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NATIONAL LABOR COMMITTEE

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FOR IMMEDIATE RELEASE

GALAXY APPAREL INDUSTRY AND ALLEGATIONS OF THE NATIONAL LABOR COMMITTEE

RESPONSE OF THE MINISTRY OF LABOUR, HASHEMITE KINGDOM OF JORDAN

This information is provided by the Ministry of Labour of Jordan in response to the allegations involving the Galaxy Apparel Industry factory operating in Jordan, published by the National Labor Committee ("NLC", also known as the Institute for Global Labor & Human Rights) on its website starting from November 10, 2010.

These findings are based on information available through regular inspections undertaken by officials of the Ministry of Labour ("MoL"), as well as several factory visits undertaken to specifically verify the information provided by the NLC. Many of these inspection visits are undertaken by teams that include staff who speak the languages of guest workers, including Bangla, Sinhalese and Hindi in this case. The documents used to verify the NLC allegations findings are available for reference at the Ministry.

The NLC allegations involve confiscation of passports, forced over time, seven-day work weeks, incorrect payment of over time wages, verbal threats, sub-standard dormitory conditions and substandard food, and summary detention of 5 workers.

We provide below detailed reporting on these allegations. Most of the NLC allegations are not substantiated.

Ministry of Labour Response Procedures to Alleged Factory Concerns:

As has been repeatedly demonstrated over a number of years, the MoL investigates all worker and third party allegations concerning worker rights' violations in Jordan. The MoL has a hotline where workers can submit a complaint in different languages, including Bangla and Sri Lankan. Labour Offices in the Qualifying Industrial Zones ("QIZs") were established where workers can submit complaints as well. Because of this special arrangement the ratio of the number of workers per inspector is 1,500:1 in the QIZs, while it is 13,500:1 outside of the QIZs. Similarly, the ratio of the number of factories per inspector is 4:1 in the QIZs, while it is 1,125:1 outside of the QIZs.

The compliance efforts of the MoL include regular inspection visits to QIZ factories undertaken by teams, many of which include staff who speak the languages of the guest workers.

In 2010, the MoL issued 2,709 fines and 765 warnings against QIZ employers, and since 2006 nine QIZ factories have been closed for repeated worker rights' violations, though the MoL has not had to close a factory since 2008.

Lack of transparency of management and workers and the role of the NLC

The NLC appears to rely only on statements provided by workers without a demonstrated process to verify such statements on the ground, with regard to the allegations published on the NLC website since November 10. Even when the NLC visited Jordan in mid-December 2010, to the knowledge of the MoL they did not meet with management nor did they analyze factory documents. Also, the NLC delegation included only a translator from Bangladesh suggesting they were unable to communicate with Galaxy workers from other countries.

This approach complicates the task of the MoL in making objective assessments based on fact and law, especially when, as in the case of Galaxy, both management and workers have not been transparent with the MoL. The MoL believes that the respective actions of a number of workers were based, at least partly, on the knowledge that the NLC will publish unverified information and communicates such directly to the MoL, relevant buyers and US Government officials and lawmakers.

Where the NLC may argue that MoL findings are incorrect, in the case of Galaxy the NLC published certain information that is clearly factually wrong. The MoL finds these instances indicative of the general accuracy of NLC allegations. For instance, the NLC alleged that workers who had been detained had not been provided with sufficient blankets and that temperatures were freezing at the time. However, apart from the fact that the workers indicated to the Mol when interviewed in detention that they had been provided with sufficient blankets, the temperatures at the time were 75 degrees Fahrenheit during the day and 50 degrees Fahrenheit at night. Also, the NLC allegations posted on their website include an interview with

a worker who states that one of the reasons why the workers went on strike is because it was still dark at the new starting time of 7 a.m. introduced by management. However, at the time of year when workers refused to go to work at 7 a.m., sunrise was around 6 a.m.

The Mol has always investigated every allegation made by the NLC and publicly indicated where these allegations were found to be correct and incorrect. It is highly unfortunate that the NLC continues to make unverified allegations, especially given that its methodology in certain instances merely compounds problems rather than assists the MoL in undertaking its investigations and resolve problems that may exist.

Ministry of Labour Findings:

The Ministry of Labour has made the following findings with regard to the NLC allegations about factory conditions:

Galaxy Factory Background

Galaxy was established in Jordan in 2005 and operates in a single building. It currently has 139 workers, of which 99 are from Bangladesh, 14 from Jordan, 12 from Sri Lanka, 12 from India, and 2 from Nepal. Around 30 per cent of the work force is female.

Ministry inspections

The Labour Inspectorate undertook 8 regular inspection visits, and 5 special visits to Galaxy since January 2010, not including the numerous visits undertaken to verify the allegations made by the NLC concerning Galaxy. Based on findings determined during these visits the Inspectorate issued 4 warnings and 4 fines to Galaxy, relating to issues ranging from machine safety, medical services, and work contracts. In addition, 5 special night visits were undertaken to Galaxy within the framework of such visits to the industrial zone in which Galaxy is located (see below under over time).

Wage payments

Wage payments are correct with regard to hours worked, including over time, and deductions for social security and food. The factory deducts 10JD per month for the provision of food. The contracts signed by the workers indicate that there is a deduction for the provision of food but it does not specify the amount.

A small number of workers interviewed indicated they believe their wage payments for over time are incorrect. The MoL specifically verified the wage payments of some of these workers and found their wage payments to be correct. In this respect, the MoL believes that workers do not

understand their wage slip, given that it is in English. The MoL has informed management that it must ensure that workers understand their wage calculations and will verify such in due time.

Wage payments are not made on time, with a maximum delay of 5 days. Management has been informed to make the necessary adjustment and the MoL will verify implementation of such.

Over time

Workers generally indicated they voluntarily work over time almost every day, on average 3-4 hours per day. Some workers indicated that they believed that if they would refuse to work over time they would be excluded from working over time in the future, with a few indicating supervisors had specifically indicated such but with some other workers indicating this is what they believed rather than a measure they had been threatened with directly. The MoL asked for the names of workers who had been barred from working overtime but the workers were unable to provide the MoL with any.

During 2010, the Ministry undertook 5 night visits to Galaxy within the framework of such visits to the industrial zone in which Galaxy is located. In one instance, on October 23, the MoL found 20 supervisors and managers at work at around 10:30 pm. Management was advised this was not in line with the law. A follow up night visit was subsequently undertaken and no workers were found working at Galaxy. However, on 12 and 20 February 2011, 4 and 1 worker respectively worked overnight. Management admits to this and workers indicated they undertook the work voluntarily and received the following day off. The MoL will verify they receive correct overtime payments.

During the 3 months prior to the time the NLC first published its allegations, a very small number of workers worked part of one Friday in August. During recent public holidays workers voluntarily worked on the first day of the 5-day Adha Eid holiday and on Election day.

With regard to over time it should be noted that Jordanian law only requires that over time work is voluntary and places no limits on the number of over time hours worked.

Passports

The passports of 62 workers are with management with the approval of workers, while the remaining workers have possession of their passports. Workers indicated in interviews that they voluntarily wish for management to keep the passports for safekeeping. All workers at Galaxy have valid work and residence permits, except for workers whose work permits are in the process of being renewed. This process has not been subject to undue delays.

Verbal/Physical Abuse and Threatening Workers with Arrest and Forcible Deportation

No worker interviewed complained of having being subject to individual verbal or physical abuse or the threat of arrest or forcible deportation. However, workers did indicate that, during a meeting with all workers held shortly after a strike took place (see below), management had stated that workers should not speak with third parties about working conditions or the police may become involved. However, workers also indicated that they had not been subjected to any such threats since.

Dormitories

There are two separate dormitory sections for males and females in the same building. Depending on the dormitory, each room has on average 6 workers providing sufficient space for each one. The dormitory facilities require improvements with regard to the provision of heating, hot water, drinking water and the continuous supply of electricity. Management has been informed of the need to make these improvements and the MoL will verify such.

Food

Food is provided three times a day. Menus vary. In general, workers indicated to the MoL that they consider the quality and quantity to be sufficient, though some considered it bland. The MoL considers the quality and quantity of the food to meet appropriate standards. Workers have their meals in there rooms or in the area around the kitchen. Management is in the process of finalizing the establishment of a separate eating area.

Medical care

The factory has a clinic that is equipped in line with Jordanian legal requirements. There is one full-time nurse and one part time doctor for the clinic. In Mach 2010 the MoL issued a fine to Galaxy because the doctor they had employed had not been approved by the MoL. This approval has since been obtained. Workers interviewed did not complain about restrictions on the provision of medical care or sick leave. According to factory documents, the management pays the medical costs in line with Jordanian law, which only requires the provision of free medical care for basic health problems.

Termination/resignation and detention of five workers

The NLC alleges that five Galaxy workers from Bangladesh were threatened and terminated by management and subsequently summarily detained. Based on available documents and interviews of the 5 concerned workers as well as other workers, the MoL found the following:

On November 27, 2010 management informed workers that daily starting times would be modified from 7:30 a.m. to 7 a.m., with effect from November 1. In line with relevant procedures, the local Labour Office had approved this change in the company's Internal

Regulations. On October 28, approximately 115 workers requested management to change daily starting times to 8 a.m., which management rejected. Subsequently, on November 1 workers went on strike and 98 workers did not resume work until November 4. Given that workers did not follow the required legal procedures when going on strike, management, in line with the law, deducted days not worked from the wages of the workers.

According to management, during this period one worker from Bangladesh threatened management with physical violence, wile he and 4 other workers from Bangladesh refused to return to work after the strike had ended. Subsequently, management terminated 3 of the 5 workers and 2 others resigned. Management wrote to the local Governor to inform him of management's version of events surrounding the strike. The local Labour Office also informed the local Governor of events. Subsequently, the 5 workers were detained at the end of November pending their repatriation back home, given that they had lost their right to remain in Jordan with the loss of their employment.

The MoL investigated the termination and detention of the 5 workers and found that the workers had acted in contravention of the law and the internal regulations of the company on different occasions. These acts included verbally and physically threatening other workers who had not gone on strike and not following work instructions. However, the procedures followed with regard to their termination and the circumstances of their resignation were such that they contravened the procedural requirements of the law.

The MoL secured the release of the workers on December 10 pending finalization of its investigation concerning Galaxy and has provided them with food and accommodation free of charge ever since. The MoL has also attempted to secure alternative employment for the workers but found no company the MoL considers suitable willing to offer the workers a job. The workers themselves obtained a letter from a company indicating the company's willingness to employ them. The workers subsequently contacted a local NGO that indicated to the MoL that they had found a company that was willing to hire the workers. The MoL informed the NGO to advise this company to submit a request through the official channels though which the transfer of workers should be initiated. However, the company never did. Also, the MoL does not necessarily consider the factory in question a suitable recipient of transferred workers. The fact that the company did not submit the request through the standard procedures is in line with the problems the MoL has had with the company in question to ensure it follows legally required procedures.

Given the procedural irregularities concerning the termination/resignation of the workers, the MoL considers that the workers are entitled to payment of the remaining period of their contracts. The MoL is currently implementing this decision, as well as arranging for the repatriation of the workers and ensuring they will receive all their dues and a refund of their social security contribution.

Alleged sub-standard treatment of workers in detention

The NLC alleged sub-standard treatment of the 5 workers in detention, including not being provided with blankets while temperatures were freezing. As indicated in the above, apart from the fact that the workers indicated to the Mol when interviewed in detention that they had been provided with sufficient blankets, the temperatures at the time were 75 degrees Fahrenheit during the day and 50 degrees Fahrenheit at night. The workers also indicated that their conditions of detention were good in terms of availability of drinking water, the provision of food and the availability of medical services. There is also a mini-market in the detention centre from which workers can make purchases.

Letter of Appreciation

The NLC alleges that the factory management wrote a letter of appreciation for one of the detained workers, recognizing him as one of the best workers in the factory. However, according to company documents and worker interviews, this letter was issued on September 6, 2010 to 42 workers who had worked in the company for more than 5 years. All 42 workers were provided with 250JD (approximately US\$350) as a reward for length of service, and not in recognition of being the best workers in the factory.

Termination of one worker from Bangladesh

The NLC alleges that a worker from Bangladesh was terminated on the work floor in front of other workers for having spoken to the NLC when they visited Jordan. The Mol investigated the circumstances of his termination and found that the worker had been provided with a number of warning letters concerning his behaviour during work hours, including for abandoning his post to talk with workers in other lines and talking to other workers in his line without working. MoL interviews with Galaxy workers confirmed that the terminated worker indeed displayed such behaviour and workers who had witnessed his termination did not indicate management referred to the NLC as a reason for his termination. The MoL therefore concludes that his termination was legal and the worker will have to leave Jordan to return home. The worker's contract has since expired and he would have had to return home in any case.

However, when the workers was terminated the MoL requested management to enable the worker to remain in the factory dormitory pending finalisation of the MoL investigation of his case. During this period, he indicated he wished to resign and was subsequently approached by MoL officials to verify his indication in this respect. The NLC subsequently alleged these officials had pressured the worker to resign. This is incorrect and without basis. Should the NLC have any proof in this regard the MoL will investigate these claims further.

Forced deportations

The NLC alleges that, over the coming period of time, a large number of Galaxy workers will be forcibly deported. However, the contracts of the workers referred to will expire and, as with any other guest worker in Jordan, they will therefore have to return home. The NLC claims that a

number of workers who will return home within the next few days because their contracts have expired after 5 years, have recently signed an extension of their contracts. While the workers indicated to the MoL they had signed new contracts, management denied this. No new contracts were made available to the MoL.

Summary of findings

There is no basis for the most serious allegations made by the NLC against the working conditions at the Galaxy factory and the enforcement of the laws of Jordan.

There is no evidence of long and forced overtime. Worker interviews and company's documents indicate that overtime is generally undertaken voluntary and paid correctly.

Wages are paid correctly, though measures are required to ensure that workers understand their wage calculations.

Management has not confiscated worker passports.

There is sufficient and appropriate food provided to the workers.

There are no indications that workers are systemically threatened or subjected to verbal and physical abuse.

Dormitory conditions require improvement.

According to the 5 workers in question, conditions of detention were good, including the availability of water, food and medical care.

It is clear that the Ministry of Labour has systems in place to address concerns related to working conditions in the QIZs and has effectively applied the legal tools available to it to ensure compliance with the labour law.
