



**THE CENTER FOR AMERICAN PROGRESS AND THE
SOLIDARITY CENTER SPECIAL PRESENTATION ON:**

**“WORKER RIGHTS, HUMAN RIGHTS, AND TRADE
RELATIONSHIPS: FOCUS ON JORDAN.”**

INTRODUCTORY REMARKS BY:

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MR. JOHN PODESTA: Good morning. I'm John Podesta and on behalf of the Center for American Progress I want to welcome you to this important discussion on free trade, human rights, and labor conditions with respect to the country of Jordan.

In a moment I'm going to introduce our distinguished panel, who will discuss the situation in Jordan today and the comprehensive report on working conditions and working rights recently released by the AFL-CIO Solidarity Center. I do want to note my good friend Barbara Shailor from the Solidarity Center is sitting in the front row and worked with Thea on this report.

But before we get to our panel, I want to take a few minutes to talk about trade because few issues speak to people around the world as directly as trade and free trade does. And because it has such a sweeping impact, views on trade are diverse and are contentious, both within the progressive community and beyond.

Often lost, I think, sometimes in the shouting matches is the fact that in today's 21st century, in a globalized world trade is an economic imperative. The terms of trade will increasingly dictate the economic choices, opportunities, and constraints faced by workers in this country and citizens throughout the world including the almost three billion people who live on less than \$2 a day. Trade is an economic reality of the interconnected world we now live in and our task is to focus collective attention on the larger challenge ensuring that free trade is not an economic opportunity for some, and a painfully empty promise for many.

Today we're going to take a look at the impact of free trade on the workers in Jordan. Jordanian workers share a direct connection to our workers here at home due to the U.S.-Jordan Free Trade Agreement, which was signed by President Clinton in 2000 and went into force in 2001. The agreement embodies almost all the ILO's core conventions – the right of association, the right to organize and collectively bargain, the prohibition of forced labor and age requirements for workers, an outline of acceptable working condition and minimum wages, amongst other provisions. It also took a step forward by calling for increased transparency both at the WTO and through the agreement's dispute resolution process.

For those of us in the administration at the time – and Gene and I, I think, we're particularly proud of this achievement – for those in the labor movement and for the publics of both countries this was an agreement that held great potential. It was the first bilateral trade agreement to incorporate labor standards into the enforceable provisions. But what should have been I think a giant step forward for workers rights and trade around the world has not come to pass, as I think our panelists will talk about this morning.

Instead, through recent reporting in the *New York Times* and the Solidarity Center's research, we know that in Jordan today forced labor and child labor are still a significant presence; substandard conditions exist in more than 25 of Jordan's roughly 100 garment factories; workers labor for \$90 to \$100 a week, are not paid the overtime guaranteed by Jordanian law, and are sweeping 10 to 20 in a small dorm room. Workers experience antiunion retaliation and limits on the rights to organize, women suffer significant discrimination in the work place. All the while, Jordan's apparel industry exported \$1.2 billion worth of goods to the United States last year.

There are some structural weaknesses in this specific trade agreement, but perhaps as importantly we know that in addition to agreement there must be commitment. The fact that both governments are reluctant to test their own agreement makes Jordan an important case study in thinking about the future of free trade. It in particular pinpoints an important challenge to the progressive community going forward: the challenge of creating a global system where rights are respected, benefits distributed more equitably, and human dignity is paramount.

To take up this challenge in the Jordanian case in more detail it is now my pleasure to introduce our panel. Our moderator today is my colleague and good friend and expert on the issue, Gene Sperling. Gene is a senior fellow at the Center for American Progress and the author of *The Pro-Growth Progressive*. During the Clinton administration he served as the president's national economic advisor and director the National Economic Council. Currently, he is also senior fellow for economic policy and director of the Center on Universal Education at the Council on Foreign Relations. He is a columnist for *Bloomberg News*, recently he had a piece in the *Washington Post*, and can be seen frequently as a commentator on *CNBC*, *Bloomberg Television*, *CNN* and *The Evening News*.

Next, Mazen al Ma'ayta has served as general secretary of the General Federation of Jordanian Trade Unions since 1996. As general secretary, he represents Jordanian labor on the governing board of the International Labor Organization. An educator by profession, Mazen became active in the teachers union as a middle school teacher in 1980. Currently, he serves on several trade union regional bodies in the Arab world, as well as on councils and boards that focus on employment, social insurance, and development in Jordan. He is being ably assisted by Sarah Kamel (ph).

Then we will hear from Thea Lee. Thea is a policy director at the AFL-CIO, where she oversees research and strategies on domestic and international economic policy. She has worked as a trade economist at the EPI, as an editor at *Dollars and Cents Magazine* in Boston, and she has co-authored *A Field Guide to the Global Economy* which was published in 2000. She serves on the board of directors of the Worker Rights Consortium, United for a Fair Economy, and the National Bureau of Economic Research.

With that, I'll turn the floor over to Gene for our discussion. Thank you.

MR. GENE SPERLING: Thank you very much, John. John, as you know, was chief of staff at the White House when the Jordan agreement was signed. And I'd like to welcome all of you. And our guest, Mr. Ma'ayta, I want you to know that the recent rain you have dealt with is simply an advertisement for Al Gore's new movie on global warming.

I think John has given such a strong introduction that I will not take long in moving into our discussion. Simply to say the following: many of the trade debates take place in this town and in this room are about whether or not we should get to yes on making progress on the trade agreement or how we should get to yes. This is, as John said, a situation where all sides seem to come together and say yes under a set of standards, enforcement understandings that was seen as a way forward. And so here we are asking whether or not what many of us thought was a model case for how to get to yes is in fact realizing what it is meant to be.

Clearly, the report that you have, *The Struggle for Workers Rights*, as well as Michael Barbero's excellent *New York Times* piece, shows quite clearly that the reality is nowhere near the ideals of the agreement. Nonetheless, this is a work and story in progress, for as important as the agreement was as a model agreement, we will now see whether or not how it is resolved lives up to and speaks well of this type of agreement. And so what we are watching here today is indeed a story and work in progress. The trip by Barbara Shailor and Thea Lee – all of these are designed to see if we this agreement can live up to its potential and how the enforcement mechanisms in this agreement, both technical and through public pressure, can work to realize the potential of Jordan. It is worth speaking that many of us use Jordan as a model and so we are now testing reality against our hopes.

With that, I am going to turn to our presenters. We will allow each of them to make a presentation going forward. I am then going to ask a question or two myself and then open it up to the audience. If there are any journalists in the audience who wish to ask a question, we will allow you to go first and then we will open it up to everyone. With that – you have already heard the introduction – Mr. Ma'ayta, we welcome you at the Center for American Progress. We appreciate the long journey that you have taken to talk to us about the important issues, violations, potentials of workers rights in Jordan, and with that the floor is yours.

MR. MAZEN AL MA'AYTA: In the name of God the merciful, dear colleagues in the audience, peace be upon you. To begin, please allow me to express my sincere thanks to both the Solidarity Center and the AFL-CIO, whom we consider our supportive partners in our efforts to protect all workers in audience irrespective of gender, ethnicity, or faith. In addition, I wish to thank you in advance for your current presence this morning at this event. I am hoping that you will leave today with a greater understanding of the condition under which workers in Jordan work as well more supporting of our labor federation that works in the region under various pressures and, as you know, under certain circumstances that you are all aware of that include political and economic pressures.

My discussion with you will touch upon the following points. Explanation of the past circumstances that have a direct relationship and impact on the present; the current situation in the labor area in Jordan, and this includes the Free Trade agreement between the U.S. and Jordan; the latest special updates regarding the report released in the *New York Times* article dated May 3rd, and the Solidarity Center report and the various responses to such reports. These reports describe the terrible working conditions for migrant workers in the garments industry. And also, it is required of us in addition to join solidarity work needed to improve working conditions.

In the beginning, I would like to explain that the General Federation of Jordan Trade Unions was established about 50 years ago. It represents Jordanian workers who have 17 affiliated unions in various sectors and includes all the works in the private sector. The percentage of workers from the work force who are permitted to join unions is about 10 percent. I can also point to the significant increase in the organizing activities that we have witnessed in the recent months during the years 2005 and 2006.

The public sector and government employees in Jordan are not – the public sector is not organized and it is not permitted for them to join unions because Jordan has not signed the International Labor Organization Convention number 87, which ensures freedom of association as an international labor standard; also, it states that all workers have the right to form and join unions. And I will point to the most recent developments with regard to this matter later on in my presentation.

Trade union work has witnessed over the years various influences. In the past, political parties had significant direct interest, including religious parties, as a result of the political situation that the whole region is generally undergoing, and Jordan in particular, and thus contributed in weakening the union's role. Then the unions returned to their rightful strong role in the past four years. One can point to the various industrial actions taken by unions in addition to the large increase in collective bargaining agreements that unions have been successful in negotiating during the years of 2005 and 2006 that have covered most of the sectors of the economy.

Yet in terms of the current situation in the labor arena, including the qualifying five industrial zones, I can summarize the major points as follows: the agreement that was signed (support?) in Jordan after concluding a peace treaty between Jordan and Israel had a positive effect on Jordanian workers in terms of creation of new job opportunities. As a result, in 2004 the number of Jordanian workers who were able to obtain jobs as a result of the treaty reached 23,000 versus 30,000 for foreign migrant workers. These numbers changed in 2005 to become 18,000 for Jordanian workers versus 36,000 for foreign migrant workers. The principal reason for this overturn in numbers is the ability to abuse the rights of foreign workers even though the declared reason used by the employers is that the productivity of the foreign worker is higher than the local worker.

There is a free trade agreement particularly when it comes to the different industries such as electric appliances and equipment, where workers as a result of this

agreement are all Jordanian who benefit from unionization, yet the agreement that created the QIZ was put in place to encourage Jordanian-Israeli partnership and in addition to increase the job opportunities for Jordanian workers. But because of the political circumstances, many foreign investors from various countries have taken the place of Israeli investors, including the partnership with Jordanian employers. And these foreign investors have brought workers from their home countries or from countries that they have dealt with in the past. We are told that the Jordanian worker did not possess the necessary skills to work on the production line and this was a reason to bring migrant workers and then abuse and mistreat them by about 30 percent of the employers in the QIZ. This includes long hours of work without payment, of overtime, and violation of their basic and overall rights.

We do not have sufficient details regarding how these foreign workers are convinced and brought to work to Jordan from their native countries. Maybe some have been forced into coming to work in Jordan by using a variety of methods or through pressure by recruiting agencies in their countries of origin or they have been lured and misguided by promises and by different sorts of enticements to work under false pretences. We have not received precise information to corroborate these assertions from those working in the QIZ, yet we can safely say that some of these reasons definitely apply to domestic workers in the homes in Jordan who are promised things not based on reality by employment agencies in Sri Lanka, the Philippines, and Indonesia. I can possibly tell you that these kinds of methods take place in the (sending?) countries of workers in a secretive and underground manner.

Workers took action themselves at some of the work places and have held strikes and work stoppage actions. Despite such action being against the law, the Jordanian government and Textile Workers Union have intervened supported by the General Federation of Jordanian Trade Unions to endorse striking workers several times and with many cases of success in resolving tens of problems. In addition, these trade unions provide support and assistance to workers in the QIZ regardless of their nationality including providing medical care through union-sponsored health clinics.

In 2005, the union sponsored health clinics cared for over 50,000 workers with free medical care for Jordanian and foreign workers alike. Just to clarify, the federation with all its affiliates and departments support the Garment and Textile Union in its struggle to provide services to those workers in need.

I have to point out here that the number of non-Jordanian workers in the Jordanian workplace market in more than 300,000 workers who are employed in construction, agriculture, cleaning service, general services sector, in addition to textiles. All these workers are in need of care and protection.

The Jordanian labor law does not allow foreign workers to join unions in addition to workers in the agricultural sector plus domestic workers in the homes. Discussions have taken place with the Jordanian Ministry of Labor in the context of the continuation of the dialogue and the repeated requests. The Jordanian labor movement will hold the

government accountable for all its promises. One has to admit that the reports that have been published have contributed greatly to making the Ministry of Labor and the government itself give this issue the highest priority and to begin and engage in a dialogue of a serious nature. One can say that the announced steps for action by the government are encouraging. We're hopeful that what results from these types of action is a resolution to these issues.

Here I will outline the announced government steps and the agreement with the General Federation of Jordanian Trade Unions, in addition to the steps to be taken by the federation itself concerning this topic. The Jordanian government has announced through the minister himself that it will enact the creation of a social economic council during this year that will work on reforming labor legislation. The Ministry of Labor has officially permitted the Federation to create union worker committees at the workplaces for Jordanians and foreign workers. The ministry has agreed to sign an agreement with the federation that will allow for joint inspections in the factory and work places. The Ministry has announced its willingness to increase the number of labor inspectors and to train them accordingly so they are able to conduct their mission in a better and more complete manner.

As for the General Federation of Jordanian Trade, we have put together a plan containing the following points: the creation of a worker coordination department within the federation for foreign migrant workers; support of the sectoral unions in organizing workers committees of the workplaces and follow-up by these unions; provision of support for their organizing activities through the coordination office within the federation; support for the organizing of Jordanian workers who also suffer from abuses and violation of their basic rights, and to work on the creation of joint committees at the workplace for both Jordanians and foreign workers; the creation of federation branch offices in the different governorates; the publication of specific brochures and newsletters in the native language of the migrant foreign workers that address specific issues of concern, in cooperation with unions in the sending countries and with international labor movement support, in addition to the provision of those who speak the various main languages of the migrant workers when needed; the creation of a communication network with trade union federations in South and Southeast Asia; the continuation of the pressure to reform labors law to conform to the international labor standard and norms.

In order to achieve the abovementioned, the federation is in need of the following: the continuous support of the U.S. administration of the QIZ and to present additional incentives that will provide additional job opportunities for Jordanian workers. Any decline in these industrial areas will have dramatic effect on the Jordanian economy and on its workers. We hope to encourage companies that will employ Jordanian workers. The continuation of work with the Jordanian federation of trade unions and support to ensure that the process of labor legislation reform continues that will serve all workers irrespective of class, gender, religion, and ethnicity.

Thank you for listening.

(Applause.)

MR. SPERLING: Thank you.

Thea, the floor is yours.

MS. THEA M. LEE: Thank you, Gene. Good morning, everybody. Thanks for coming out on such a rainy morning. And it's really a pleasure for me to be here with brother Mazen and with Gene Sperling and John Podesta. I'd like to thank the Center for American Progress for their hospitality this morning and the Solidarity Center for putting the event together, and also for putting together this very, very useful and helpful report. I hope you all take the time to read through it. I just wanted to mention that the primary author of the report is here today, Dr. Marsha Pripstein Posusney, and so I think she'll be available maybe for questions at the end as well.

As Gene mentioned, Barbara Shailor and I had the great pleasure of traveling to Jordan just a few weeks ago where we met with several union leaders as well as the labor minister, the U.S. ambassador, and some of the apparel industry representatives, and it was a really interesting meeting for us. As I think you all know, and John mentioned and Gene mentioned as well, the AFL-CIO has a very special interest in Jordan and in the free trade agreement itself. And I would have to say I personally am invested in the Jordan Free Trade Agreement and wanting the provisions in there to live up to their potential.

Because we were so involved with the Clinton administration in negotiating and discussing this agreement, we saw it as a real move forward, a path-breaking agreement that did for the first time incorporate enforceable core labor rights into the provisions of the agreement under the same dispute settlement provisions as all the commercial provisions. And we knew at the time that wasn't perfect but we also thought it was a breakthrough, and we were happy at that time to work with our brothers and sisters in the Jordanian labor movement.

Brother Fatahl Umrani (ph) the head of the Apparel and Textile Workers Union in Jordan came to the United States and we went to the Hill together and we were very pleased that they were supportive of the strong labor provisions in the Jordan agreement and we had a lot of optimism at that time that this would provide not a template, but a foundation for moving forward and continually improving and strengthening and honing the worker rights provisions in trade agreements.

President Sweeney testified at the Senate Finance Committee in favor of the Jordan Free Trade Agreement. It was, I just have to say, an interesting counterpart because Tom Donohue of the Chamber of Commerce also came to that same Senate finance hearing and vehemently opposed the Jordan Free Trade Agreement. And I remember and I will remember him pounding his fist on the table and saying that the chamber would put its resources to defeating the Jordan FTA if the labor and environment provisions weren't stripped out of it. And at that moment, I remember

thinking that this was an interesting counterpart that labor is often tagged with the protectionist label when business is the free-traders, but when it comes right down to it the business community was saying they'd rather not have a free trade agreement, they'd rather not have the tariffs and quotas go to zero over time if it came with the obligation that both countries had to live up to their ILO obligations and enforce their own domestic labor laws – that that was just too onerous a burden for a business in the global economy.

But of course in some ways it was an empty threat. As I think many of you know, the Jordan agreement passed the Congress unanimously by a voice vote. And I think that that's a really important point because since the Jordan agreement, the Bush administration has come in to power and has negotiated many more bilateral free trade agreements with much weaker labor provisions than are in the Jordan agreement, and in our view completely inadequate provisions. In fact, the only enforceable provision in the Bush FTAs is that countries have to enforce their own labor laws; they don't actually have to have labor laws, but whatever they have on the books they pretty much ought to enforce – and with a much weaker dispute settlement mechanism than for the commercial provisions.

And as you know, the Bush FTAs have not passed unanimously. They've been bitter, partisan, contentious. The CAFTA vote was a one-vote margin last summer and I think even a lot in the business community thought that that was kind of a high price to pay – that the trade debate has become so unpleasant and so partisan, and it doesn't have to be. And I think that is one of the lessons of the Jordan agreement, that we can come together and that the labor movement hasn't been unreasonable in what we've asked for in the trade agreements.

But on the other hand, we need to make the Jordan agreement work if we're going to really learn from it. And does it work or not? I think almost anybody could look at the report put out by the National Labor Committee and the *New York Times* and the report that the Solidarity Center has put together and say the Jordan agreement has been a complete failure – that there are horrible abuses of workers in Jordan, particularly in the industrial zones, but not just in the industrial zones, in the domestic arena as well; that Jordanian workers are prevented from organizing in to unions in many, many sectors of the economy. The domestic workers, gardeners, cooks, the agriculture sector and the public sector, as well as foreign workers are excluded by law from being part of unions, so there are enormous restrictions on freedom of association and that is a huge problem.

And not only are there problems in the labor law, but there are horrible problems with enforcement, as brother Mazen laid out very eloquently that the basic minimum wage, maximum hours, health and safety laws in Jordan are routinely ignored by the companies and the government has either not had the capacity or the will to enforce its own labor laws.

So if you look at it in that light, you would say the Jordan agreement has been a failure – that we put these labor provisions in and they don't work. And what I would say to you is the labor provisions are like a tool that you put in to your toolbox. If you

leave it in the toolbox it definitely doesn't work. It's sitting there gathering rust and you'll never know whether it's a good hammer or a bad hammer if you never take it out and hit a nail with it. And that's really the status of the Jordan labor chapter at this point. The Bush administration has not enforced this agreement and the Jordanian government has not lived up to its end of the bargain either.

And that brings us to the current moment and the challenges that we face, which are huge. And I don't want to say that this is an easy moment, that it's easy for anybody, and I don't also think that it's right to say that you can point to any one player or set of players and say "Those are the bad guys in this situation." I think there's plenty of blame to go around. Nobody – let's just stipulate – has really done what they needed to do.

But now we have an opportunity to fix some of the problems that have been laid out. The report and the *New York Times* article and the Solidarity Center report give us an opportunity to really focus the attention of the government, the business community, and the unions to addressing these concerns that have been laid out. The AFL-CIO has notified our government, the U.S. trade representative and the secretary of labor, of our intention to file a case under the Jordan Free Trade Agreement – under the labor chapter of the Jordan Free Trade Agreement. So we want to take the hammer out of the toolbox and start to use it, and we hope to do that by the end of July.

We're putting together that report right now and our goal is for this to be a constructive exercise; for us to really take the information that's been revealed by the Solidarity Center report, by the NLC report, by the *New York Times* and by ongoing work that our Solidarity Center staff is doing in Jordan now and ongoing throughout the month and lay out some concrete benchmarks in terms of labor law reform, the enforcement that needs to be improved, and the processes – the engagement of the unions and the workers in the process of rewriting the labor law and coming up with new inspection systems. As brother Mazen said, without the everyday involvement of unions and workers and worker representatives, there isn't much hope I don't think that these efforts at reform can really work.

But what are the lessons for us of the Jordan Free Trade Agreement? And I would say that it's pretty simple: the government of Jordan in some sense became blinded by the promise of free trade and foreign investment and lost sight of the ultimate objective. We don't have free trade for the goal of doubling or tripling or quadrupling our trade flows. We have increased trade because we want to improve people's lives, reduce poverty, create good jobs for people that we can be proud of. And the outcome in Jordan is really a horrible betrayal of the promises both of the Free Trade Agreement and the labor chapter; that if you set your benchmarks wrong – you say, well, two-way trade has skyrocketed under the Jordan FTA and foreign investment has gone way up. And if you stop right there, then you could label it a big success, but I don't think any of us would stop right there.

Let's look at the other side of the ledger and you say, have there been good jobs for Jordanians? There have been some jobs for Jordanians, but not enough.

Unemployment is still at 15 percent, poverty is still too high, and the jobs for foreign workers in Jordan obviously have been a horrible betrayal that workers have been lied to and cheated and enslaved in some senses and that obviously is not what they aimed for, what their government aimed for. And if you look at the U.S. piece of it, obviously the trade relationship with Jordan is very small relative to the U.S. economy, but again we've had a big growth in our trade deficit with Jordan so you don't see a big impact in terms of job creation there, not that that was ever a big selling point of this agreement. (Audio break) is going ahead negotiating many new free trade agreements in the Middle East.

There is an ultimate goal of having a Middle East free trade agreement or free trade area in a few years. We have an agreement with Morocco and Bahrain already; and one with Oman, which has been negotiated and was introduced or – the implementing language was introduced to Congress just yesterday. So this is the next free trade agreement that the U.S. Congress will vote on.

And how do we compare the Oman FTA to the Jordan agreement? Well, first of all, as I said before, the labor provisions are even weaker than in the Jordan agreement, so if you think the Jordan provisions were too weak to get the job done, the ones in the Oman agreement are many, many times weaker. No enforceable commitment of the ILO standards, no enforceable commitment not to weaken labor laws in order to increase trade, and a dispute settlement mechanism which is many times weaker.

Also, the challenges in Oman are even greater than those in Jordan. The labor laws in Oman are egregiously out of compliance with ILO standards. At the moment, there are no unions in Oman. There are no unions whatsoever. There are worker committees that have been formed as of just a few years ago by a new labor law reform and yet these worker committees, fledgling, new as they are, you know, certainly show some promise and could one day develop into real unions, but I have to say today these committees are very, very, very far short of real unions. They have no real membership standards. They have no dues. They have no staff. They don't do collective bargaining. They don't know what collecting bargaining is. And it's going to take many years, even under the best of circumstances, for these committees to develop into genuine representative unions. And of course in Oman there are even more migrant workers. The migrant workers, the foreign non-Omani workers are about 70 percent of the work force in Oman and so the challenges, again, are even greater, as we see throughout the Middle East region and I think throughout the world – the challenges of how unions and how export zones deal with migrant workers.

So let me end there so we can have time for some questions and answers, but our goal is to improve, to hallow and to strengthen the tools that are in our box. Workers across borders need to come together. We need to hold our government accountable for the promises they've made both in free trade agreements and in terms of the domestic labor laws. As Gene said, we got to guess in the negotiation and the vote on the Jordan FTA, and now the very hard work begins.

And before I end, I wanted to say one word of great thanks to Heba El-Shazli, who is the director of our Middle East North Africa program for the Solidarity Center. She has been an extraordinary force of nature in helping to organize all the events and the seminars and the work that's happened and all the offices that we have, that the Solidarity Center has around the region that are doing tremendous work.

And it's really – one of the great things for me of my trip to Kuwait and Jordan a few weeks ago was seeing the work that's being done and the connections that are being made with workers throughout the region in Bahrain and Yemen and even in Saudi Arabia and Oman, as well as in Jordan, and how the exchange of information that happens through the Solidarity Center offices and the relationships that are built is really a lasting, positive impact in something that gives me some optimism as we look forward.

Thank you very much. I look forward to your questions.

(Applause.)

MR. SPERLING: Well, let me just stress one thing. I realize some people here may not have had a chance to look through the materials and I would also like to stress that often when we do issues like this we try to have, you know, contrasting points of view and so I want to kind of raise some of the questions or issues some might wonder about essentially the other side of the story. I think if you look within here what you will find is not even cases of what you might consider typical sweatshop conditions, which are just long hours, low wages, bad work conditions. Most of what is documented here comes into the category of what you would almost consider human trafficking. These are the elements of bonded labor, stripping people of passports so they have no rights, no avenues of appeal. If one has watched or seen anything on human trafficking, sex workers – most abusive cases – these are much of the documentation here.

I was also struck that in the Steven Greenhouse New York Times' piece, they went to both, some of the major retailers including Wal-Mart and Jones Apparel, and I was struck by the fact that they did not dispute the general claims of the condition. Indeed, the Wal-Mart's spokesperson referred to the fact that they, too, had found egregious hours and the same type of conditions, so at this point it's hard to find a real dispute of the underlying facts in these conditions.

My question to you, Thea, is you've got – you're looking here at fairly egregious, almost human trafficking situations. How with the tool of the enforcement mechanism do you see the process proceeding? How would you like it to proceed? That's the first part of the question.

And second, what are the elements that you think would be most effective? Are they enforcement measures? Do they require actually changing the unionization laws? What would be the elements at this point that you would see as making a significant progress so that again it's not just a victory on paper?

MS. LEE: Thank you very much, Gene, for the question. I think you're right that the abuses that were revealed here go beyond the normal run of the mill sweatshop into almost conditions of slavery or indentured servitude, which are, I think, truly frightening to all of us. But I think one thing that is also true is that the general pressures on companies to produce at low price and the pressures on governments to attract foreign investment and increase their exports, and the pressures on workers to get a job are all present in the global economy in every country, not just in Jordan, and so the pressures are the same.

Then the question is how vigilant is the government in dealing with this? How many – in some cases it's even a lack of capacity that the government maybe isn't paying enough attention and is allowing the private sector to sort of go unsupervised and maybe there's corruption or there are bribes happening and so on.

I think there's a pretty clear course of events that needs to happen, and one is that the government has already embarked and has made some promises about labor law reform. There's clearly changes in the labor law that need to happen. They need to allow the migrant workers explicitly to organize into unions. They need to move some of the other restrictions on union organizing and other sectors, particularly in the public sector. And they need to remove some of the inappropriate control and oversight that the government has over union organizations. For example, right now the government sets an arbitrary cap of 17 unions that isn't really for the government to decide. That's for the workers to decide and for workers to be able to form their own organizations without any oversight or control or rules set by the government. And beyond that, clearly there's enormous enforcement challenges and the Jordanian government it's been clear with us that they feel they don't have the resources they need to hire enough inspectors and that the inspectors they have are not up to the job – that they need more training and so on.

And so I hope there can be some cooperative efforts between the U.S. government and the Jordanian government to provide some resources for additional enforcement and training, but also for workers to be able to set up their own organizations and I know there have been efforts – that the unions are interested in organizing the migrant workers in the zones, but there are some challenges. There are language barriers. There are cultural barriers and so on, and so it's a process that needs to be set in motion.

I think one thing that everybody has to be realistic about also is that maybe you're not going to see the kind of growth in exports out of the QIZs from Jordan that you've seen over the past couple of years and maybe that's just as well, but the kind of – you know, export of apparel from Jordan grew twentyfold, twenty-fivefold over the last several years, but based on what? Based on these conditions of slavery. If the Jordanian – if the businesses that are in the zones don't want to hire Jordanian workers because they're too expensive, Jordanian workers don't want jobs at a 100 hours a week when they don't get paid in unsafe conditions, then there has to be some reconciliation of those different things.

We heard somebody at the U.S. embassy talked about a culture of shame in Jordan. This is a phrase that they seem very fond of about how Jordanians just don't want to work. And if you ask them – if you look at the conditions that are outlined in the NLC report and the kinds of horrible depravation – you know, lack of food, lack of sanitation, crowding, 100 hour weeks in unsafe conditions – and most of the people in the embassy I don't think would want their kids working in those conditions and if that's a cultural shame, I think we all have that cultural shame and it's a shame that nobody should have to work in the kind of conditions that were exposed there and so – but it's going to take a lot of work from the government and the businesses and the unions, all working together.

MR. SPERLING: Before I go to our – before our Jordanian guests, one quick follow-up. When you're talking about lack of enforcement capacity monitors, what is the degree at the AFL-CIO and Solidarity Union that's one is seeking to pressure the monitoring from the company's side by raising consumer awareness or shame in the United States? How much do you see that as being a potential piece of the puzzle?

MS. LEE: I think that's an important piece of the solution, which is that the brands that purchase the goods that are made in these zones have to lay down a much clearer set of guidelines. They all have corporate codes of conduct. All these companies – Wal-Mart, Target – they all have corporate codes of conduct, but there's almost an implicit agreement of ignorance between the companies and the contractors. The company has a code of conduct. It gives it to the contractor and then says "By the way, we need it for 27 cents a dozen." And there's no way that the contractor can produce the goods at 27 cents a dozen and comply with the code, and so in some ways the brands are asking their contractors to lie to them and everybody is playing that game.

So the brands need to be serious about paying a price which is adequate for decent conditions for the compliance with their codes and they need to not just wander through the factory, you know, once a year in an advance-notice kind of visit, which is – I think there are a lot of very shallow factory inspections that go on and there are a lot of phony books that are – we know that there's software that allows people to keep double and triple and quadruple books, so that how much they pay and how much they tell the boss they're paying is very, very different kinds of fictional activity there. So I think the brands and the pressure from the consumers and the pressure from the U.S. government will be a crucial piece of making sure that there's follow-up to the promises that are made. And I know the Jordanian government's made a lot of promises. They now need to live up to those promises.

MR. SPERLING: Mr. Ma'ayta, a quick question for you and then we will go to the crowd audience for questions. Pretty much the same question: what are the elements that would be most critical going forward? You essentially argue that the rise in these bonded or these transported workers – foreign workers is due mostly to the ability of companies to abuse their rights and working conditions. How much is simply allowing greater unionization versus more criminal enforcement needed? What do you think are the one or two most critical measures for improvement?

MR. MA'AYTA: I think that organizing is an essential component in the strategy because it's in line with the desire to harmonize our standards to international standards. And when I mean organizing, I mean organizing all workers – local workers as well as foreign workers – because I think no matter how the government is eager to put in place a set of instruments, whether it would be different measures of inspections and et cetera, I think that workers would not enjoy full protection without being organized.

Current Jordanian labor law is applicable in all respects, duties and rights, equally to both foreign and local workers, except in one thing. I can tell you that these workers did not enjoy – the foreign workers did not enjoy protection not because of a flaw in our legislation. It's because they are in an inability to join and organize – to join unions and be organized. I think that the issue will disappear when the business would apply the law equally to both foreign and domestics and I am sure that that would favor the Jordanian worker.

I think the ultimate solution from my standpoint is to allow these foreign workers to organize as well as local workers, and in the meantime we've agreed – our side, the General Federation of Unions in Jordan, as well as the government to put some temporary solutions in place, including a Unions Committees, but I don't think that would be the ultimate solution.

Under current laws, union representatives are not allowed access to factories to do or to conduct inspections, so the agreement – we had talks with the government and the agreement was to allow for joint inspections – joined inspections between the ministry of labor and unions. I think the agreement is promising, but I don't think it's sufficient. Unless it's enshrined in the law that these joint inspections are guaranteed by laws, then I don't think we will be – we would have completed our task or mission. I think that – and that in line or in conformity with the international or with ILO conventions.

And we were talking about all these initiatives undertaken either by Jordanian trade unions or with the assistance of Solidarity Center and AFL-CIO and as well as the assistance of ILO and its recently launched initiative for social dialogue. I think all these initiatives require some support and funding and we definitely ask for support and we think that there should be concerted effort by all these partners – ILO, U.S. administration, as well as the Jordanian government, which also should live up to its promises.

MR. SPERLING: I'm going to – since we are running low on time, I want to get to the questions. First, let me ask whether there is anybody from the media who would like to ask a question? In the far back please.

Q: Thank you. That way I won't have to yell. I have a question for –

MR. SPERLING: Could we ask questioners to identify themselves.

Q: Sure. Mark Gruenberg of Press Associates Union News Service. I have a question for the Jordanian labor leader. I want to take you back to the time when the industrial base in the QIZs shifted from the Israelis to the others and ask to what extent did the other multinationals coming in from other countries bring their own negative labor practices to the QIZs as opposed to the sweatshop or worse conditions that the report talks out.

MR. MA'AYTA: I also have to point to something that also Israeli companies also were not much different from these companies. We also had problems with them. They shut the factories and failed to pay their debts and pay workers in back salaries and we had to liquidate their assets to pay the salaries.

Definitely, I mean, there is a great percentage of foreign investors currently who are engaged in these practices and they are violating workers' rights and for us to whether to violate one – the rights of one worker or all of them, yeah, is the equal concern to us.

MR. SPERLING: Any? Yes.

Q: Thank you very much. I want to thank first and foremost the panelists. I'm Samer Naber, Embassy of Jordan. I'm the political officer here at the embassy. I would like to thank the panelists for their wonderful presentations and for their concern regarding labor standards in Jordan and particularly being – having the Jordan FTA being a model for future trade agreements in the area, which is very, very important.

One point, just, I want to flag out – which Thea has just kindly mentioned, and that it's relating to the government of Jordan's willingness or the lack of capacity. And actually our minister of trade and industry was in Washington a couple of weeks ago and he met with senior congressional leaders, particularly on the Democratic side, that have concerns on this issue. And he made very clear that the government of Jordan is fully intent on in enforcing labor standards back home, but also he mentioned key points regarding an investigation conducted by the government of Jordan that encompassed five departments including industry and labor, the ministry of justice, industry, and it did point out that Amnesty International will be in fact briefed and it will supervise that investigation.

So from (a right?) point of view, the government of Jordan is fully committed to ensuring that international labor rights as embodied in the FTA and ILO conventions will be eventually streamlined in Jordanian – in future Jordanian steps that would rectify those (deficiencies?) over these current deficiencies within our law.

The second point is related to capacity-building, and Thea made a very important point regarding capacity-building, but just let me make one point clear here, which is the majority of those companies and these are actually one quarter – according to the NOC report, one quarter of the companies were found in violation. I think the number was 28 – and correct me if I'm wrong – out of 125, but those in actual volume do produce less than 20 percent or less than 15 percent of the total products that are exported to the U.S.

And for that, in fact, there's – at least the majority of those companies are in compliance to labor standards and not vice versa, so maybe just the overall picture might not be as bleak, but, however, the government is actually committed to rectify those deficiencies where they exist at the moment.

And a third point, if I may, and I know the time is very short – in fact, the government has recently had (incepted?) a national human rights center to act as also a possible avenue of recourse for Jordanian workers – for foreign workers to have the national human rights center file lawsuits on behalf of foreign workers. And that may be even further reinforced through the amendment of relevant Jordanian laws.

Thank you very much.

MR. SPERLING: Thank you. Normally we discourage statements, but in this case we greatly appreciate you being here, coming from the embassy and being willing to respond. And I guess as Thea said, this is an issue where people want to get yes, want to be able to say that the Jordan Free Trade Agreement is a model in fact and not in theory, so we invite you to – we appreciate your participation and I would like to even think perhaps if there is ways that we could brainstorm about monitoring this, perhaps we could do this on the Center for American Progress website and give a chance, as developments take place, for you to tell from your perspective so that we have a full case going forward. So thank you very much for coming.

Our time is short. Let me ask if there are one or two very quick questions that we could call on and then we will let our speakers have a final comment and then I think both of them – while John and I have to race to the Hill, I think both of them perhaps could be here for a few minutes to answer questions privately. I'm going to take these two gentlemen on this side and then I'll give our speakers the chance to make a final comment.

Q: My name is Jim Shay (sp). I'm with the Department of Labor. Even should a law be passed that allows foreign workers to join unions, that's going to be a real challenge to protect that right. Foreign workers are always going to be vulnerable to employer intimidation and exploitation. My question is, does the government of Jordan contemplate any plan to put Jordanians to work in these businesses rather than foreign workers – to certify that the job cannot be done by Jordanian before allowing a license to bring in foreign workers or something along those lines?

MR. SPERLING: Thank you, Jim. Jim is in the international division of the Labor Department and has been for many years.

And next?

Q: Yes. I'm Joe Davis. I'm from the American Federation of Teachers. I'd like to just ask Mr. Mazen if there is any progress being made to reform the labor laws that prohibit public sector workers from organizing.

MR. MA'AYTA: So far we have not received any promises from the government to reform the laws in a manner that would allow civil servants to join – to freely join or to join. With respect to plans for employing Jordanians – I mean, initially the agreement stated that the Jordanians would be employed and then the foreign investors came with the idea of a probation period for migrant workers who have the required skills to fill the jobs; in the meantime, waiting for Jordanians to acquire the necessary skills and from there to substitute these workers in a period of one to two years, but they just backed away and did not live up to that provision.

And I can tell you that as long as there is a system of sweatshops and violations, there won't be any Jordanians who will accept to take these kinds of jobs with no guarantees and safeguards with respect to benefits and safety conditions and good work – decent working conditions and benefits.

MR. SPERLING: With that, we have come to the end of our time period. I want to thank our two panelists, who I think have offered us, along with the reports, a very important picture of what is actually happening on the ground in Jordan. As I said at the beginning, this is a story in progress. How this will play out should be of great concern for all those who care, as President Clinton liked to say, about a vision of globalization with a human face.

I appreciate the embassy coming, members of the administration, and many people who represent workers day in, day out. I also want to say on behalf of myself and John Podesta and Gayle Smith that I think we are very interested in continuing to monitor this situation, that seeing how the Jordan situation plays out is important not only for Jordan, but for the lessons – as I think Thea suggested – that need to be learned about not only the construction of the words in the future free trade agreements, but how those need to be monitored and enforced to make sure they live up to the ideals that are put in such agreements. So with that I will say that this is the end to part one of this discussion and that we will look forward either through this forum or through our website to be in a form to continue to monitor the Jordan free trade agreement.

Thank you very much.

(Applause.)

(END)