CASE STUDY: Collective Bargaining Agreement in Jordan’s Garment Industry
The collective bargaining agreement in Jordan’s garment industry will affect more than 55,000 workers, and is one of the most comprehensive of its kind in Jordan and the Middle East, and in the apparel sector globally.
Background: Jordan’s Apparel Industry and the Launch of Better Work Jordan

Following a free trade agreement with the US, signed in 2001, Jordan’s garment sector has experienced significant growth in the past decade, reaching 17% of total exports in recent years. Together with the expansion of the industry, the country has also seen an increase in its migrant workforce. There are over 40,000 workers in the export apparel sector (of a total 55,000 in the industry) and over two thirds are migrants from South and South East Asia, filling jobs that are largely unskilled and poorly paid, with long working hours.

In 2008, at the request of the Government of Jordan, the International Labour Organization and the International Finance Corporation launched a Better Work programme in the country, to promote good working conditions. The constituents aimed to build on the successful ILO project, Better Factories Cambodia, which brought together national stakeholders and international buyers to increase compliance with national and international law and improve working conditions. As part of Better Work Jordan’s service model, which includes comprehensive assessments of compliance with fundamental rights and working conditions, the programme helps participating factories establish Performance Improvement Consultative Committees (PICCs), which bring together equal numbers of worker and management representatives to develop and implement improvement plans.

Of the factories participating in Better Work Jordan in September 2013, 66% had active PICCs.
Gains and Challenges to Migrant Workers’ Rights

While migrant workers were able to participate in Better Work Jordan PICCs, it was not until 2010 that they became able to legally join trade unions, vote in union elections and participate in factory-level trade union worker committees, allowing them greater engagement with the garment union. Nevertheless, violations of labour rights, low wages and poor working conditions led to an increase in strikes and protests by migrant workers in following years.

In 2012, the National Minimum Wage Committee, comprising government officials, employers and worker representatives, agreed to increase the minimum wage of workers. The government encouraged the employers and the garment union to negotiate an agreement for the implementation of the new minimum wage for the sector, and after a month of negotiations, the two parties signed a series of agreements that increased the monthly basic minimum wage for Jordanian workers. For migrant workers, the basic monthly minimum wage did not increase, though the agreement made them eligible for seniority bonuses. However, in a positive move, minimum wage discussions did lead to interest in the possibility of a sector-wide collective bargaining agreement (CBA).

Support for Agreement: Better Work Jordan and the ILO

Better Work Jordan supported the progressive effort to pursue a CBA first by introducing the concept to the employers and the garment union in early 2012. Later that year, the programme held trainings for garment union executive board members and migrant worker representatives on the collective bargaining process and began working with the union on the development of a comprehensive CBA proposal. In early 2013, training sessions were held for union representatives on collective bargaining and preparing for negotiations. A separate session in May, facilitated by ILO expert consultants, was attended by 21 employers representing 19 factories. Training for employers and worker representatives included practical skill development in negotiation.

As a further contribution to the process, Better Work Jordan sought the assistance of ILO experts in reviewing the draft proposal to ensure that the language reflected Jordan’s obligations under ILO Convention 98: Right to Organize and Collective Bargaining and its obligation as a Member State of the ILO with respect to the principles of the ILO’s core conventions.

“WE BROUGHT IN EXPERTS FROM THE ILO TO WORK WITH THE UNION AND EMPLOYERS TO HELP THEM UNDERSTAND BETTER WHAT THE COLLECTIVE BARGAINING PROCESS ENTAILED, HOW THEY COULD PRESENT THEIR INTERESTS EFFECTIVELY AND HOW THIS COULD BE A WIN-WIN FOR EACH SIDE. THIS WAS INSTRUMENTAL NOT ONLY IN REDUCING RESISTANCE TO THE POSSIBILITY OF A SECTORIAL AGREEMENT, BUT ALSO GIVING THEM KNOWLEDGE AND CREATING AN ATMOSPHERE THAT COULD BE BENEFICIAL TO BOTH SIDES.”

~ BETTER WORK JORDAN PROGRAMME MANAGER PHILLIP FISHMAM.
CASE STUDY: COLLECTIVE BARGAINING AGREEMENT IN JORDAN’S GARMENT INDUSTRY

VOICES FROM A FACTORY

Twenty-four-year old Bangladeshi Nour Jihan moved to Jordan a year ago to work in a clothing factory in the industrial city of Sahab. Her employer provides food and board, which allows her to send about USD 150 per month back home to her family. “I’ve worked in several countries, but last year I heard that many women from my country were moving to Jordan for work so I decided to do the same,” she said, adding she was forced to begin working abroad after her father died suddenly in her early teens. “I had to help my mother take care of my seven siblings.”

Jihan is one of about 55,000 workers in Jordan’s apparel sector. She says she is happy that a collective bargaining agreement was signed to define her rights as a worker in Jordan.

“The CBA makes clear how much we should get paid for overtime, our salaries, the food provided, and that we can join unions, so I’m happy with it. If the company keeps on following the contract, the future will be good.”

Her employer, Ahmed, says the agreement will help create a balance between workers and their employers, giving hope to enhanced relations, and increased productivity.

“The agreement is very important because it created a balance between the worker and the employer, now there is a third party observing and helping implement rights, demands and obligations. As long as the workers are happy, production will improve. This will benefit us.”

“THE CBA MAKES CLEAR HOW MUCH WE SHOULD GET PAID FOR OVERTIME, OUR SALARIES, THE FOOD PROVIDED, AND THAT WE CAN JOIN UNIONS.”
A First for Jordan: CBA Signed to Cover Entire Garment Sector

After a series of negotiating meetings between the employers and the union, in May 2013, a groundbreaking collective bargaining agreement was signed between the Jordan Garments, Accessories and Textiles Exporters’ Association; the Association of Owners of Factories, Workshops and Garments; and the General Trade Union of Workers in Textile, Garment and Clothing Industries. The agreement, which will affect the country’s 55,000 garment workers, is one of the most comprehensive CBAs to be found in Jordan and the Middle East, and in the apparel sector globally. It is a significant step for the garment sector in Jordan, and will play a major role in strengthening worker representation, social dialogue and industrial relations, as well as competitiveness and productivity.

Initial training for the garment union on contract administration has been provided, and ILO experts have plans for future training for both the union and the employers on dispute settlement and contract administration. In addition, the ILO, with the support of Better Work Jordan, is helping to draft a model unified contract for migrant workers that meets international standards. This contract will serve as a resource to assist the employers and the union to negotiate a standardized contract for all migrant workers in the garment sector, as called for in the collective bargaining agreement.

Looking ahead, the validity of the fixed-term CBA will end in May 2015. It is hoped that negotiations will begin ahead of the expiration of the current agreement, to allow for a seamless transition.

“WORKERS WERE RELUCTANT TO WORK WITH UNIONS IN THE PAST—DUE TO FEAR OF EMPLOYERS—BUT NOW THE UNION HAS ACCESS TO THE FACTORY WORKERS AND IT ALSO SHOWS THAT THE UNION IS NOT WORKING AGAINST THE EMPLOYERS. WE ARE TRYING TO HELP THEM. WE WILL ADVISE THE WORKERS ON THEIR RIGHTS AND THAT WAY WE HELP THE EMPLOYERS.”

~ MERVAT ABED AL KAREEM AL JAMHAWI, GENERAL TRADE UNION OF WORKERS IN TEXTILE, GARMENT AND CLOTHING INDUSTRIES
CASE STUDY: COLLECTIVE BARGAINING AGREEMENT IN JORDAN’S GARMENT INDUSTRY

KEY PROVISIONS OF THE COLLECTIVE BARGAINING AGREEMENT

The CBA covers all workers and employers in the apparel industry without discrimination, in accordance with Jordanian labour law. Among others, the CBA includes provisions on:

• Regulating working hours, wages and bonuses.
• Improved occupational safety and health, at both factories and dorms.
• Equal treatment of all workers.
• A unified contract for migrant workers.
• Union dues check-off.
• Recognition of unions and their right to access factories.
• Settlement mechanisms to deal with contract disputes.
• Annual seniority bonuses for all workers regardless of their nationalities.

BENEFITS OF THE CBA

Through dialogue, negotiations and union-management committees, the interests of both workers and employers can be more effectively met.

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<th>FOR WORKERS</th>
<th>FOR EMPLOYERS</th>
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<td>The agreement will improve the working and living conditions of tens of thousands of workers and their families, namely by giving workers better representation through the union.</td>
<td>The agreement establishes mechanisms for resolving disputes at both the factory and sectoral levels by providing employers with an authorized and representative partner with which to negotiate. The union is now committed to resolving these issues, and it is anticipated that these mechanisms will help reduce the incidence of industrial action such as strikes.</td>
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<td>The union will have access to workers in all garment factories, where they can meet, discuss issues of concern, conduct elections, provide workers with information and raise awareness through posters and brochures in coordination with factories management.</td>
<td>These conditions are expected to help the industry by fostering an overall more positive working environment, which will boost morale and productivity.</td>
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<td>The agreement defines what workers are entitled to in terms of wages, benefits, working hours and issues of occupational safety and health at both factories and dorms, and promotes equal treatment of all workers.</td>
<td>The agreement provides a greater degree of predictability for employers in areas such as wages, bonuses and working hours, allowing them to plan production more efficiently.</td>
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To date, Jordan has ratified seven ILO core labour conventions on Fundamental Principles and Rights at Work.

### RATIFIED
- Convention 29 on Forced Labor
- Convention 98 on the Right to Organize and Collective Bargaining
- Convention 100 on Equal Remuneration
- Convention 105 on the Abolition of Forced Labor
- Convention 111 on Discrimination (Employment and Occupation)
- Convention 138 on Minimum Age for Admission to Employment
- Convention 182 on the Worst Forms of Child Labor

### YET TO RATIFY
- Convention 87 on Freedom of Association and Protection of the Right to Organize

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Better Work Jordan is funded by (in alphabetical order):

- Jordanian Ministry of Labour
- United States Agency for International Development

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“...The CBA will stabilize workers, which will help factories expand and meet other demands in the American market, to get more products and plan for a bigger future. Previously the instability around the world pertaining to this sector made its future unpredictable. This agreement will enable the sector to have long term vision and bring added value products to Jordan and garment exports.”

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~ FARHAN IFRAH, VICE PRESIDENT, JORDAN GARMENTS, ACCESSORIES & TEXTILE EXPORTERS’ ASSOCIATION