## **News and Updates**

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# Annual Report 2023 underlines stakeholder engagement on worker wellbeing

Increased efforts among the government, employers' and workers' organizations to enhance the garment industry in the country

# Domestic value-added of garment, leather and textile industry 41.7 per cent

New research overviews national economic contribution of the sector as well as implications for Jordan's economic and employment policies

## Promoting mental health awareness in garment sector

Training for garment factory employees examines mental health terminology and understanding, causes of mental ill-health, and how to manage mental health challenges

## Enhancing disability inclusion in garment industry

Series of awareness-raising and capacity building workshops seek to promote equal opportunities for all workers, including persons with disabilities

#### Empowering women trade unionists

Joint collaborative effort to strengthen workers' voices in the garment sector, with a particular emphasis on empowering female trade unionists

#### Advancing partnerships with Ministry of Labour and employer organizations

Better Work Jordan continues to invest in building institutional capacity of partners





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#### Dear Friends,

Jordan's garment industry continues to hold political and economic significance, even amidst global challenges and economic downturns that have resulted in a slowdown in business activities in the sector. The industry, with its track record of resilience and sustained growth, stands out as one of the country's foremost export sectors. It has been designated as a high-value sector in Jordan's Economic Modernisation Vision.

In 2022, the industry achieved a milestone with a total export value of USD 2.2 billion, marking the highest recorded export value for this sector.

A recent study, conducted through collaboration between the International Labour Organization (ILO) and the Jordan Chamber of Industry (JCI), unveiled an impressive domestic value added (DVA) of 41.7 per cent for the garment, textile, and leather (GTL) industry. This figure underscores the substantial portion of value creation that occurs within Jordan.

According to data from the World Integrated Trade System (WITS) database of the World Bank, the export growth of Jordan's GTL industry from 2010 to 2019 was remarkable, standing at 98.6 per cent. This figure significantly outpaced the global export growth rate for textile and apparel industries during the same period, which stood at 22.3 per cent.

As the GTL industry continues to expand and evolve, the Jordanian government's ten-year Economic Modernization Vision has set ambitious goals. By 2033, the aim is to achieve USD 8 billion in exports and create 149,000 jobs for Jordanians. To accomplish these objectives, the Economic Modernisation Vision has outlined several strategic priorities for the sector. These priorities include the development of fabric manufacturing, the streamlining of sector-specific laws and regulations, and fostering greater collaboration between large and small enterprises.

To realise these goals and build upon industry achievements, it is imperative that the national tripartite constituents enhance their institutional capacity and improve labour market governance. This will enable them to more effectively fulfil their mandates, reinforcing local ownership of these achievements.

Better Work Jordan remains steadfast in its commitment to working closely with the national tripartite constituents and other partners and stakeholders. The goal is to achieve these objectives, consolidate and expand on existing successes, and address industry challenges, while simultaneously empowering the national tripartite constituents to assume a leading role in sustaining and advancing these achievements.

The Better Work Jordan team



**90** Factories



**57** Assessment reports



**78,000**Workers in registered factories



350 Advisory visits



**180**Training sessions



**20** International buyers

### Annual Report 2023 underlines stakeholder engagement on worker wellbeing

The 2023 Annual Report of Better Work Jordan reveals collaborative efforts among the government, employer and worker organizations to enhance the garment industry in the country. However, it also pinpoints violations of national laws and international labour standards, particularly in occupational safety and health (OSH).

The report, discussed by the <u>Project Advisory</u> <u>Committee (PAC) in a meeting on 20 March 2023,</u>

presents insights into trends, improvements, and



challenges in the sector, documenting joint programme-stakeholder collaboration to address legal gaps through sectoral policies. These policies focus on critical areas like mental health, inclusivity for people with disabilities, healthcare quality, and childcare.

Occupational safety and health (OSH) compliance remains a persistent concern in the 86 participating factories. Challenges encompass OSH management systems, health services, first aid, and worker accommodations. While OSH compliance rates have fluctuated over the years, some aspects of accommodations, such as meeting minimum space requirements and providing adequate eating and living areas, have seen consistent enhancements.

Jordan's garment industry experienced a robust start in 2022, rebounding from the COVID-19 downturn. The sector achieved a record export value of USD 2.2 billion.

Better Work Jordan is mandatory for garment factories exporting to the US under the US-Jordan Free Trade Agreement. As of December 2022, the programme included 95 factories, employing 78,617 workers, predominantly migrants, with around 75 per cent being women.

The comprehensive report serves as a promising benchmark for the industry's progress and identifies key areas for further development in 2023: increased stakeholder engagement, mental health sustainability, evidence-based policy-making, and improved recruitment practices for migrant workers.

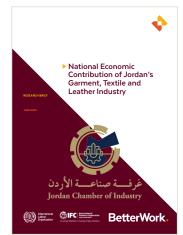


#### ▶ Domestic value-added of garment, leather and textile industry 41.7 per cent

Jordan's GTL industry has demonstrated remarkable growth, doubling its exports from USD 1.12 billion in 2012 to USD 2.26 billion in 2022, surpassing overall export growth trends. This sector makes a substantial contribution to Jordan's manufacturing GDP (7.7 per cent) and goods exports (19.8 per cent). A pivotal factor in this success story is the US-Jordan Free Trade Agreement, which provides preferential access to the US market.

This thriving sector provides employment to approximately 77,800 workers, with a significant presence of women and migrant laborers. The Jordanian government's ten-year Economic Modernisation Vision aims to further elevate the GTL industry's success, with a target of achieving USD 8 billion in exports and creating 149,000 jobs by 2033.

A recent <u>study</u> conducted by the ILO in collaboration with the JCI explored the GTL industry's economic impact. It unveiled a high domestic value added (DVA) of 41.7%,



indicating that a significant portion of value creation occurs domestically. The study also found returns to capital at 54.6 per cent and labour payments at 40.8 per cent. Furthermore, the research estimated that approximately 64 per cent of wages and salaries remain within Jordan, and the industry indirectly generated around 12,400 jobs in the national economy.

The insightful findings are intended to inform the formulation of government of Jordan (GoJ) policies, with a focus on skill development, ensuring decent working conditions, and fostering partnerships with local suppliers. These measures are aimed at promoting sustainable economic growth while considering social welfare and environmental sustainability.

To support these endeavours, <u>Better Work Jordan and JCI have jointly organized capacity-building workshops</u>, empowering JCI staff and stakeholders to replicate the research study. The initiative seeks to extend the benefits of the study to various sectors, thereby contributing to Jordan's comprehensive economic development.

#### Increasing collaboration among garment sector stakeholders

Better Work Jordan is committed to increasing collaboration among key stakeholders in the garment sector. Through capacity building, active engagement with stakeholders, and addressing critical policy matters, the program aims to empower tripartite stakeholders, including government representatives, employers, and workers, to play a leading role in maintaining and enhancing working conditions.

In alignment with this approach, the programme has organized a training workshop with the specific goal of strengthening collaboration between the MoL and the GTU.

This training workshop focused on equipping MoL labour inspectors and GTU representatives with the necessary skills to uphold high-quality standards during advisory visits. The objective was to enable stakeholders to work closely with factory management and worker representatives to proactively address and mitigate potential issues before they escalate into compliance problems. Factories participating in the Better Work programme undergo a comprehensive learning process, which includes assessments, advisory sessions, industry seminars, and training.

The workshop provided participants with an overview of advisory services, emphasising the importance of confidentiality principles and compliance standards that trade union representatives and MoL labour inspectors must adhere to. It also covered timelines related to updating advisory logs and preparing improvement plans.

Furthermore, the workshop introduced participants to mechanisms, standards, and quality assurance tools of Better Work. These tools will be gradually transferred to advisors through comprehensive training sessions, on-the-job coaching, and regular evaluations accompanied by constructive feedback.

By promoting effective collaboration and capacity building among stakeholders, Better Work Jordan strives to ensure that the garment sector maintains the highest working standards and continuously improves conditions for both workers and employers.

#### Promoting mental health awareness in garment sector

Better Work Jordan is actively engaged in its Mental Health Project, striving to raise awareness about mental health. This initiative plays a pivotal role in cultivating a deeper understanding of and greater sensitivity toward mental health within the garment industry. Workers, managers, and key stakeholders all benefit from these efforts.

Launched in 2021, the Mental Health Project is dedicated to enhancing the mental well-being of garment workers, with a special emphasis on women who often face physical and psychological stressors in their roles. The project focuses on building resilience



Better Work Jordan's Mental Health Initiative 2021-2023

among workers against mental health risks, improving support at the factory level, and developing accessible mental health referral systems for all workers.

#### Mental Health Awareness Workshop

As part of commitment to this endeavour, the project recently organized a comprehensive training workshop. This workshop was attended by human resources professionals, compliance officers, welfare officers, and supervisors from garment factories. The sessions covered topics such as mental health terminology, understanding the root causes of mental health challenges, and strategies for managing mental health issues effectively.

The primary goal of this workshop was to empower participants with the knowledge and skills necessary to support both new and existing workers, with a particular focus on women and



migrants. The aim was to help these workers adapt to the workplace environment while fostering a deeper understanding of mental health-related organizational culture, policies, and procedures.

Among the critical aspects discussed in the training were identifying signs of mental health issues, promoting self-care activities, and highlighting the 2022 Collective Bargaining Agreement (CBA). The CBA mandates that employers provide both physical and psychological health services for workers while endorsing a workplace mental health policy, including access to psychosocial support services.

As part of our commitment to this initiative, garment factories affiliated with Better Work Jordan have already taken steps to hire psychologists and counsellors. These professionals are instrumental in providing essential mental health services to workers as part of the broader strategy to implement the mental health policy.

By promoting mental health awareness, this project encourages workers to seek assistance when needed, ultimately enabling them to manage their mental health challenges more effectively, leading to improved work performance.

#### **Human Success Story**

For a personal perspective, read Monira Dhaka's story, a 35-year-old worker who learned how to recognise and address mental health stigma and other challenges.



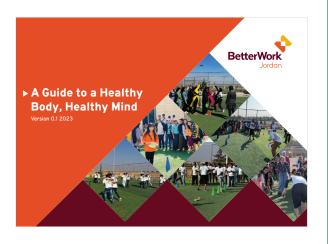
#### mhGAP training for health care providers

The Mental Health Project has conducted two trainings for healthcare providers at the primary healthcare level in factory clinics. The trainings centered on the Mental Health Gap Action Programme (mhGAP) of the World Health Organization (WHO). The objective was to enhance capacity of clinicians to detect and manage mental health problems early on, equipping them with the necessary tools to integrate mental health interventions into clinical practice. The project held these trainings in industrial zones in Irbid and Amman and is planning to organize additional trainings in other industrial zones.



#### Sport for Mental Health

Mental health is key to a healthy work environment, and sports can play an important role in improving mental well-being, decreasing loneliness, depression, and anxiety, while at the same time increasing self-esteem and social connectedness. To further promote mental well-being, the Mental Health Project has introduced the "Sport for Mental Health" campaign. Recognising that sports can play a significant role in improving mental well-being by reducing loneliness, depression, and anxiety while boosting self-esteem and social connections, the campaign offers a guide with various activities to support mental health and well-being.



#### **Project evaluation**

In accordance with ILO evaluation policy and guidelines, Better Work Jordan has conducted an internal mid-term evaluation of the Mental Health Project. The aim was to gather insights from project experiences to inform ongoing and future programming in the field of mental health. The evaluation assessed project effectiveness, efficiency, potential impact, adaptability, and sustainability. It identified both strengths and weaknesses in project design, strategy, and implementation, as well as lessons learned and recommendations. The evaluation has affirmed the robustness and comprehensiveness of project design, which is well-aligned with addressing mental health challenges in Jordan's garment sector. It strikes a balance between preventive and support approaches. As summarised in the evaluation, the project has successfully raised awareness about mental health, fostering a deeper understanding and sensitivity among workers, managers, and key stakeholders. It has played a crucial role in reducing the stigma surrounding mental health by emphasising positive and preventive aspects of mental well-being.



#### ► Strengthening grievance handling and dispute resolution

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 alignment with this mission, the programme has collaborated with the Arab Renaissance for Democracy and Development (ARDD) to organize a workshop, convening key stakeholders within Jordan's garment industry. The goal was to foster discussions and coordination aimed at advancing grievance handling practices in the sector.

During the workshop, participants engaged in meaningful exchanges of ideas, emphasizing the importance of clear communication and coordination among stakeholders to enhance grievance handling procedures. They also explored the use of essential tools such as the sectoral CBA, the Ministry of Labour (MoL) Hemayah platform, and the website of the General Trade Union of Workers in Textile, Garment, and Clothing Industries (GTU).

The primary objectives of the workshop were to build the capacity of participants to effectively support the implementation of existing grievance mechanisms; provide stakeholders with insights into best practices for addressing worker grievances; and develop a strategic roadmap to strengthen grievance mechanism within the sector.

The workshop served as a platform for dialogue, learning, and collaboration, all cantered around promoting workers' rights. Among the key outcomes, participants unanimously recognised the necessity for streamlined and expedited grievance and complaint procedures, including the facilitation of online platforms. Additionally, there was an emphasis on increasing workers' awareness of their rights and responsibilities.

According to the 2023 Annual Report of Better Work Jordan, 22 per cent of factories currently lack robust processes for handling worker grievances. Factories equipped with robust dialogue and grievance procedures are better positioned to proactively address worker concerns, ultimately fostering a more productive and harmonious workplace.

By continuing these collaborative efforts, Better Work Jordan remains committed to enhancing the overall labour landscape within Jordan's garment sector, with a focus on empowering workers and ensuring their voices are heard and respected.



#### Worker's Voice: people with disability



#### Enhancing disability inclusion in garment sector

Better Work Jordan has adopted a comprehensive approach to promote the integration and active participation of individuals with disabilities within Jordan's garment sector. The programme conducted an in-depth assessment report to identify the challenges confronted by workers with disabilities in this sector. Subsequently, it developed a strategic plan to collaborate with various stakeholders, aiming to implement recommendations that enhance working conditions and create a more inclusive labour market environment for these individuals.



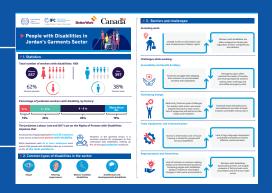
In a concerted effort to ensure equal opportunities for all workers, including persons with disabilities, <u>Better Work Jordan partnered</u> with the Higher Council for the Rights of Persons with Disabilities (HCD). Together, they organized a series of awareness-raising and capacity-building workshops for various stakeholders in the garment sector. These workshops targeted a diverse audience, including workers with disabilities, labour inspectors, employers, and trade union representatives.

The training sessions primarily focused on enhancing stakeholder understanding of the rights and responsibilities of both individuals with disabilities and their employers within the workplace. Participants were also educated on methods to effectively identify and address violations. The workshops delved into assessing the inclusivity and accessibility of workplaces, as well as evaluating garment factories' compliance with legal employment quotas for persons with disabilities.

According to Jordanian Labour Law, factories are required to hire a specific proportion of persons with disabilities, depending on their total workforce size. Specifically, factories must employ at least one person with a disability if they have 25 to 50 Jordanian employees and maintain a four percent representation of the Jordanian workforce if their employee count exceeds 50 Jordanians. The 2023 Annual Report of Better Work Jordan has found that approximately 20 per cent of factories failed to meet these quotas for hiring individuals with disabilities.

Persons with disabilities often face substantial barriers that impede their access to employment opportunities and compromise their well-being in the workplace. Recognising these challenges is a crucial step towards creating a more inclusive and equitable work environment.

In further support of this cause, Better Work Jordan has also released an insightful infographic highlighting key facts and figures about workers with disabilities in the garment sector.



#### **Human Success Story**

One of these workers is <u>Yahya</u>, 37, who overcame significant barriers to employment and inclusion. Read about his personal journey of resilience as a source of inspiration and motivation.



#### **►** Empowering women trade unionists



Better Work Jordan and the GTU have joined forces to bolster the voices of workers in the garment sector, with a particular focus on empowering female trade unionists.

These two organizations collaborated in hosting a comprehensive two-week workshop aimed at knowledge sharing and capacity building for trade unionists across four industrial zones in Jordan: Irbid, Sahab, Dulayl, and Aqaba.

The primary objective of this workshop was to enhance the capabilities of female trade unionists in the garment sector on multiple levels. The aim was to equip these women with the skills and knowledge needed to effectively advocate for workers' rights while promoting knowledge sharing and fostering international cooperation. This endeavour aimed to encourage



collaboration among various stakeholders to amplify the voices of workers, promote social dialogue, and advance collective bargaining, in alignment with the GTU 2021-2026 strategy.

Throughout the workshop, participants engaged in activities designed to strengthen their communication, networking, negotiation, and conflict-resolution skills. These activities included working groups, role-playing scenarios, and focus group discussions.





Participants not only deepened their understanding of trade unionism and its objectives but also gained insights into the rights and responsibilities of worker representatives as defined by Jordanian Labour Law and International Labor Standards, in harmony with the CBA.

Led by prominent Moroccan unionist and trainer, Touriya Lahrech, the workshop was a component of a knowledge-sharing programme between the GTU and Moroccan unions.

By empowering these women trade unionists, the initiative contributes to a more inclusive and empowered workforce, fostering a culture of workers' rights advocacy and effective representation in the garment sector.

#### ► Incentivising compliance with Jordanian Labour

As part of its commitment to providing technical support for the MoL, Better Work Jordan has collaborated with the ministry to organize an awareness-raising workshop. The workshop was designed for employers and various stakeholders within the garment sector, aiming to promote the Golden List programme.

The Golden List represents a comprehensive code of practice established to incentivise compliance with Jordanian Labor



Law and international standards within the garment industry. Enterprises that meet the compliance criteria outlined in the Golden List become eligible for incentives aimed at reducing the costs associated with recruiting migrant workers.

During the workshop, participants received detailed information on the Golden List's criteria, standards, incentives, and the prerequisites for eligibility.

The Golden List initiative was initiated by the GoJ in 2006 with the objective of enhancing compliance with the Labour Law within the garment sector, which had experienced a high rate of Labour Law violations. This programme establishes a code of conduct for employers, outlining specific compliance criteria. Enterprises that meet these criteria are granted certain privileges, such as exemption from the typical bank guarantees required for the recruitment of foreign workers. When an employer applies for Golden List designation, a labour inspection visit is conducted to assess compliance with the specified criteria. The inspection report is then submitted to the Golden List Committee, which reviews the report, verifies the relevant documents, and makes the decision on whether to grant Golden List status to the applicant enterprise.

This proactive approach not only promotes compliance with the Labour Law but also encourages responsible practices within the business community, ultimately contributing to improved working conditions and labour standards in Jordan's various industries.

#### Better Work Jordan holds workshop on advancing healthcare, childcare services

Better Work Jordan has hosted a workshop focused on healthcare and childcare in the garment industry, gathering over 40 participants from diverse backgrounds. The event cantered on two research studies: one examining healthcare quality and legal gaps and another exploring childcare accessibility. The workshop featured two sessions, each dedicated to one of these studies, including presentations and interactive discussions.

Participants collaboratively developed action plans based on the study recommendations. In the healthcare discussion, key issues included sick leave policies, the importance of qualified doctors in factories, challenges with clinic licensing, legal ambiguities, operating hours, and record-keeping practices. Recommendations encompassed elevating clinic standards, establishing emergency response protocols, enhancing staff training, and revising legal provisions.

On childcare, participants raised concerns about legal constraints, nursery capacity, operating hours, and limited awareness of relevant regulations. Proposed actions aimed to simplify registration processes, raise awareness of labour rights concerning childcare, and enforce existing laws. Advocacy for workplace childcare and accessible nursery locations received strong emphasis.

As a concluding call to action, Better Work Jordan urged all participants to adopt these recommendations and collaborate in improving healthcare and childcare services in Jordan's garment industry.





### Advancing partnerships with Ministry of Labour and employer organizations

Better Work Jordan operates with a tailored learning model designed to address industry-specific demands. The core focus lies in enhancing the capacities of all stakeholders and facilitating effective social dialogue. This vision entails a more targeted approach where the program gradually transfers its assessment tools and methodologies to the MoL.

In alignment with a joint memorandum of understanding (MoU) established in 2020, Better Work Jordan has conducted a workshop under an ongoing labour inspection secondment and knowledge transfer programme with the MoL. The primary objective was to equip labour inspectors with updated knowledge about changes to the Compliance Assessment Tool (CAT) and the 2022 CBA in the garment sector.

In a separate joint effort, Better Work Jordan, MoL labour inspectors, and members of the EU Committee within the ministry conducted a site visit to one of the largest factories in Jordan's agribusiness sector to explore its production processes. Subsequent to the field visit, the group convened for a meeting to develop a customised CAT model tailored for implementation in the Jordanian agribusiness sector. This activity was organized under "EU-ILO collaboration in Monitoring Labor Aspects in the Implementation of the EU Rules of Origin Initiative for Jordan."

The CAT serves as a critical tool used by Better Work enterprise advisors to assess compliance with core international labour standards encompassing Child Labor, Discrimination, Forced Labor, Freedom of Association and Collective Bargaining, Compensation, Contracts and Human Resources, Occupational Safety and Health, and Working Time. It also addresses standards related to working conditions as outlined in national labour laws.

Recognising the pivotal role played by employer organizations in enhancing sectoral competitiveness, Better Work Jordan actively supports these entities.

To this end, Better Work Jordan has established implementation agreements with both the Jordan Garments, Accessories, and Textiles' Association (JGATE) and the JCI. These agreements reflect the programme's ongoing commitment to partnering with employer organizations and its continuous efforts to enhance their institutional capacities, building on past achievements. Through a prior implementation agreement with JGATE, the programme facilitated the finalisation and adoption of the association's comprehensive three-year strategic plan. Building on this momentum, the newly signed implementation agreement with JGATE seeks to equip the association with the necessary tools to effectively pursue its goals and objectives outlined in the strategic blueprint.

Furthermore, Better Work Jordan is dedicated to providing continued support for JCI and is eager to strengthen its capacity to fulfil its mandate. The new implementation agreement aims to assist JCI in expanding its networking capacity and enhancing the visibility of its activities and interventions within the garment sector.

Better Work Jordan 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 began operations at the request of the governments of Jordan and the United States over ten years ago. Better Work country programmes regularly prepare public reports synthesising industry updates and highlighting non-compliance findings and trends in order to increase transparency and to communicate observations to a wider audience. For more information and updates, visit the website of Better Work Jordan.

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