

# OVERVIEW

IFC, a member of the World Bank Group, has a holistic approach to promoting the competitiveness of Jordan's garment sector. Apparel exports account for 20 percent of the nation's total exports, exceeding \$1.6 billion a year.<sup>1</sup> The sector is reliant on migrant labor, employing about 16,000 Jordanians and 49,000 migrant workers. Women make up 69 percent of the industry's workforce.<sup>2</sup>

Garment production in the country is expected to expand, given new Rule of Origin trade rules with the European Union—providing tariff-free trade for Jordanian suppliers that employ Syrian refugees. The sector will continue to integrate the refugees while also trying to increase employment of Jordanians. The World Bank Group is supporting these dual purposes by conducting a Program for Results, which includes a strategy to create about 100,000 new jobs.<sup>3</sup>

Yet job creation is just one way to strengthen Jordan's garment sector in global supply chains. This is why IFC is helping to improve working conditions and gender balance in the sector while promoting its productivity and competitiveness.



<sup>1</sup> BetterWork.org, "From policy to practice: A new garment sector alliance in Jordan will create opportunities for refugees," accessed May 9, 2017. <http://betterwork.org/blog/2017/04/03/from-policy-to-practice-a-new-garment-sector-alliance-in-jordan-will-create-opportunities-for-refugees/>

<sup>2</sup> Better Work.org, *Better Work Jordan Annual Report 2017: An Industry and Compliance Review*, accessed May 9, 2017. <http://betterwork.org/blog/portfolio/better-work-jordan-annual-report-2017-an-industry-and-compliance-review/>

<sup>3</sup> WorldBank.org, "Economic Opportunities for Jordanians and Syrian Refugees: Questions and Answers," accessed April 12, 2017. <http://www.worldbank.org/en/country/jordan/brief/economic-opportunities-for-jordanians-and-syrian-refugees-questions-and-answers>

<sup>4</sup> Ibid

<sup>5</sup> BetterWork.org, "Jordan Impact Brief," accessed April 07, 2017. <http://betterwork.org/blog/portfolio/impact-brief-better-work-jordan>

<sup>6</sup> More than 94 percent of migrant workers now maintain control of their passports. As a result, Jordan was removed from the US Department of Labor's List of Goods Produced by Child Labor or Forced Labor.

<sup>7</sup> BetterWork.org, "Progress and Potential: Jordan Country Brief," accessed April 07, 2017. <http://betterwork.org/blog/portfolio/progress-and-potential-jordan-country-brief/>

<sup>8</sup> Ibid

<sup>9</sup> BetterWork.org, "Better Work Jordan: 2016, a year in review," accessed April 7, 2017. <http://betterwork.org/blog/portfolio/better-work-jordan-2016-a-year-in-review/>

<sup>10</sup> WorldBank.org, "Jobs Umbrella Multi-Donor Trust Fund," accessed May 9, 2017. <https://jobsanddevelopment.org/>

<sup>11</sup> BetterWork.org, "Better Work Jordan. FAQ on Public Reporting, November 2016," accessed April 7, 2017. <http://betterwork.org/jordan/?p=1518>



## IFC Engagement in the Jordanian Apparel Sector

How IFC Supports Jordan's Position in the Global Apparel Supply Chain

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## Better Work

Better Work, an IFC–International Labour Organization (ILO) partnership, mobilizes factories, buyers, and brands in the apparel industry to boost competitiveness through improved working conditions. In Jordan, 73 factories take part, representing 30 international brands and retailers and assisting 65,000 workers by providing labor assessments, training and advisory services.<sup>4</sup> A stipulation in the European Union Rule of Origin—granting favorable trade status to factories employing Syrian refugees—also requires that such factories are subject to a Better Work assessment.

In Jordan, some of Better Work's accomplishments include the following: <sup>5</sup>

- 19 percent reduction in forced labor <sup>6</sup>
- 77 percent reduction in verbal abuse (such as yelling at workers) and an 18 percent drop in reports of sexual harassment <sup>7</sup>
- 22 percent increase in productivity, achieved by training female supervisors <sup>8</sup>
- Requirement that government officials inspect migrant workers' housing to ensure their health and safety <sup>9</sup>

Current activities include:

- Continuing a pilot project funded by the World Bank's Jobs Multi-Donor Trust Fund with the aim of improving productivity in SME garment factories that mainly employ rural Jordanian women <sup>10</sup>
- Rolling out transparent reporting, in which Better Work factories will disclose their status on 29 issues <sup>11</sup>
- Scaling beyond the garment sector to offer assessment services to factories in other industries that also benefit from the Rule of Origin

## Gender

Equality of economic opportunity between women and men is good for business and development. This is why IFC helps private-sector clients promote competitiveness through gender diversity. One way employers can support such diversity is by supporting working parents through childcare. When mothers and fathers can participate equally in the workforce, companies grow and economies develop. For businesses, benefits can include reduced absenteeism and turnover and higher job satisfaction, productivity, and employee retention.

## Trade-Development Support

Working with the Jordan Investment Commission (JIC), a new Garment Sector Consolidation and Matchmaking program compliments the World Bank Project for Results (P4R) in Jordan by addressing the need for jobs to employ Syrian refugees. Matchmaking connects global buyers with Jordanian factories. Finding suitable trading partners, the program conducts the following activities:

- Researches the characteristics and motivation of global apparel retailers that source from Jordan
- Promotes factories by encouraging leading retailers to begin or to increase sourcing from the country
- Enhances public-private dialogue and coordination within the sector to strengthen the newly established Jordan Garment Sector Alliance