

Level Works



# LABOR COMPLIANCE COUNTRY ISSUES SUMMARY

## JORDAN

Updated: Feb 10, 2009

Level Works Ltd.  
[www.level-works.com](http://www.level-works.com)



## Country Summary Introduction:

Since 2005, the number of the factories has decreased due to increases in costs such as minimum wage. There are an estimated 70 factories located in Jordan's Qualified Industrial Zones (QIZ) mostly producing for the USA market. In total there are 5 QIZs including: Al-Tajaoumat Industrial Area (located in Sahab- Amman), Al-Hassan Industrial Zone (Ramtha – Irbid), Ad-Dulayl Industrial Zone (Ad-Dulaly – Zarqa), Al-Hussein Industrial Zone (Al-Karak) and Cyber City (Ramtha). 90% of the garment factories are located in the QIZ zones. Most garment factories are owned by foreign investors from India, Sri Lanka, Pakistan, Israel, Turkey, or Taiwan. Factories rely heavily on foreign migrant workers which make up roughly 75% of production workers. In order of most to least, foreign workers come from Bangladesh, Sri Lanka, China India and Vietnam. The factories prefer foreign employees due to their high productivity and willingness to work long hours. The turnover rate for Jordanian workers is also extremely high. Most factories produce woven, knitted or denim garments.

In response to the National Labor Committee's 2005 report "Free Trade Agreement Descends into Human Trafficking" USAID sponsored the Joint Labor Assessment & Training Project (JLTAP) in partnership with the Ministry of Labor (MoL) & Level Works. The purpose of the JLTAP was to undertake a full assessment of the working conditions in the QIZs and to provide initial training to government labor inspectors. The JLTAP final report and updates and factory conditions and allegations can be found on the MoL website: <http://www.mol.gov.jo>. USAID continues to fund ongoing advisory services (undertaken by Level Works) to the MoL related to a variety of ongoing improvement goals such as: inspection reform, inspector training, allegation investigations, and general policy. Since the NLC report, a dramatic improvement of working conditions has been realized. However, ongoing issues persist that be understood by any buyer sourcing from Jordan.

## Compliance Challenges (in order of importance):

Withholding of Passports: For a variety of reasons, it is common for migrant workers to have their passports and official government identification held by factory management. One main reason this occurs is because the factory management believes it is necessary in order to control workers and prevent them from leaving their factory to search for alternative employment or break their contract. In other instances, factory owners may be provided with explicit instructions from host-governments that their migrant workers are the factory management's responsibility and that they should "take measures" to ensure that these workers remain in their employment. So, to avoid government consequences, factories may hold worker passports to discourage a worker from running away. The holding of passports by management in Jordan was the prevailing practice until the NLC report. Since then and the MoL activities that have followed, most factories in Jordan have returned worker passports.

Excessive Recruitment Fees: Most migrant workers coming to Jordan from countries such as China, Sri Lanka, Bangladesh and Nepal, are recruited through agents or 'manpower' companies that facilitate the employment relationship between the factory and the worker. These agents often assist factories by recruiting and selecting workers who meet their skill and experience requirements. The agents also assist the factory and workers directly by helping to obtain required travel documents, employment visas, air tickets, and any necessary medical checkups. The costs associated with this recruitment agent will vary by agent and by country. It is commonly known, however, that Bangladeshi workers pay the most to secure a job in Jordan while Sri Lanka workers pay the least. The recruitment fees are usually paid by workers themselves along with their travel arrangements based on a 2-3 year contract. Money to pay the recruitment fees usually comes from either a loan secured in the sending country from another third party or from family and friends. Under such arrangements, workers are in a vulnerable position and cannot easily break their contract terms regardless of the working conditions in which they find themselves because they are in debt and have no means of returning to their home countries. Recruitment fees usually range from US1000-2500 depending on the sending country.

False Contract Terms: Often recruiters in the sending country embellish the contract terms that the worker will receive upon arrival to Jordan. Then, upon arrival, the worker is forced to accept the factory terms, although different from what was promised them. Again, immediately returning to their home country is rarely an option as they are in debt from the recruitment fees and don't have enough money for a return ticket.

Falsified Records: Most factories in Jordan who work excessive hours and operate the above mentioned target/productivity compensation system will attempt to hide their true workplace practices by providing Jordanian Government offices and foreign buyers with incomplete or falsified timecard and payroll records. If these factories

were to provide the complete and accurate records, it is likely that they would perform poorly in buyer social compliance audits for excessive working hours and rest day (Friday working) infractions. In addition, often factories will go to great lengths to train or coach their workers on how to answer questions posed by inspectors/auditors so that discrepancies are minimized or prevented.

Excessive Working Hours: It is common in Jordan for work hours to exceed the limits set by Jordanian labor law especially for the foreign workers that work up to 80 per week including working hours on rest days (Fridays). In contrast, Jordanian workers rarely work in excess of the law. Often foreign workers are interested in working overtime, even on rest days and at night in order to earn more money. In other instances, however, workers may wish to reduce their overtime hours but are not able to because of pressure from management.

Pay Below Contract/Legal Wage Rates: Foreign workers are commonly placed on a compensation system that is linked to productivity or a daily target. Under this system, many workers may earn an income that is equal to or greater than the contract wage, Jordanian minimum wage and the overtime premium. However, if a worker does not reach the target or if they produce poor quality merchandise, it is common for these workers be required to work “off-the clock” to fix the poor quality or to meet the production target. These working hours are usually not compensated. In addition, for many migrant workers, the contract that they sign often stipulates a monthly income for working 10 hours per day (8 regular hours plus 2 overtime hours). However, by Jordanian law, all workers need to be paid at least the minimum wage for regular hours and the overtime premium for any hour above 8 per day. This discrepancy between the contract wage and the Jordanian law often results in some workers getting underpaid for the two daily overtime hours worked as part of their contract.

Poor Health and Safety in Factories in Factory-Sponsored Dormitories: While most factories are relatively safe and clean, there are instances when foreign workers have very poor working and living conditions. Overcrowding and poor sanitary conditions can be found in some factory dormitories. This can be attributed to a lack of adequate housing for foreign workers (most factories are using rented buildings/houses and are forced to retrofit these premises to accommodate their workers).

## **For more information:**

If you are interested in more specific information related to country specific issues/challenges or Level Works approach and recommendations for addressing these issues, please contact Level Works directly at: [info@level-works.com](mailto:info@level-works.com)