported industry-level improvements together with national tripartite members.

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

Looking ahead to 2024, the following developments are foreseen in the sector:

Advancing institutional capacity building of stakeholders: The programme works to build the capacity of the Better Work Unit in the MoL, supports the union in implementing its five-year strategy and strengthen the union's representation of workers, and increases the institutional capacity of employers' associations.

Increased collaboration among stakeholders: The programme seeks to increase collaboration among stakeholders for a more resilient sector. The newly developed grievance SOPs can serve as an instrumental tool, as they clearly define the responsibilities of various parties involved in grievance handling. Ensuring effective implementation of these SOPs requires strong collaboration among stakeholders.

Implementation of grievance SOPs: Moving to implementing the grievance SOPs, Better Work Jordan will facilitate training for all stakeholders to familiarize them with the SOPs and their respective roles within grievance handling processes, and continue consultation with social partners to address challenges. The programme will also evaluate the effectiveness of the system after the initial implementation phase.

Strengthening factory-level social dialogues: Better Work Jordan will support the union in strengthening factory-level social dialogues by clarifying the roles of ULCs and providing targeted training for worker representatives. Given the current absence of explicit legal protections for workers' representatives, the programme will assist UCLs in establishing protections mechanisms for their members.

Expansion of mental health project activities: The project will expand support to smaller factories and extend outreach to factories in Aqaba's industrial zones. The project will continue offering tailored technical support to pre-participating factories to ensure their successful integration.

Enhancing support system for migration workers: Better Work Jordan continues to explore the possibility of partnership with relevant institutions in sending countries for migrant workers, with a focus on Bangladesh. The programme also works to enhance the orientation process for incoming workers, strengthen grievance resolution mechanisms for fair and timely resolutions, and provide essential mental health support to address the holistic well-being of migrant workers.

► Annexes

Annex A. Garment factories covered in this report

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

Jerash Garments and Fashions Mfg. Co. Ltd. (Unit 1 & 3)	Rich Pine International Group Ltd.
Jerash Garments and Fashions Mfg. Co. Ltd. (Unit 4)	Samad Wear Manufacturing Company Ltd
MAS AL SAFI Apparel Mfg. LLC - MAS KREEDA Al Safi Dulayl	Sana Garment Co. (Irbid City)
MAS AL SAFI Apparel Mfg. LLC - MAS KREEDA Safi Madaba	Sana Garments Co.
MAS AL SAFI Apparel Mfg. LLC - MAS KREEDA Al Safi Sahab	Saysaban Textile Factory
Mustafa & Kamal Ashraf Trading (Jordan) Garment Ltd.	Sidney Apparels LLC.
Needle Craft (Al Mafrqa â€” Sarhan)	Southern Garment Mfg. Co. Ltd.
Needle Craft for clothing industry	Straight Line for Apparel Co.
New Century Clothing Industry L.L.C.(QIZ)	Tusker Apparel Ltd. Co.
Noor Seen Apparel	Tusker Apparel Ltd. Co. Satellite (Jerash)
Nour AL- Islam for Garments Industry Co. Ltd.	Tusker Apparel Ltd. Co. Satellite (Rusaifa)
Peace Gate Garment	United Creations L.L.C.
Pine Tree Co. for textile Mfg. P.S.C (TWJ)	United Creations L.L.C. (Satellite Al Azraq)
Premium Clothing Industry LLC	Victorious Apparels Mfg. Co. Ltd.
Prestige Apparel Mfg. Ltd. Co.	W&D Apparel (Jordan) Corp.
Rainbow Textile L.L.C.	World of Knitting

Annex B. List of participating buyers

Abercrombie & Fitch

Adidas

American Eagle Outfitters, Inc.

Ascena Retail Group Inc.

Brand Machine Group

Columbia Sportswear

DICK's Sporting Goods Ltd.

Disney Worldwide Services

GAP Inc

G-III Apparel Group

Gymshark Ltd

J.Crew

L.L. BEAN Inc.

Li & Fung (Trading) Limited

MGF Sourcing Far East, Ltd.

New Balance Athletics, Inc.

Newtimes Development Ltd

NIKE, Inc

PVH Corp

Spanx Inc

Target Corporation

Under Armour, Inc.

VF Corporation

Annex C. Methodology and limitations

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

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

Worker, Supervisor, and Manager Surveys: In both June and December 2019, and in July 2020, 2021, 2022, and 2023, Better Work Jordan conducted surveys in an ongoing effort to collect information on the state of the garment industry. The programme worked with a local research team to collect responses from workers and managers. Over the course of five weeks in July and August 2023, a team of enumerators collected survey results from 1,562 workers across 77 factories, or roughly 2 per cent of the garment sector workforce. The team surveyed a different, random selection of workers at the same factories surveyed in previous rounds. The survey design was stratified by gender and nationality within each factory to ensure an accurate representation of workers along these lines. Within each group, workers were chosen at random. Most workers were surveyed on Fridays in a neutral setting outside of the factory. The survey was conducted online, and the majority of workers used their own phones to complete the survey. The survey took approximately 30 minutes for workers who could read, and around 60 minutes for workers who used the audio recording. One manager from each factory also completed a separate survey as well. In July 2021, a supervisors' survey was introduced with 437 supervisors completing the survey in 2023. 'Pooled results' refers to responses from 2023 survey round, unless otherwise noted.

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

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

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

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

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

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

Endnotes

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- III. Jordan, Department of Statistics, "[Quarterly Estimates for Gross Domestic Product by Economic Activity at Constant Prices, \(2008-2023\)](#)". Accessed on 1 April 2024.
- IV. The World Bank, Jordan Economic Monitor, Fall 2023: Building Success, Breaking Barriers - Unlocking the Economic Power of Women in Jordan.
- V. World Food Programme, "Market and Price Review Jordan, 2023 November".
- VI. The World Bank, Jordan Economic Monitor.
- VII. "Public debt stands at JD31.714 billion, 88.7% of GDP", The Jordan Times, 31 October 2023.
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- IX. ILOSTAT, accessed on 1 April 2024.
- X. Jordan, Department of Statistics, "[The unemployment rate decreased to 21.4% during the fourth quarter of 2023.](#)".
- XI. The World Bank, Jordan Economic Monitor.
- XII. Jordan, Ministry of Labour, "[National Labour Market Indicators](#)" (2017-2021), September 2022. Table 1.
- XIII. Authors' calculations based on data gathered from the Department of Statistics on 1 April 2024. Garment exports for articles of apparel and clothing accessories, knitted or crocheted (HS61); articles of apparel and clothing accessories, not knitted or crocheted (HS62); and other made-up textile articles, sets, worn clothing and worn textile articles and rags (HS63).
- XIV. Data gathered by Better Work Jordan during assessment visits throughout 2023.
- XV. Centre for the Promotion of Imports from developing countries (CBI), "[Value Chains Analysis \(VCA\) Garments, Jordan](#)", January 2019.
- XVI. [Better Work Jordan Phase IV Strategy](#) (2022 – 2027), 7 July 2022.
- XVII. OSH was declared a fundamental principle and right at work in 2022. BWJ continued assessing OSH in accordance with national law and regulations in 2023, but from 2024, OSH will be assessed against the international labour standard (ILO Convention 155).
- XVIII. A policy brief accompanies each round of data collected. All policy briefs include key information about worker opinions about working conditions, grievance mechanisms, stakeholder engagement, and one additional topic. The first policy brief summarizes the data gathered in June 2019 and focuses on stress in the workplace, see "[Better Work Jordan: Worker Voice Survey Results](#)", November 2019. The second policy brief summarizes the data gathered in December 2019 and focuses on third-party audits, see "[Better Work Jordan: Worker and Manager Survey Results](#)", June 2020. The third policy brief summarizes the data gathered in July 2020 and focuses on mental well-being, see "[Better Work Jordan: Worker and Manager Survey Results](#)", October 2020. The fourth policy brief covers changes in results over the last three years and introduces the supervisors' survey, see "Better Work Jordan: Worker, Supervisor and Manager Survey Results," November 2021. The latest brief summarizes the data gathered in July 2023 and focuses on sustaining the programme impact, [Better Work Jordan: Worker, Supervisor and Manager Survey Results](#)," November 2023.
- XIX. For more information, see [International Labour Standards on equality of opportunity and treatment](#), ILO.
- XX. Direct Requests (CEACR) - adopted 2020, published 109th ILC session (2021), Equal Remuneration Convention, 1951 (No. 100) and Discrimination (Employment and Occupation) Convention, 1958 (No. 111) – Jordan.
- XXI. The garment sector PAC agreed to adjust the standard for the employment quota. In the Labour Law, the quota should be four per cent of the whole workforce. However, the PAC decided that hiring quota for persons with disabilities may be determined based on the number of Jordanian workers only.
- XXII. ILO, "[Jordan's garment sector removed from US forced labour listing](#)", 9 October 2016.
- XXIII. To access the Transparency Portal, visit: <https://portal.betterwork.org/transparency/compliance>.
- XXIV. Raymond Robertson. "[Discussion Paper 32 – Working Conditions, Transparency, and Compliance in Global Value Chains: Evidence from Better Work Jordan](#)", (ILO, November 2019).
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