

Better Work Jordan: Garment Industry 7th Compliance Synthesis Report

Produced in January 2016

Reporting period:
November 2014 –October 2015
Number of factory assessments in this report: 64 factories
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Executive Summary

A partnership between the International Labour Organization (ILO) and the International Finance Corporation (IFC), Better Work Jordan was launched in February 2008. Its goal is to reduce poverty in Jordan by expanding decent work opportunities in global supply chains. It aims at improving competitiveness of enterprises in Jordan which are part of global supply chains by promoting economic and social performance, the principles of the ILO Declaration and compliance with Jordanian labour law. The project contains three components. The first component aims at assessing participating factories against international core labour standards and national labour law to identify compliance requirements and recommendations on improvements in systems to support proactive management of compliance. Through the second component, advisory and training services, BWJ participating factories are advised on how to improve compliance by increasing workplace cooperation. The goal of the third component is to engage stakeholders at the sectoral level to ensure long-term sustainability of factory improvements.

Better Work produces public synthesis reports for each country programme up to two times per year. The goal of these reports is to provide transparent information for all programme stakeholders regarding working conditions in the factories participating in the programme.

Better Work Jordan released its first public synthesis report in May 2010. In February 2011, Better Work Jordan published its second synthesis report; the third synthesis report was published in March 2012; the fourth report in November 2012; the fifth in December 2014; and the sixth in January 2015. This current report evaluates the timeframe between November 2014 and October 2015, considering 64 factories.

This report provides a snapshot of the non-compliance findings during the reporting period in factories participating to Better Work Jordan. The data collected illustrate compliance with labor standards according to eight clusters: four based on ILO core labor standards regarding child labor, forced labor, discrimination, and freedom of association and collective bargaining, and four indicators based on national law regarding working conditions (compensation, contracts and human resources, occupational safety and health, and working time).

The major findings emerging from the data are as follows:

Child Labor: Assessments found one instance of non-compliance in a factory, which was unable to show documentation for cleaners on-site who worked for a cleaning company that had been subcontracted. During the reporting period Better Work Jordan had concerns with two factories concerning workers from Bangladesh and Nepal who appeared to be underage. These concerns were reviewed with the factory and reported to the Ministry of Labor.

Discrimination: Discrimination on the basis of race, color and origin with 51 factories (80%) out of compliance due to the national law and CBA not meeting international standards because of the differences in the payment of financial benefits between migrant and Jordanian workers. The recently signed Addendum to the sector-wide collective bargaining agreement will gradually eliminate this discriminatory practice by August-2017. It is worth mentioning that starting in January 2016, two factories have proactively eliminated this compensation-based discrimination by implementing all the conditions of the Addendum. The other major non-compliance here is the hiring of disabled workers. Though all factories have hired disabled workers, many fall slightly short of the legal requirement, which has resulted in non-compliance.

Forced Labour: Jordan has significantly reduced forced labor since the inception of Better Work. This year four factories were found non-compliant in the coercion category, one of which has since been shut down by the Ministry of Labor.

Freedom of Association and Collective Bargaining: All factories are non-compliant under Freedom to Associate as the law forbids workers from forming unions of their own choice by stipulating a single trade union structure. Furthermore, in this section we find non-compliances related to implementation of the CBA and its addendums- in many cases factories implement part of the CBA, but do not fully comply with implementing all portions.

Compensation: Failure to comply with the provisions on compensation contained in the sector-wide Collective Bargaining Agreement was the most frequent basis for factory non-compliance, usually related to the calculations of financial benefits. An Addendum to the CBA, effective as of 1st August 2014, requires employers to include gradually increasing in-kind amounts as part of the base salary in the calculation of all financial benefits in order to eliminate this discrimination between migrant and Jordanian workers. The provisions of this Addendum were unclear and/or not applied by some factories. As factories become more familiar with the CBA and accustomed to abiding by all its provisions, non-compliances should decrease.

Contracts and Human Resources:

The recruitment process for migrant workers persists as a major challenge, for nearly half of factories (47%) are non-compliant with regard to workers, mainly from India and male workers from Sri Lanka, who paid unauthorized recruitment fees to agents in excess of reasonable costs. The percentage of factories that were found to have not taken the required steps to ensure that migrant workers did not pay any unauthorized fees decreased from 44% to 28% compared to the previous report.

The highest non-compliance rate in this cluster is within Employment Contracts and Contracting Procedures with a total of 56% not compliant. 22 factories have received non-compliance because of the language of the contract, most frequently because the contract is in the workers native language and English, but not Arabic.

Occupational Safety and Health: The level of OSH non-compliance findings represents approximately half of total non-compliance findings. Based on the employment contract and the provisions of the CBA, garment factory employers in Jordan provide accommodation for migrant workers; this area remains a key challenge for OSH compliance as nearly 70% of worker dormitories do not comply with the minimum space requirements, are inadequately protected against heat, cold and dampness and have a significant presence of insects. Two other recurring issues in this cluster relate to the presence of medical and OSH professionals on site.

Working Time: In this reporting period, 20 factories were found out of compliance with reliable and accurate records among which 6 factories were transparent in providing all their working hour records to the assessors whereas 14 factories did not share their complete records.

KEY PROGRAMME DEVELOPMENTS

- In 2013, Better Work facilitated the negotiations for a sector wide Collective Bargaining Agreement. This agreement was passed in 2013. Better Work has followed up on the strengths and weaknesses of this initial CBA, and in late 2014 the program worked with stakeholders to write an addendum to the Collective Bargaining Agreement. The Addendum hopes to gradually eliminate discriminatory practice in the calculation of overtime and benefits for migrant workers in the sector over a three year period.
- In August 2015, a two-year extension of the sector's CBA struck in 2013 was signed by the national stakeholders. The CBA aims at strengthening workers' representation and the stakeholders' partnership, improving the sector's working conditions of over 60,000 employees, as well as the productivity and competitiveness of the industry. The contract has been a breakthrough in Jordan since its inception and still constitutes one of the most comprehensive of its kind in the region and, in the apparel sector, worldwide. ILO/BWJ supported the negotiation process between the Jordan Garments, Accessories and Textiles Exporters Association (J-GATE), the Association of Owners of

Factories, Workshops and Garments (AOFWG) and the General Trade Union of Workers in Textile, Garment & Clothing Industries by providing collective bargaining trainings to both parties ahead of discussions. Amendments to the original CBA include an increase in seniority bonuses for workers with more than five years of employment.

- ILO is in the process of establishing an Industrial Joint Council comprised of key industry stakeholder representatives whose aim is to manage and negotiate sectoral CBAs.
- The main apparel employer associations and the country's garment union signed the guidelines for the implementation of a new unified contract for migrant workers in the garment sector in December 2015. This is a further step towards harmonizing recruitment and employment policies among different employee nationalities in the country. Facilitated by the ILO and supported by BWJ, the contract will help end the practice of some migrant garment workers signing multiple contracts in their home country, and then signing different contracts when they arrive in Jordan. The implementation of the unified contract has become effective since January 2016.
- Similar to other Better Work country programmes, Better Work Jordan has also begun to implement revisions to the core factory services model. This model aims to provide greater focus on advisory, training, and systems improvement as the base for factory ownership and sustainable change. Major changes are highlighted below.
 - Services now begin with 100 days of advisory prior to the assessment and the completion of the self-diagnosis tool on factory compliance and management systems.
 - Further emphasis is placed on ongoing advisory and training services, with each factory being offered 25 person-days of training.
 - Factories with proven high performance on a pre-defined set of differentiation criteria will be offered a different service package starting in 2017 including less frequent assessments and more advanced advisory and improvement activities.
 - Better Work has started to deliver Industry Learning Seminars on topics related to management systems, workplace communication, and fire safety.
- To facilitate an improved and stronger assessment process, BWJ's Compliance Assessment Tool (CAT) was revamped in 2014 together with Better Work Global and Better Work Jordan experts. This assessment period was the first year that used our simplified Compliance Assessment Tool.
- Better Work has launched an impact study that aims to provide a better understanding of the effectiveness of Supervisory Skills Training sessions being conducted by Better Work country programmes. The impact study is conducted by independent researchers (Tufts University) to identify which elements of the supervisory skills training are most successful in improving productivity and relationships in the factory, and which aspects could be improved. This research will improve the services provided by Better Work.
- During this time period, BWJ in conjunction with buyers met with factories that have expanded their workforce in order to agree on a strategy for delivering BWJ's core services efficiently. It has been agreed to break down each facility employing more than 3,000 workers into identified production units, and this strategy was implemented with two factories. In these cases, compliance history is applied only to the factory that has existed longest. New buildings now run by the same management are considered as first-cycle factories. Though management systems are consistent across these entities, specifics of OSH and other building or process-specific compliance issues may differ.
- Better Work has initiated a dialogue amongst key industry stakeholders to introduce public reporting, where factories will be listed on a BW website alongside their performance on approximately 25 issues. The proposals include reporting based on BW assessment findings- issues identified during advisory visits or self-assessments will not be included. When implemented, the increased transparency will give visibility to factory progress and accelerate improvements, while allowing factories making the most improvements to differentiate themselves in the marketplace. Chart 3 in Annex C provides a snapshot of the public reporting template for factories and Chart 4 in Annex D includes an overview of the state of non-compliance on the issues for which factories will

be publicly reported on. National constituents have raised questions and concerns which are subject to current discussions and Better Work hopes to introduce these measures in 2016.

- The Workers' Centre in Al-Hassan Industrial Zone has grown into an independent project under the International Labour Organization nearly two years after its establishment in 2014. Initially supported by the ILO's Better Work Jordan programme, as well as USAID and USDOL, Jordan's Industrial Estates Corporation, the Jordan Garments, Accessories and Textiles Exporters Association, Irbid Chamber of Industry, and the General Trade Union for Garment and Textile Industries, the Centre has now secured funds from the Swiss Agency for Development and Cooperation (SDC) and the UK Department for International Development (DFID) through the ILO's Work in Freedom project for the implementation of "The Institutionalization of the Association of Workers' Centre".

Section I: Introduction and Methodology

Introduction

The Better Work programme, a partnership between the International Labour Organization (ILO) and the International Finance Corporation (IFC), worked in collaboration with local and international stakeholders to design Better Work Jordan, which was launched in February 2008. It was established at the request of the Government of Jordan. In August 2014, the United States Department of Labor (USDOL) became the programme's major current donor.

The goal of the programme is to reduce poverty in Jordan by expanding decent work opportunities in the apparel sector. The programme also aims to improve competitiveness of the industry by improving compliance with Jordanian labor law and the ILO's core labor standards and by enhancing economic performance at the enterprise level.

Jordan is a small, upper middle-income country with a GDP per capita of USD 5,749. It has a relatively young, largely urban population. The country has limited resources and has a fragile environment both of which affect its economic opportunities. Jordan has been able to export its educated labor force to the Gulf while simultaneously receiving a large number of expatriate workers to fill low-paid jobs. New jobs are therefore predominantly going to expatriate workers. As a result, between 2005 and 2009, migrant workers occupied up to 63% of jobs created, while over 180,000 Jordanians remained unemployed. The trend has subsequently been for the development model in Jordan to increasingly rely on foreign workers, who today constitute almost half of private sector employees. The majority of workers are in the production, agriculture and service sectors.

Although garment manufacturing has not historically been an important industry in Jordan, the industry has enjoyed enormous growth since 1996 when garments manufactured in Jordan were first granted preferential duty free and quota free access to the United States, first under the terms of the Qualified Industrial Zones (QIZ) agreement and more recently under Jordan's Free Trade Agreement (FTA) with the United States, which was approved in 2001. Over the past decade, Jordan has therefore developed a robust and competitive export-oriented garment industry that acts as a major source of FDI for the Kingdom¹ and makes a significant contribution to the Jordanian economy. Despite the success of this industry, there have also been significant challenges. Unemployment among youth between 18 and 35 years has remained high, particularly among young women, both educated and less educated. Migration is significant, both in terms of out-migration of people and in-migration of people to take low-skilled jobs. The contradiction between high unemployment rates and increasing numbers of migrants working in the export zones has been evident. The phase out of the Multi-Fiber Arrangement in 2005 has furthermore led to tremendous changes in the global garment industry with garment manufacturing firms moving their businesses between countries.

The apparel industry accounts for 17% of the country's total exports. Apparel exports, mostly to the United States, exceeded \$1.5 billion in 2015 representing an increase of more than 10% over 2014 and are projected to grow by another 10% in 2016, according to the Department of Statistics. The garment sector mainly produces men's and women's apparel, ranging from jeans and sportswear to formal wear and undergarments. Most apparel factories are situated in 14 Qualified Industrial Zones (QIZs), with the three largest QIZs located in Dulyal, Sahab and outside the country's second largest city of Irbid in the north. The export industry employs approximately 60,000 workers, around three quarters of whom are migrant workers mostly from South and South-East Asia. The majority of migrant workers originate from India, Sri Lanka, and Bangladesh. Women represent 69% of the labor force.

¹ In 2012, garments accounted for 18% of Jordan's total export. The domestic share of value-added in the Jordanian garment industry is 37% (sources: Ministry of Industry and Trade (2013))

As part of an initiative to create employment in Jordan's poverty pockets, the Government of Jordan through a partnership with the garment manufacturers has supported the creation of satellite units in impoverished regions. Garment satellite units are small subsidiaries of larger garment factories that benefit from government incentives, providing employment opportunities to Jordanians in districts where jobs are scarce. Twenty six districts in Jordan are categorized as poverty pockets, defined as areas in which more than a quarter of the population lives under the poverty line. There are currently 16 satellite units employing over 3500 local workers.

At BWJ's inception, suppliers enrolled in the program voluntarily but in March 2010 the Ministry of Labour decided to make BWJ as a mandatory program for all garment factories and their subcontractors exporting to the USA and Israel; this decision was made effective in July 2011. There are currently 75 factories in registered with BWJ, amongst which 35 are direct exporters, 28 subcontractors and 12 satellite units. The programme engages with participating factories by conducting independent assessments and offering advisory and training services. As part of its mandate of sharing information with all programme stakeholders, and encouraging continuous improvement, Better Work Jordan uses aggregate factory assessment data to produce public synthesis reports that review the performance of all participating factories during the reporting period. The present report illustrates the findings of the assessments carried between November 2014 and October 2015 by Better Work Jordan in 64 factories out of the total 75 participants.

Institutional Context

The emergence of the garment industry has presented Jordan with challenges in assuring the effective application of local labour laws and international labour standards. In response, the Government of Jordan has developed a broad programme of action to improve labour administration and compliance. An important component of this programme of action is Better Work, which was established in Jordan in 2008 at the request of the government.

Better Work Jordan is advised by a tripartite Project Advisory Committee (PAC), comprising three representatives from the government (two from the Ministry of Labour and one from the Ministry of Industry and Trade), three from employer organizations (one from the Jordan Garments, Accessories, & Textiles Exporters' Association, one from the Foreign Investors Association, and one from the Chamber of Industries), and three from worker organizations (two from the General Trade Union of Workers in Textile, Garment & Clothing Industries and one from the General Federation of Jordanian Trade Unions). The PAC has met 25 times since the inception of the project. It has played an important role in building stakeholder support for the project, identifying challenges, and building a tripartite consensus around proposed solutions.

The PAC is complemented by an annual buyers' forum, which provides for broad stakeholder consultation. *Better Work Jordan* meets and communicates regularly with buyer representatives to discuss the Better Work Jordan assessment and advisory processes, to develop broad sectoral approaches to address some of the sector's more difficult and entrenched challenges, to generate greater buyer support to encourage their suppliers to implement improvements, and to encourage buyers and perspective buyers to expand their commitment to the Jordanian apparel sector.

The implementation of a collaboration plan between *Better Work Jordan* and the Ministry of Labour that was agreed on in 2010 has proceeded smoothly. Elements of the plan include quarterly meetings between the Better Work Jordan Enterprise Advisor team and the Ministry's Labour Inspectorate, and a zero-tolerance protocol for addressing serious human rights violations found in factories, including child labour, forced labour, sexual violence and issues that pose an imminent threat to worker health and safety. BWJ has developed a 12 month timeline of activities between the programme and the MoL. Following a request from MoL, BWJ and ILO experts will be part of an induction training program for around eighty (80) newly

recruited MoL inspectors. Transferring BWJ knowledge to the MoL inspectors is crucial to building the capacity of the MoL staff. BWJ and MoL agreed to pilot a staff exchange between both organizations for one year, during which one MoL inspector will join the BWJ team, in order to get field training in delivering the core services. In July 2015, a MoL inspector had joined the BWJ team as a part of this exchange process.

In September 2015, the General Trade Union of Workers in Textile, Garment & Clothing Industries completed its elections for officers for the 2016-2021 period. Better Work understands that only Jordanian workers were invited to vote, and that this decision was based on the presumption that Jordanian law prevents migrant workers from participating in the elections. It is ILO's understanding that migrant workers have been allowed to join the union, vote in union elections, and participate in enterprise level worker committees since July 2010, when the prohibition against migrant workers joining a union was removed from the law. Migrant workers still are not eligible to stand for union office, however.

Better Work Methodology

Better Work carries out factory assessments to monitor compliance with international labour standards and national labour law. In its factory and industry-level reports, it highlights *non-compliance* findings. Better Work reports these figures to help factories easily identify areas in need of improvement. Collecting and reporting this data over time will help factories demonstrate their commitment to improving working conditions.

Better Work organizes reporting into eight areas, or clusters, of labour standards. Four of the clusters are based on fundamental rights at work regarding child labour, discrimination, forced labour, and freedom of association and collective bargaining. In 1998, member states, workers, and employer representatives at the International Labour Organization identified fundamental principles and rights at work regarding these four issues based on eight very widely ratified International Labour Conventions (29, 87, 98, 105, 100, 111, 138, and 182). These Conventions provide the baseline for compliance with the fundamental rights clusters across all Better Work country programmes.

The four other clusters assess conditions at work, including compensation, contracts and human resources, occupational safety and health, and working time. The compliance points covered in these clusters are largely consistent across countries, however each compliance point contains specific questions that may vary from country to country due to differences in national legislation. In countries where national law either fails to address or lacks clarity around a relevant issue regarding conditions at work, Better Work establishes a benchmark based on international standards and good practices.

Each of the eight clusters is divided into its key components. These components are known as compliance points [CP]. Each CP contains specific questions that may vary from country to country. The detailed list of CPs within each cluster is indicated in the table below.

	Compliance Clusters		Compliance Points
Core Labour Standards	1	Child Labour	1. Child Labourers 2. Unconditional Worst Forms 3. Hazardous Work 4. Documentation and Protection of Young Workers
	2	Discrimination	5. Race and Origin 6. Religion and Political Opinion 7. Gender 8. Other Grounds
	3	Forced Labour	9. Coercion 10. Bonded Labour 11. Forced Labour and Overtime 12. Prison Labour
	4	Freedom of Association and Collective Bargaining	13. Freedom to Associate 14. Union Operations 15. Interference and Discrimination 16. Collective Bargaining 17. Strikes
Working Conditions	5	Compensation ²	18. Minimum wages 19. Overtime wages 20. Method of Payment 21. Wage Information, Use and Deduction 22. Paid Leave 23. Social Security and Other Benefits
	6	Contracts and Human	24. Employment Contracts 25. Contracting Procedures

² The questionnaire for Jordan does not include CP 19 on Premium Pay. This is because the labour law of Jordanian does not specify premiums for working hours at night, on weekly rest days or on public holidays.

		Resources	26. Termination 27. Dialogue, Discipline and Disputes
	7	Occupational Safety and Health	28. OSH Management Systems 29. Chemicals and Hazardous Substances 30. Worker Protection 31. Working Environment 32. Health Services and First Aid 33. Welfare Facilities 34. Worker Accommodation 35. Emergency Preparedness
	8	Working Time	36. Regular Hours 37. Overtime 38. Leave

Calculating Non-Compliance

Better Work calculates **non-compliance rates** for each factory and reports these in individual factory reports. The non-compliance rate is reported for each subcategory, or compliance point, within a cluster. A compliance point is reported to be non-compliant if even one question within it is found in non-compliance.

In public synthesis reports, Better Work calculates the average non-compliance rates for all participating factories in each of these same sub-categories. For example, an average non-compliance rate of 100% means that all participating factories were found to have a violation in that area.

While it is a strict indicator, the non-compliance rate is useful for Better Work to aggregate and compare data across countries. However, this number is not sufficient to fully describe the specific issues that Enterprise Advisors have observed during their assessment. For this reason, tables presenting average non-compliance findings at the question level are also presented in Section II with the title of **In Focus tables**. These tables, showing the number of factories found to be non-compliant to each specific question, allow the reader to fully appreciate the specific challenges in compliance identified in factory assessments.

Note on the factories represented in this report

Synthesis reports present a snapshot of the non-compliance situation in the participating industry in the country at the time of the report. The rates presented in the synthesis report refer to participating industry averages.

The present report illustrates the findings of the assessments carried between November 2014 and October 2015 by Better Work Jordan in 64 factories. The table below illustrates the number of visits received by each factory:

Visits received	1	2	3	4	5	6	7
Number of factories	9	3	7	15	11	15	4

Section III of this report presents the changes in non-compliance observed in the 64 factories that have been visited more than once by Better Work Jordan.

Limitations in the assessment process

The assessments carried out by Better Work follow a thorough guideline covering the above mentioned labour standards. The detailed factory assessment reports are based solely on what was observed, investigated and analysed during the performance of the actual assessment. Factories are given five working days before the reports become official to provide feedback that may in some cases impact the final report language.

As in previous reporting periods, Better Work Jordan made some necessary revisions to its assessment methodology and questionnaire as well as to its classifications of non-compliance. For changes related to national law, the Project Advisory Committee and in particular, the Ministry of Labour, were consulted and provided further clarification on areas of the law needing further interpretation. Changes related to core international labour standards were made in consultation and upon the advice of technical experts within the ILO. It is worth mentioning that these revisions may have implications for levels of compliance with specific questions or compliance points in this report.

Certain issues remain very difficult to assess and verify independently. Sexual harassment is difficult to identify in a factory assessment visit. It is generally considered that due to the sensitive nature of the issue, sexual harassment is likely underreported. Workers experiencing sexual harassment are often reluctant to report it due to fear of stigma or retaliation. The low literacy level of a large percentage of workers can also affect the integrity of documentations related to workers' consent for overtime work and the management keeping their passports, disciplinary processes and employment terminations. Due to the limitations in such cases, worker and management statements are important sources which have to be cross-checked through representative interview samples.

Limitations in the assessment process also arise on some issues related to migrant workers. It is beyond the current scope of Better Work Jordan to investigate contracting procedures in migrants' home countries, or the relationship between migrant workers and third-party labour contractors. Age verification for migrant workers during assessments can be challenging as national passports are the primary official document available, in which, the year of birth can be incorrectly stated based on falsified birth certificates. Detecting violations of workers' entitlements upon the termination of their employment contract, after workers have left the factory or even left the country, is particularly difficult.

Additionally, assessing compliance with freedom of association in Jordan presents many challenges. One challenge is that freedom of association is not adequately protected under Jordanian law. All workers, for example, do not have the right to form a labour union of their choice. Better Work Jordan monitors other aspects of union operations, including access to factories by union officials and issues relating to interference in union affairs, anti-union discrimination, and strikes at the enterprise level. It is difficult to gauge the impact of the legal constraints on freedom of association on these other issues.

Lastly, but importantly, compliance assessments offer one opportunity to determine an objective, yes or no answer to compliance on relevant issues. However, this structure limits the ability of Better Work to numerically prove reductions of the *severity* of non-compliances that remain- for example, factories may significantly improve upon a problem but may still not qualify as compliant, especially when government regulations are particularly stringent (as is the case with employment of disabled workers, for example). Similarly, issues such as verbal harassment may be persistent non-compliances, but the severity of verbal abuse or frequency (for example, spikes during high production periods) will not be evident in the numbers. But, the narrative attempts to present the nuances of these sorts of issues.

Section II: Findings

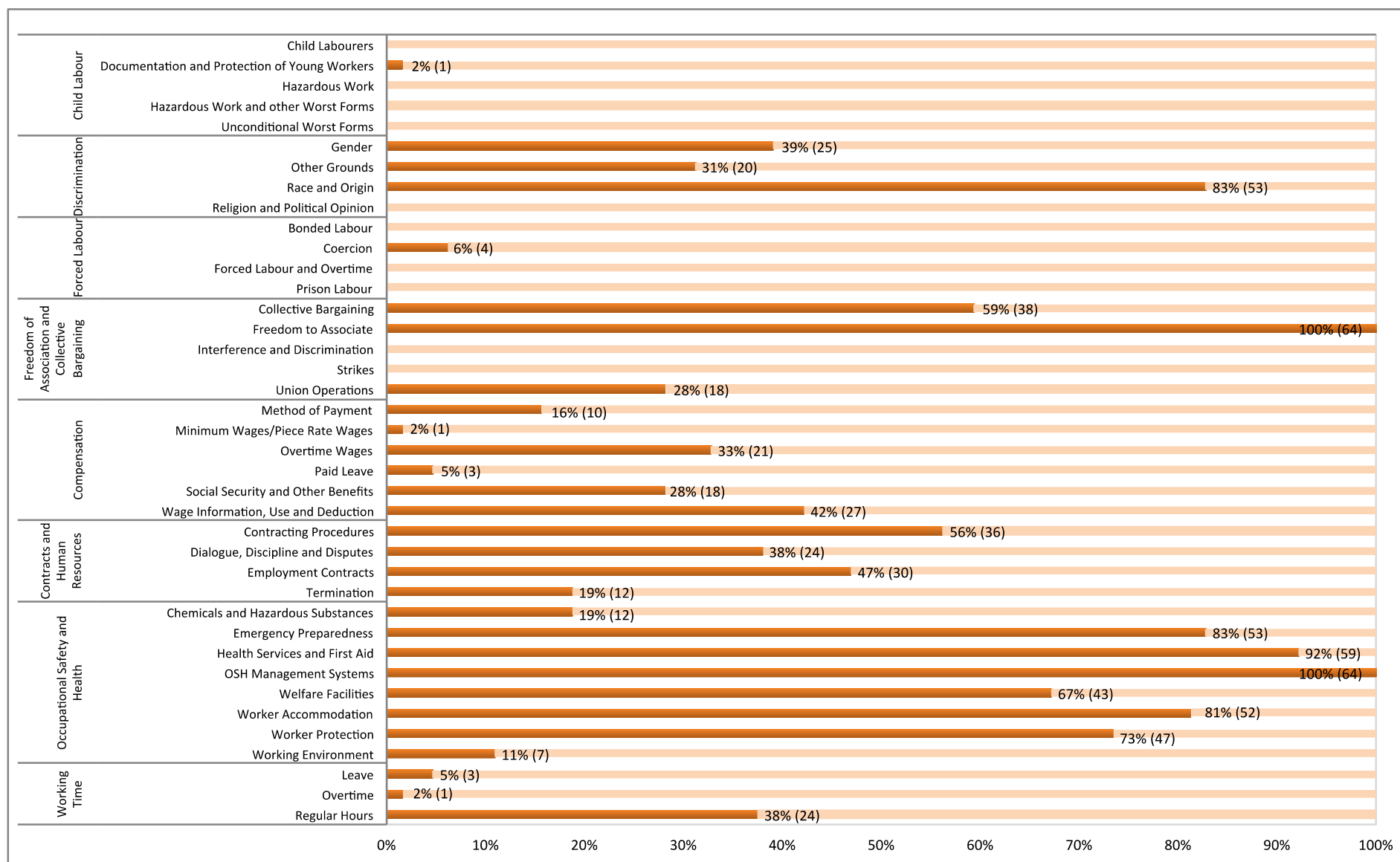
2.1 Average Non-Compliance Rates

Chart 1 provides an overview of average non-compliance rates for the 64 assessed factories covered in this report showing non-compliance rates as well as the number of factories in non-compliance in parentheses.

Detailed findings are provided in section 2.2.

Chart 1 : Non-compliance rates

³ A factory is found non-compliant in a compliance point if it is found out of compliance on any one aspect of it.



2.2. Detailed Findings

Core labour standards

Child Labour

Child labour is difficult to prove in Jordan, as some cases relate to young migrant workers obtaining official passports with falsified birth dates based on forged birth certificates in their home countries. The passport forgery can take place individually or through a service provider. In order to prevent migration of children with forged passports, recruitment agencies and the employers are responsible for verifying identity data. As such, the prevention of child labour often depends on the use of reliable, approved recruitment agencies in host countries. Furthermore, factories are responsible for ensuring verification of workers age before they leave their home country. This topic is investigated in more detail under recruitment.

However, complexities arise when agencies do not investigate these issues and underage migrant workers arrive in Jordan and begin working in factories. When Better Work or factories themselves detect these underage migrant workers, urgent action must be taken to mitigate risk and protect the child. Local workers over the age of 16 can legally work in factories, but the tasks they can undertake and the hours they are permitted to work are limited; for migrant workers, the recruitment age is 18. Recruitment of underage migrant workers is categorized as trafficking and is handled by the Anti-Trafficking governmental department.

During this reporting period BWJ found one incidence of a factory where the management did not comply with the documentation requirements for workers under age 18. This applied to cleaners who were found working on-site who were working for an external company providing cleaning services to the factory. The factory has since shown strong commitment to verifying age with all service providing companies. Two additional cases of underage workers from Nepal and Bangladesh were noted during the advisory cycle, and were jointly handled by the factories, the related embassy (excluding Nepal, as there is no embassy in Jordan) and the MoL.

Discrimination

As is often the case in Jordan, non-compliance related to gender deals mainly with it being a factor in hiring, recruitment, opportunities for promotion etc. In 13 factories that were found to be non-compliant, Sri Lankan male migrant workers were found to have paid higher recruitment fees in Sri Lanka.

Gender was also found to have been a factor in determining working conditions in 13 factories. The majority of non-compliances related to curfews being imposed on female workers who were not allowed to move freely in and out of their dormitories, with management often citing safety of the workers as a main reason.

A non-compliance rate of 31% for the CP Other Grounds was due to 20 factories who had not complied with the legal requirements regarding the hiring of disabled workers. In Jordan, the government has a quota system for the hiring of disabled workers. As agreed by the Ministry of Labour, the employer and union representatives, the hiring quota for persons with disabilities is determined based on the number of Jordanian workers. Employers must employ at least one disabled worker if the workplace has 25-50 workers, and at least 4% of workers with disabilities must be employed in workplaces with more than 50 workers. BWJ is also providing advisory support to factories on the effective integration of disabled workers.

Nearly all of the non-compliant factories were found to have disabled workers on staff; however the percentage fell below the quota - for example, 2 or 3% of the workforce as opposed to the required 4%.

Discrimination based on race and origin was primarily due to 51 factories that were found to have been utilizing race, colour, and origin or citizenship status as a factor in decisions regarding pay. On December 31, 2014 the signatories to the sector-wide collective bargaining agreement (CBA), the two employer associations and the garment trade union signed an Addendum to the CBA, which addresses the discrimination in the payment of overtime and financial benefits for all migrant workers in the garment sector. This Addendum is legally binding for all garment factories employing migrant workers. If factories comply with the Addendum to the CBA, this non-compliance in discrimination will experience a decline as payment of migrant workers increases to match payment of Jordanian workers by August 31, 2017. Starting January 2016, two factories in the BWJ programme have already implemented the full addendum thereby eliminating the discrimination between migrant and Jordanian workers in terms of pay.

Forced Labour

BWJ assessment data shows that non-compliance as related to forced labour has decreased significantly over time. Historically, all findings of non-compliance with forced labour had been related to either bonded labour or coercion. Over time, there has been a dramatic and clear drop in the percentage of factories out of compliance with coercion.

Fifteen factories were non-compliant in the late 2009-10 period and only four were found non-compliant in 2015. One of these factories has since been shut down by the government. The remaining three factories had denied workers access to their passports. Explanations of this are related to keeping passports in order to process workers residency documents or for security reasons. Workers have not been informed how to access their passports, and would prefer to keep them themselves. One of the factories that was holding all migrant workers passports for over 10 months was closed down by the Jordanian government due to their high numbers of violations, demonstrating the government's willingness and ability to intervene when evidence of forced labour exists.

Freedom of Association and Collective Bargaining

Both freedom to associate and collective bargaining are complex in Jordan due to Jordanian law and the industry CBA. Thirty four employers failed to implement specific items of the CBA, with the most common non-compliance related to the inclusion of the in-kind amount in financial benefits such as the social security contributions, annual leave and overtime payments.

Non-compliances related to the CBA relate to the legal text in the CBA itself, and the CBA's evolution over time. Nearly 60% of factories were found non-compliant in terms of implementing all the provisions of the CBA and the recent Addendum such as granting seniority increments and including the in-kind amount in the calculation of all financial benefits.

In terms of Freedom to Associate, Jordanian law contradicts international labour law. In July 2010, the Cabinet approved a series of amendments to the labour law. Among the amendments was the elimination of language that specifically forbade migrant workers from joining trade unions. The law still contains language that forbids workers from forming unions of their own choice by stipulating a single trade union structure, thereby impeding the ability of all workers to form or join a union of their choice. As a consequence, all factories are non-compliant under Freedom to Associate.

Working Conditions

Compensation

Under this cluster, assessments found instances of non-compliances related to payment for work during ordinary hours, weekends/holidays. According to Jordanian law, employers must pay workers (including piece-rate workers) 125% of their wages for ordinary overtime hours and 150% for overtime on weekly rest days and public holidays. Employers in 21 factories did not accurately calculate 125% of the workers' normal wage for all ordinary overtime hours worked. One of these factories was also found to not be paying workers 150% of their wage for overtime worked on weekly rest days and public holidays. The singular factory has since been shut down by the Jordanian government for multiple violation of labour law.

Non-compliance in this area is mainly attributed to incorrect calculation of wages. Normal wages include salary, entitlements and in-kind payments. Within this framework, nine factories were assessed as non-compliant due to the miscalculation of the base salary for weekend and holiday overtime. (Nine factories were out of compliance with weekend and holiday overtime payments due to unreliable attendance records.) For example, if the factory did not consider seniority bonuses or in-kind payments as part of the base salary they would have incorrectly calculated the base salary. In some of these cases, factories included in-kind and other payments as part of the calculation only if workers made under a certain amount (usually under JOD 130), but no longer included them for calculations for workers making more than this amount.

Nineteen factories maintained more than one accurate payroll. Amongst these, 12 factories did not share their payment records related to extra overtime and Friday work and 7 factories were transparent in sharing their documents. The main reasons stated by factory management regarding double books are the stringent working hour requirements by buyers and the Jordanian Golden List.

In ten factories, wages were not made available to workers within seven days of the wage being payable. The most common reason for this, as noted for 7 factories, is that though the monthly salaries are paid to workers within the seven days payable period, the production efficiency related bonuses would be provided at a later date. In one case, wages were regularly late.

Contracts and Human Resources

Contracts and human resources is an important category, and some sections (contracting procedures) have implications for forced labour.

Contracting procedures

In 30 factories, workers claimed to have paid unauthorised fees to recruitment agents, the most common cases are related to male Sri Lankan and Indian workers. In 18 factories, employers were found to not have taken sufficient steps to ensure that migrant workers do not pay any unauthorized fees.

Proper recruitment practices are crucial- while this section is discussing the specific procedure of recruitment, the use of reputable, authorized and certified agencies has long reaching implications for prevention of human trafficking, bonded labour, and child labour. In many cases, high fees paid to a recruitment agency can create a tense situation in which the worker cannot leave their job and return home due to the amount of money owed or spent.

As so, as per the MoL regulations for the recruitment of migrant workers, Better Work assessors verify (but are not limited to): whether the agencies are reputable (licence, or stamp from the

worker's embassy); whether the employer paid the worker's air ticket; and whether job orders state that the workers do not need to pay any fees.

Two key conditions affect the recruitment process for migrant workers in Jordan: firstly, the recruitment practices and regulations in the workers' home countries and secondly, the employing factories' due diligence in ensuring the integrity of this process. Recruitment fees from recruitment agencies are often country of origin dependant, and non-compliance is found when agencies (the factory itself or third parties) charge a fee over \$300; this figure was established in consultation with ILO experts. This year, there was a major drop in the number of factories not taking sufficient steps to ensure that workers do not pay excessive fees. Many factories have done due diligence with workers from some countries such as Bangladesh, where staff members from the factory have travelled to the recruiting countries to interview the work candidates prior to their employment. Factories still lack necessary information for workers from diverse countries such as Myanmar, Nepal and most commonly India. Workers from Pakistan, who comprise a small percentage of the workforce, are mainly hired through personal references.

In Focus 1: Contracting Procedures

Question	# factories out of compliance
Do the migrant workers have valid work permits and residence IDs?	4
Does the employer consider workers on limited duration contracts who work beyond their term as unlimited duration contract workers?	1
Has the employer taken sufficient steps to ensure that migrant workers do not pay any unauthorized fees?	18
Have workers paid unauthorized fees to recruitment agents?	30
Is the probationary period limited to 3 months?	1
Does the employer pay for the return trip of migrant workers who have been expelled from the country because of an invalid residence ID?	0

High recruitment fees for Indian and Sri Lankan male workers have been a major challenge for compliance at the factory level. In the Sri Lankan case, male workers pay much higher recruitment fees than female workers (this is also highlighted in the gender discrimination section of this report). Sri Lankan male workers from nearly 20 factories paid excessive fees ranging from USD 350 to 900 and Indian workers from 10 factories paid excessive fees of USD 500 up to 1000. 30 factories (47%) were found non-compliant because of workers paying excessive fees from these countries and also very few cases from Myanmar, Nepal and Bangladesh.

Dialogue, discipline, and disputes

Ten factories did not have a functioning Union-Management committee. Another major challenge was found to be the verbal harassment of workers. In this reporting period, 15 factories continue to show patterns of verbal abuse including bullying, harassment, or humiliating treatment particularly during the peak seasons in order to reach their daily production targets. However, when reviewing documents that are able to pick up on more nuanced aspects of this issue (such as EA's qualitative findings, or advisory reports) there appears to have been a reduction in the severity of verbal abuse.

Employment contracts

Within this CP, the biggest challenge is contracts complying with Jordanian legal requirements. Of the 22 factories that were non-compliant, 14 of the factories dealt with problematic translation of contracts. For example, the contract was made available in the workers' native language but had not been translated to Arabic. In four cases the contract was not available in the workers' native language. There were also instances of contracts in which the translations were done incorrectly or

provisions that had been left out. It is expected that with the implementation of the Unified Contract, starting January 2016, issues related to prohibited contractual terms and translations will be eliminated.

In Focus 2: Employment Contracts

<i>Question</i>	<i># factories out of compliance</i>
Do all persons who perform work for the factory, both on the premises and offsite, have a contract?	2
Do the employment contracts comply with Jordanian legal requirements?	22
Do the employment contracts specify the terms and conditions of employment?	3
Do the factory bylaws comply with Jordanian legal requirements and were they communicated to workers?	11
Do workers understand the terms and conditions of employment?	2
Does the employer maintain a personnel file for each worker?	0
Does the employer provide workers with a copy of their contract?	10

There are several other issues that raise concern in employment contracts, including 8 factories who were non-compliant due to inclusion of illegal clauses several of which relate to charging prohibited fees for early termination of the contract either via monetary penalty or by requesting reimbursement for flight tickets and visas.

Occupational Safety and Health (OSH)

OSH continues to be a challenge for garment factories, particularly for requirements related to workers' accommodation.

OSH Management Systems

The highest non-compliance in this area is that of OSH management systems, where 100% of factories are out of compliance. This is primarily due to 60 of the 64 factories that were out of compliance on the legal requirement on the number of OSH specialists that needed to be employed; the four factories noted as compliant are subcontractors employing less than 200 workers for which the requirement is to only hire one OSH technician. For factories with more than 200 workers, the Jordanian official law is quite stringent, and factories with 201-500 workers must recruit two OSH technicians and one OSH specialist, factories with 501 to 1000 workers should have two OSH Specialists and three technicians, plus one supervisor and two technicians for each additional 1000 employees.

In the case of OSH staff, several factories follow "the Golden List" (which in cases are used by the MOL while auditing). The Golden List requires factories of 100 to 500 workers to have one technician and factories over 1,000 workers to have one full time and one part time technician- a much lower number than labour law requires. However, since the Golden List is not official yet, Better Work must still assess based on the official law. Better Work Jordan has been in contact with the government to try to find a solution to this.

It is worth noting in this context that of the 60 non-compliant factories, 55 had on staff some OSH specialists and technicians- but fewer than what was legally required. The five non-compliant factories were small with workforces ranging from 35 to 160 workers and had no OSH specialists or technicians on staff.

Another challenge is the presence of written OSH plans. Twenty factories were out of compliance. It is worth mentioning that while these might exist in practice, some factories have not translated this

to a written document. Better Work believes that the existence of an OSH policy and plan will result in improved compliance on emergency preparedness.

In Focus 3: OSH Management Systems

Question	# factories out of compliance
Does the employer have written policy and plan for OSH programs?	20
Does the employer record work-related accidents and diseases?	2
Does the factory employ the required OSH specialists?	60
Does the factory have a valid business license? (business licenses require building safety approvals)	4
Has the employer formed a joint worker/management OSH committee?	9
Has the employer performed an assessment of general occupational safety and health issues in the factory?	12

Emergency Preparedness

Factories continue to face challenges for the Emergency Preparedness CP. Fifty-three factories were assessed as non-compliant on at least one question within this CP. Of these 34 were non-compliant on several questions that have multiple violations, whereas 19 were non-compliant on a single issue. In-Focus below includes details.

In Focus 4: Emergency Preparedness

Question	# factories out of compliance
Are emergency exits and escape routes clearly marked and posted in the workplace?	20
Are flammable materials safely stored?	15
Are possible sources of ignition appropriately safeguarded?	2
Are the aisles and emergency exits accessible, unobstructed and unlocked during working hours, including overtime?	32
Are there enough emergency exits	0
Does the employer conduct periodic emergency drills?	15
Does the workplace have fire detection and alarm system?	14
Does the workplace have adequate and accessible fire-fighting equipment?	12
Has the employer trained an appropriate number of workers to use the fire-fighting equipment?	4

13 of the 14 non-compliant factories had at least one emergency fire alarm that was dysfunctional during the visit. The remaining factory did not have the system connected to a power supply.

In regards to flammable materials, at least 1.5 meters of space should be present between cardboard boxes/cartons and the ceiling. The non-compliant factories in this category had boxes stacked too close to the ceiling, creating a risk of fire due to closeness of lights or other electrical wires.

As related to emergency exits, 27 of the non-compliances relate to obstructed exit paths due to boxes, fabric, cartons, etc. Four factories were found to have at least one locked emergency exit door (though in these cases there were other emergency exit doors which were unlocked). In one factory, stairs must be used to reach the emergency exit and it was determined that the stairs were not in appropriate condition for this task due to exposed construction steel.

Better Work Jordan's factory participants are required to conduct two emergency drills every 12 months for both the production areas and the migrant workers' housing facilities. 10 factories had completed one emergency drill in the past 12 months whereas 5 factories had not conducted any drills in 12 months.

Health Services and First Aid

Jordanian law requires the presence of physician(s) specialized in occupational medicine and nurses on-site for all factories with over 50 workers (factories with under 50 workers can share a physician and a nurse). The number of doctors and nurses increases proportionally with factory size, with large factories (over 1,000 workers) required to house three physicians, four nurses, and one medical unit on site. Factories that are registered with Better Work are assessed as per the Jordanian law. As such, 55 factories were found non-compliant on the requirement for onsite medical facilities and staff. As was the case above for OSH technicians, the Golden List requires lower numbers of staff for this category compared to Jordanian law. MOL inspects factories based on the 'Golden Law', which requires that factories of 50 to 500 workers to have one part time doctor and one full time nurse; factories of over 1,000 workers must have two full time nurses, one full time doctor, and one part time medical specialist. By these standards, the high levels of non-compliance would not be present.

It is worth highlighting that factories mentioned facing difficulty in finding MOL approved doctors and nurses. Several factories have tried to meet worker needs by hiring migrant medical staff as translators, many of whom have medical backgrounds as per their personnel files, to support the in-factory clinic's services. However, as per the Jordanian legal requirement, these migrant medical staff has not been approved by the MOL.

In Focus 5: Health Services and First Aid

Question	# factories out of compliance
Does the employer comply with legal requirements regarding medical checks for workers?	19
Does the workplace have required onsite medical facilities and staff?	55
Has the employer ensured that there are a sufficient number of readily accessible first aid boxes/supplies in the workplace?	21
Has the employer provided first-aid training for workers?	4

Furthermore, 21 factories were out of compliance with the required readily accessible first aid kits. In 17 instances, the first aid kits were available but did not contain all of the 17 items required by labour law. In four cases, some or all of the first aid boxes were locked and the key holder's name was not available.

Nineteen factories were also out of compliance with the legal requirements for conducting periodic medical checks for workers. While the majority of non-complaint factories did complete medical checks for some workers, four factories did not implement medical checks at all. Several larger enterprises had given full lung checks to all workers but did not complete hearing checks for all workers. According to Jordanian law, workers exposed to chemicals, pesticides, noise, or vibration should have medical checks twice per year. Workers in the fields of spinning and weaving should have medical checks once a year.

Welfare Facilities

The Jordanian Labour Law requires factories that hire more than 20 women who collectively have 10 children under the age of 4 years old to provide day care services for workers' children. However, factory management claim that many women prefer not to bring their children to the industrial zone citing safety issues and prefer in-kind stipends for external childcare costs. Of the 19 non-compliant factories, 13 provided an in-kind stipend of JOD 25 per child. BWJ has been collaborating with national stakeholders and local NGOs to explore different alternatives such to provide shared day care facilities within the industrial zones and/or outside the factory premises.

In 21 factories, Better Work found instances of migrant workers not being provided enough food of decent quality. The migrant workers complained about not being provided nationality-wise menus. In two cases, assessment procedure revealed that insects had been found in the food. One of these factories has already been shut down by the government due to multiple non-compliances.

In Focus 6: Welfare Facilities

Question	# factories out of compliance
Does the employer provide an adequate day care facility for the children of women workers?	19
Does the employer provide workers enough free safe drinking water?	2
Does the workplace have adequate accessible toilets?	9
Does the workplace have adequate changing rooms/lockers to meet the needs of workers?	7
Does the workplace have adequate handwashing facilities and soap?	1
Does the workplace have an adequate eating area?	6
When provided as in-kind payment, does the employer give workers enough food of decent quality?	21

Worker Accommodation

Worker accommodation is a critical OSH component as factories are required to provide housing for all migrant workers as per the Ministry of Health regulations. Fifty-two factories were cited for non-compliance regarding OSH conditions at accommodations provided for migrant workers. Cramped rooms create a potentially hazardous situation, which is further complicated by the lack of eating facilities. In May 2013, the Jordanian government provided new regulations about workers' dorm conditions including space requirements, spaces for cooking and eating, shelving and shoe racks, among others. Many factories are in the process of renovating their dorms to meet these new requirements.

In Focus 7: Worker Accommodation

Question	# factories out of compliance
Are trained first aid personnel and adequate first aid supplies available in the accommodation?	19
Does the accommodation comply with minimum space requirements?	44
Does the accommodation have adequate cooking facilities?	29
Does the accommodation have adequate eating and living areas?	39
Does the accommodation have adequate toilets, showers, sewage and garbage disposal systems?	10
Does the accommodation have enough safe water?	7
Does the accommodation have laundry facilities?	0

Does the accommodation offer workers adequate privacy?	0
Has the employer adequately prepared for emergencies in the accommodation?	33
Is the accommodation adequately protected against heat, cold, dampness, and noise, and is it adequately ventilated and lit?	44
Is the accommodation clean, and protected against disease carrying animals or insects?	38
Is the accommodation protected against fire?	25
Is the accommodation separate from the workplace (even though it may be in the same compound/industrial park)?	4

Forty-four factories are non-compliant with minimum space requirements as they do not have the mandated 70 centimetres of space between bunk beds. Other major challenges were lack of shoe racks, lack of shelving, and several cases of more than the legal number of workers inhabiting one room. 44 factories are non-compliant as related to proper ventilation, heating, dampness, noise, and protection from dampness. Of these, proper ventilation is a particular challenge as overcrowding has resulted in many windows being blocked by bunk beds and cupboards in 37 cases, with two more instances of improper ventilation because of bad dorm layout (i.e., lack of windows).

This overcrowding and lack of ventilation is further complicated by the fact that many of the dorms lack proper eating spaces (39 non-compliances). Of these 39 non-compliances, 34 did not provide any eating space at all. While the remaining five factories had technically provided a space, this space lacked tables and chairs. Due to the lack of proper eating spaces, workers eat in their rooms, which have contributed to pest control problems, particularly as related to insects and cockroaches (34 non-compliances, with all relating to insects or lack of screens on windows). Furthermore, bedbugs were a common complaint (11 factories). Though many workers acknowledge management's attempts at pest control, the very situations of the dorms create a high risk environment, particularly when proper eating and cooking areas are not provided.

Proper protection against fire (25 non-compliances) coupled with high levels of unpreparedness for emergencies (33 non-compliances) put workers at a very high risk. The most common cause for fire hazards are due to cooking and storing LPG gas cylinders inside the rooms, which was noted in 20 factory dormitories, the same factories also did not include any cooking areas for the workers use. It is important to note that the high number of workers cooking inside their rooms is also linked to their satisfaction towards the food provided by the factory.

Although in recent years there have not been any reports of major incidents at workers' dormitories, Better Work Jordan is aware of a number of minor incidents, which suggests that fire safety risks are higher in dormitories than they are in factories. There are many reasons for this, the foremost of which being that dormitories are not regularly inspected by a government agency to ensure that they are safe and meet legal standards. This was also identified in a detailed assessment on the Fire and Safety Risk Profile of the Jordanian garments sector (2014-15), conducted in collaboration with the IFC, BWJ, ILO and ECC International; the report has been uploaded on BWJ's website, in order to make it accessible to the stakeholders. Additionally, there is also a concern regarding factories' disclosing all of their dormitory facilities to governmental inspectors and in some occasions, even BWJ assessors.

Worker Protection

Worker protection for garments factories in Jordan is predominantly based on requirements for cutting, sewing and packing processes; only a small number of jeans manufacturing, washing and printing facilities require the use of a large amount of chemicals in their processes. There were a total of 30 non-compliances regarding workers effectively trained to use PPE. In many cases,

management claim that the workers have been trained but prefer not to use the equipment. This is particularly true with sewing machine eye guards and needle guards. In 14 of the cases, training registers were provided or workers acknowledged having been trained but preferring not to use the PPE especially in the case of respiratory masks for spot cleaning as workers stated that it is uncomfortable to use it for long periods of time.

The 29 factories non-compliant regarding training on PPE and machines, 6 were also non-compliant on providing appropriate PPE to workers. In total, fifteen factories were non-compliant with providing PPE to workers. While most factories have provided some PPE, not all met the requirements in all sections. In one factory, proper provision of PPE was considered widespread.

Twenty-two factories fail to comply with ergonomic requirements, as they fail to accommodate standing workers with anti-fatigue mats, shock absorbing mats, and/or stools for sitting at regular intervals.

In Focus 8: Worker Protection

Question	# factories out of compliance
Are appropriate safety warnings posted in the workplace	0
Are electrical boxes, electrical wires, switches and plugs properly installed, grounded, and maintained?	14
Are proper guards installed and maintained on all dangerous moving parts of machines and equipment?	17
Are workers effectively trained to use the personal protective equipment and machines?	30
Are workers punished if they remove themselves from work situations that they believe present an imminent and serious danger to life or health?	0
Does the employer comply with ergonomic requirements?	22
Does the employer provide workers with all necessary personal protective clothing and equipment?	15

Working Time

Reliable and accurate records are a precursor to determining other areas of compliance, including overtime pay. Factories may have double records, or purposely record inaccurately, to avoid presenting excess overtime or working hours. In some cases, workers may still be properly compensated for their time worked (just off the record). In other cases, workers are not properly compensated.

In this reporting period, 20 factories were found out of compliance with reliable and accurate records. Amongst these factories, 6 were transparent about keeping multiple sets of records and outright produced all documents (usually one for the 60 hours work week and another for weekend or overtime hours that exceeded 60 hours and were calculated separately) whereas 14 factories did not share their complete records. The Jordanian labour law does not specify any restrictions on overtime hours.

In Focus 9: Regular Hours

Question	# factories out of compliance
Do regular working hours exceed 11 hours per day or 48 hours per week?	6
Do the working time records reflect the hours actually worked?	20
Does the employer provide required weekly rest periods?	0

However, in most cases there were inconsistencies between workers recount of hours worked and attendance records. In some of these instances, workers recounted logging overtime or receiving overtime pay separately.

Four factories were noted to maintain manual time logs, which is in non-compliance with the CBA. Amongst these, in one factory they used the manual log as a backup for their electronic punch card system.

2.3. Compliance effort

Compliance effort is the change in the non-compliance rate between factories' current assessments and their immediately previous assessment visit. Compliance effort refers only to the factories that have been assessed at least twice. Since compliance effort is an aggregate indicator at the compliance point level, changes that take place at the question level are not captured in this analysis if there is still an area of non-compliance within the same CP. Furthermore, it is sensitive to simultaneous changes in non-compliance. For example, if a factory moves from being non-compliant to compliant and a different factory that had no non-compliance findings is found to be non-compliant in the same CP, the two findings cancel each other out with no change in compliance effort.

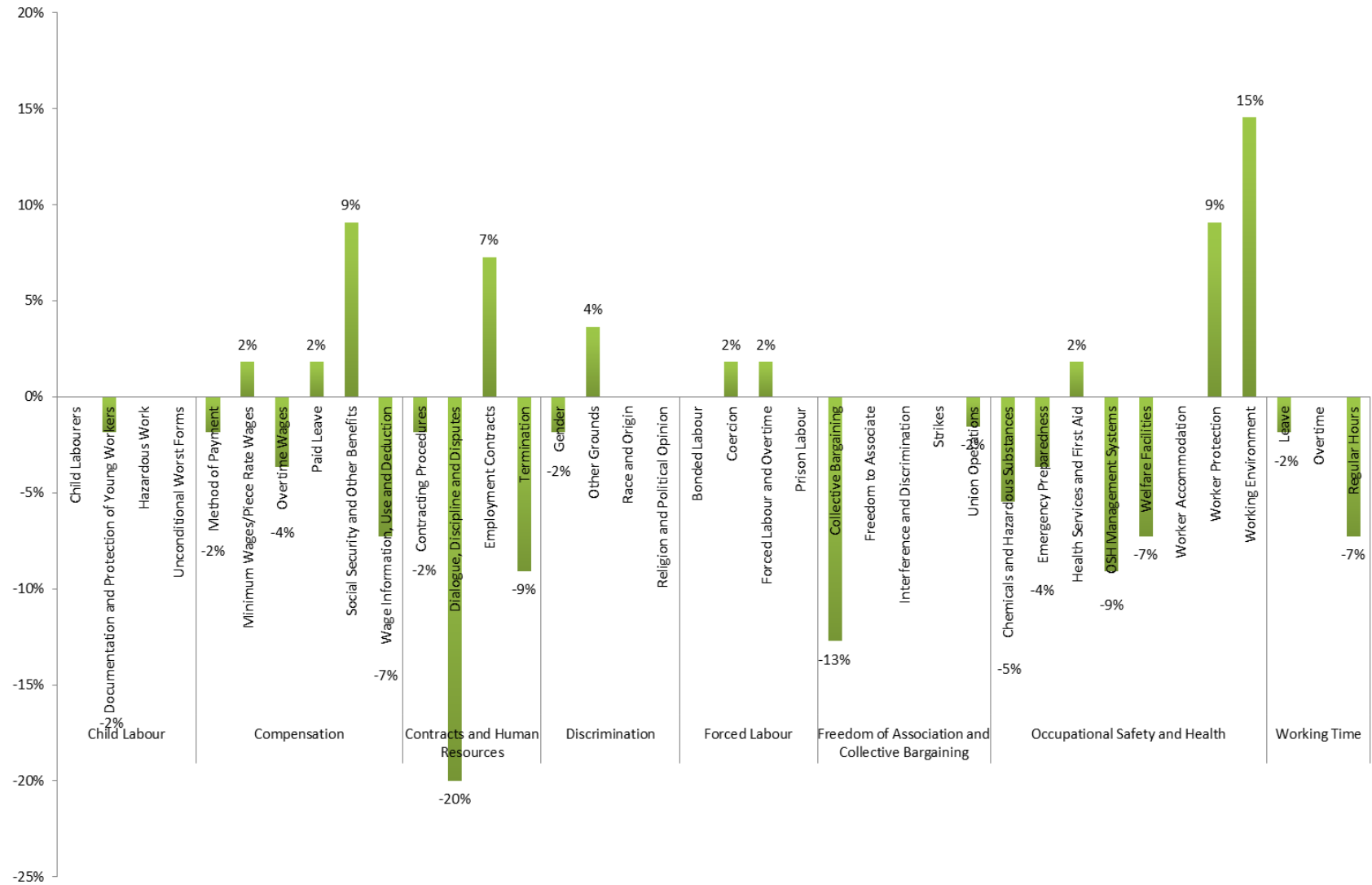
Among the 55 factories included in this report that have been assessed more than once, 29 factories improved their performance on non-compliance for each individual compliance point and 23 factories had higher non-compliance rates in this period than in the previous one. Three factories experienced no change.

Of 38 compliance points, ten experienced an increase in compliance. Twelve of the 38 compliance points have experienced no change in compliance since last year. Nine of these 12 had no or very little non-compliance last year. This means that on these issues, factories were in compliance and have stayed in compliance. In two more categories, no change is seen because all factories (100%) are automatically out of compliance due to Jordanian labour law violating international standards. As such, in the remaining 22 compliance points either improved or maintained already good compliance. Sixteen compliance points experienced reduced compliance. Some of the issues in these compliance points relate to implementation of the CBA, especially as related to the new provisions regarding in-kind contributions and calculations related to salary.

Below, Chart 2 provides an overview of changes in factory compliance effort by CP. Specific bullet points addressing the changes also follow.

- An improvement for the CP Social Security and Other Benefits as five additional factories paid workers the required seniority bonus.
- A drop in the effort for Wage Information, Use and Deduction was due to 5 additional factories that were found non-compliant in this reporting period. It is important to note that the Addendum to the CBA during the concerned reporting period have mainly affected this drop in compliance as not all factories were able to implement the in-kind provisions on time and some still have misconceptions regarding the provisions and the definition of 'financial benefits'.
- Five additional factories did not accurately calculate the unused annual leave when workers resigned or were terminated, leading to the decrease in effort for the Termination CP.
- Under Dialogue, Discipline and Disputes, employers in five additional factories had been bullied, harassed, or subjected to humiliating treatment.
- In six additional factories, factory bylaws did not comply with Jordanian legal requirements and were not effectively communicated to workers.
- Proper guards were installed and maintained on all dangerous moving parts of machines and equipment in 7 additional factories leading to an improvement in the Worker Protection CP.
- A decrease in OSH Management Systems CP was due to 4 additional factories employing the required OSH specialists.
- A decrease in Regular Hours CP was due to 8 additional factories where working time record did not reflect the hours actually worked.

Chart 2 : Compliance Effort



Section III: Conclusion

Conclusions and Next Steps

The data in this report once again indicates that the provision of Better Work Jordan core services at the enterprise level contributes to an ongoing process of measurable improvement in compliance with national labour law and ILO core labour standards in most factories. In general, the improvement seen was modest, indicating the maturation of the programme and the fact that many of the factories have been assessed multiple times so the improvement curve has flattened.

This sustained progress has allowed Better Work Jordan to dig more deeply in assessing some of the fundamental challenges facing the garment sector, such as discrimination in employment, recruitment practices, freedom of association and dormitory conditions, as well as to work with factories and their workers to develop and implement more effective and sustainable solutions.

Working Conditions

Compliance with the Jordanian labour law requirement for the provision of day care facilities on factory premises is a persistent issue for both buyers and employers, which was raised during the buyers' forum. Following the forum's conclusion, BWJ organized a meeting to focus on this subject with representatives from international brands, Sadaqa and JGATE. Discussion focused on three main topics: best practices for implementing day care policies as observed by the international brands; current challenges to workplace day care's successful implementation; and possible solutions and plans for moving forward. After the meeting hosted by BWJ with the national constituents and one of the buyers, during which the issue of compliance with Jordanian labour laws regarding the provision of day care facilities on factory premises was discussed, the workers' union and the employers' association requested that the MoL accept establishing a centralized day care facility in each industrial zone, since the law requires to provide this facility in each factory, and the MoL reply was positive to that proposal.

Facilitated by the ILO and supported by BWJ, the Unified Contract will help end the practice of some migrant garment workers signing multiple contracts in their home country, and then signing different contracts when they arrive in Jordan. The unified contract will also give them a clearer understanding of their employment conditions. It is expected that by the end of 2016 all migrant garment workers in Jordan will have signed this contract thereby eliminating several non-compliance issues related to the Contracts and Human Resources cluster.

BWJ plans to focus on standards and fire safety measures in worker accommodations such as dormitories by facilitating multi-stakeholder discussions and encouraging factories to report to the Civil Defense all buildings with worker accommodation. BWJ will also insist that updated records of factory dormitories be submitted and shared to industrial zone administrators and appropriate government authorities to ensure greater transparency. Many factories are in the process of renovating their dorms. In order to come into compliance, major changes to workers living conditions will be needed. Better Work expects that in the near future, new renovated buildings should be completed and non-compliance should improve significantly.

The Fire and Life Safety Risk Profile study of the Jordan's garment industry was commissioned in 2014 by Better Work, with funding provided by IFC. The study examines sector-wide fire and building safety risks present in garment factories participating in all Better Work country programmes. The

Jordan report, which was shared with PAC members, Civil Defense and Jordanian Engineers Association, provides an analysis of current fire and building safety risks in Jordan's garment industry and suggests possible mitigation measures as well as recommendations to key stakeholders to reduce these industry risks. The major issue identified during the discussion among the PAC members is the lack of clarity on the dorm inspection process. BWJ will follow up with MoL and other governmental agencies (Ministry of Health and Civil Defense) to identify a clear system for inspecting the dorms provided to the workers in the garment sector.

Engaging with the industry stakeholders

BWJ and the country's Ministry of Labour are working hand-in-hand to train inspectors to ensure that local garment factories abide by their commitments to implement Jordan's labour law, thus meeting the sector's international standards. Some 80 new inspectors from the MOL attended the last three-session training in December 2015, which also showed the way factories relate to BWJ's work assessments and the task of officials to advise factories on improving their compliance to the specific set of rules. This was the last round of a series of workshops that began earlier this year. Presenting recurring flaws that they witnessed during factory visits, MoL inspectors suggested actions aimed at reducing their occurrence and ways to carry out controls to reduce risks in the workplace — like the one implemented by BWJ. Several trainings and brainstorming sessions with MoL inspectors throughout the year, facilitated by BWJ, highlighted the importance of coordination between the different levels of the organization to achieve a complete adherence to the country's labour law.

Jordan's two main apparel employers' associations and the country's garment union signed in August a two-year extension of the sector's collective bargaining agreement (CBA) struck in 2013. The contract has been a breakthrough in Jordan since its inception and still constitutes one of the most comprehensive of its kind in the region and, in the apparel sector, worldwide. ILO/BWJ supported the negotiation process between the Jordan Garments, Accessories and Textiles Exporters Association (J-GATE), the Association of Owners of Factories, Workshops and Garments (AOFWG) and the General Trade Union of Workers in Textile, Garment & Clothing Industries by providing collective bargaining training to both parties ahead of discussions. Amendments to the original CBA include an increase in seniority bonuses for workers with more than five years of employment.

The official translations of the renewed CBA in the migrant workers languages are expected to be available within the first quarter of 2016. Following this, BWJ in collaboration with the garment workers' union and the ILO-Bureau for Workers' Activities (ACTRAV) will conduct a series of capacity building workshops with the union and worker representatives from the in-factory joint worker-management committees. These sessions will provide a platform for knowledge sharing and raising awareness on the provisions of the new CBA.

BWJ continues to engage with the employers' associations to build the capacity of all the key industry stakeholders towards and enhance collaboration.

The New Service Model

BWJ's revamped collection of Core Services has put factories' workers and their management in the forefront of change by magnifying their voices, while leading to the enhancement of the companies' competitiveness. BWJ began introducing the adjusted model for the delivery of factory services in April 2015. The revised approach is based on ongoing consultations with actors from across the supply chain and is designed to maximize impact, sustainability and scale. It will do this by creating higher levels of factory ownership and responsibility through self-reporting, strengthening

mechanisms for worker-management communication and stimulating faster improvements in areas of non-compliance by focusing on roots causes through a management systems approach.

With the roll-out of the new service model, BWJ with the support of Better Work Global program have reached out to the participating buyers to reinforce their support for greater factory transparency. BWJ is currently engaged with 29 international buyers operating in Jordan and has conducted the Sixth Annual International Buyers' Forum in April 2015, giving buyer representatives an opportunity to highlight their priority issues.

Industrial seminar continues to be delivered on important topics such as the new service model, fire safety, grievance mechanism and communication at the workplace. This provides a learning platform for the factories to engage with another and share their experiences on challenges and methods for factory improvements.

Annexes

Annex A: Factories Covered in this Report

Ahmad Qadri Co. & Partners	1, 2 & 3)
Al Areen wear Ltd.	Jordanian Modern Textile
Al Hanan for Cloth Mfg. Est.	Kareem Industrial Textiles Co. Ltd.
Al Kawthar Garments Industry and Trade Co. Ltd.	M/S Rainbow Textile L.L.C.
AL Masera Textile	M/S United Creations L.L.C.
Al Tafilah Apparel Co. Ltd..	Modern Apparel Co. Ltd.
Apparel Concepts L.L.C.	Musa Co. for Mfg. ready garments
Aseel Universal Garments Mfg. Co.	Mustafa & Kamal Ashraf Trading (Jordan)
Atateks Foreign Trade Ltd.	Garment Ltd.
Atlanta Garment Mfg. Co.	Needle Craft for clothing industry
Business Faith Garment Mfg. Co. Ltd.	Oasis Textiles International Co. Ltd.
Camel Textile International Corp.	Paramount Garments Ltd.
Casual Wear Apparel L.L.C.	Prestige Apparel Mfg. L.t.d. Co.
Century Miracle -Best Quality Jordan	Regional Textile Supportive Industries
Century Miracle-Indian Building	Rich Door Textile Factory
Century Miracle-Main Building	Rich Pine International Group Ltd.
Century Wear Co.	Sana Garments Co.
Classic Fashion Apparel Industry Ltd. Co. (Satellite) Karak	Saysaban Textile Factory
Classic Fashion Apparel Industry Ltd. Co. (Unit 4)	Southern Garment Mfg. Co. Ltd..
Classic Fashion Apparel Industry Ltd. Co. (Unit 1)	Standard Jeans Apparel Mfg. Co. (Satellite Unit 2)
Classic Fashion Apparel Industry Ltd. Co. (Unit 2)	Standard Jeans Apparel Mfg. Co. (Unit 1)
Classic Fashion Apparel Industry Ltd. Co. (Unit 6)	Standard Jeans Apparel Mfg. Co. (Unit 2)
Eam Maliban Textiles Jordan (PVT) Ltd.	Standard Jeans Apparel Mfg. Co. (Unit 3)
Eam Maliban Textiles Jordan (PVT) Ltd. (Satellite)	Standard Textile Jordan
El Zay Ready Wear Mfg. Co.	Sterling Apparel Mfg. L.L.C.
Fine Apparel Ltd..	Sterling Apparel Mfg. L.L.C. (Satellite)
Galaxy Apparel Industry	Straight Line for Apparel Co.
Haifa Apparel	Third Dimension Apparel L.L.C.
Hi-Tech Textile L.L.C.	Tusker Apparel Co.
International British Garments Ltd. Co.	United Creations L.L.C. (Satellite)
Ivory Garments Factory	Vega Textile Ltd.
Ivory Garments Factory L.L.C.	Victorious Apparels Mfg. Co. Ltd.
Jerash Garments and Fashions Mfg. Co. Ltd. (Unit	W&D Apparel (Jordan) Corp.

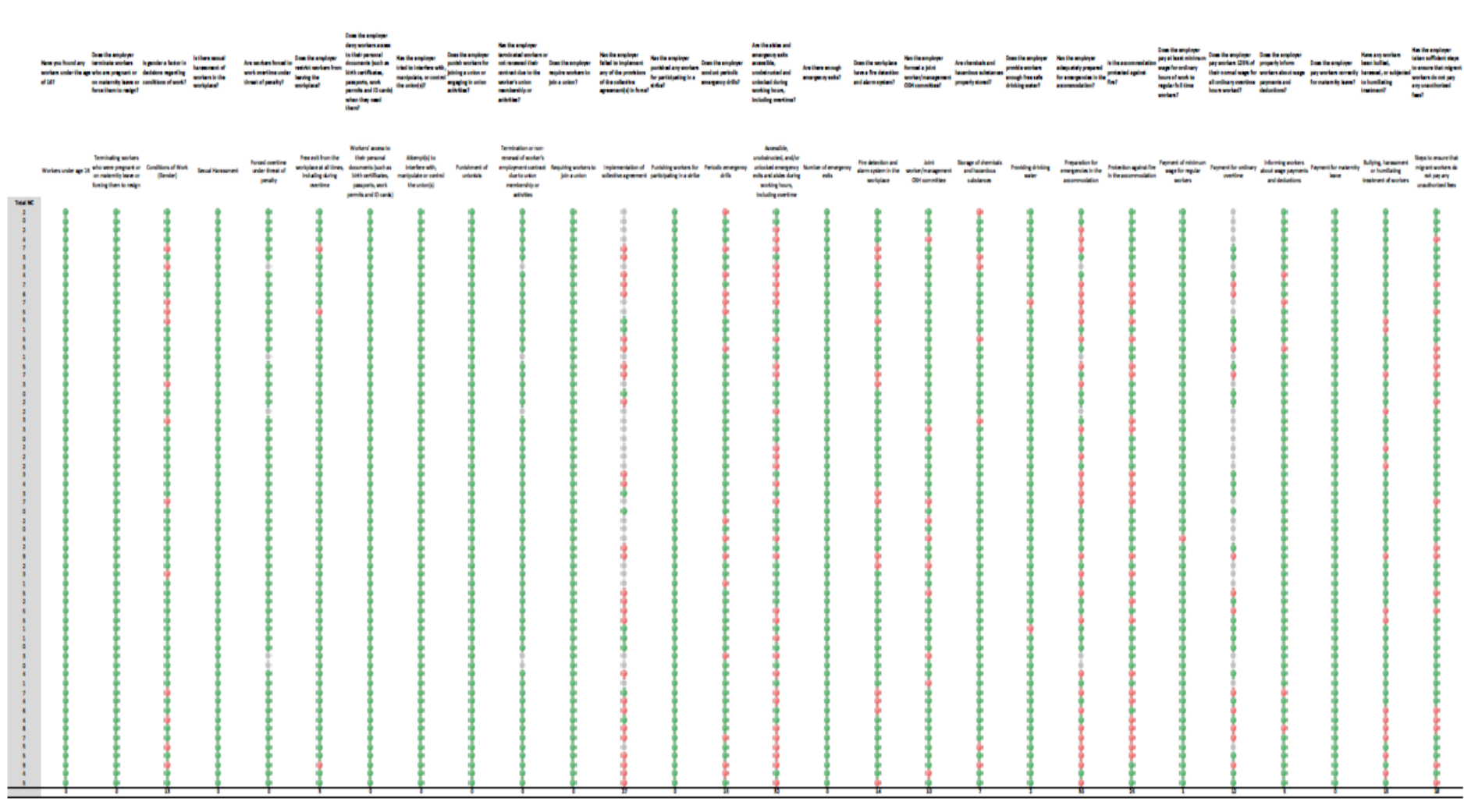
Annex B: Buyers Participating in Better Work Jordan

Ann Inc.
American Eagle Outfitters, Inc.
Columbia Sportswear Company
Gap, Inc.
Hanesbrands
Jones Apparel Group, Inc.
Li & Fung
L.L. Bean
New Balance
Nordstrom, Inc.
Patagonia, Inc.
Santex
Sears Holding Corporation
PVH
Ralph Lauren
Swiss Post
Target
Wal-Mart Stores, Inc.
Nike

Note: A total of 29 buyers participate in the Better Work Jordan programme so this is not a complete list, as some buyers have requested not to be named.

Annex C: Public Reporting

Chart 3: The Public Reporting Disclosure Template



Annex D: Public Reporting

Chart 4 : Percentage of factories that were assessed as compliant/non-compliant

