

INTERNATIONAL CONFEDERATION OF FREE TRADE UNIONS

ICFTU OnLine:

080/170605

Spotlight interview with Fathalla Omrani (Jordan - TGC)

"Jordanian textile manufacturing is a political product, a bargaining chip"

Brussels: 17 June 2005 (ICFTU Online): Jordanian textiles are exclusively produced in the free trade zones created in 1996 following the decision of the US Congress to compensate the Jordanian Kingdom for its role in the peace process. Originally considered as "life insurance", the zones were supposed to protect the sector against the turbulence emerging on the international textile market, explains Fathalla Omrani, President of Jordan's General Trade Union of Workers in the Textile, Garment and Clothing Industries. However, as the trade union leader goes on to point out, the EPZs have regrettably made little contribution to the country's development.

-How is the Jordanian textile industry dealing with the end of the quota system?

My response will no doubt surprise you: with serenity. Although our industry is fragile, since it is completely geared towards exporting to a single country - the United States - the conditions under which we trade allows us to believe that we have little to fear.

Most of the goods we produce are made in the EPZs created in 1996 by virtue of an agreement signed between the Jordanian government and the US Congress. According to the terms of this agreement, the textiles produced in these zones are exclusively intended for the US market, to which we have free access, without limitations and without any taxes on the goods exported. Of course, we have lost our main comparative advantage since the beginning of the year: the benefit of quota-free exports. But can the Chinese textile industry, to quote one example, boast of duty-free access to the US market?

-Do you really think that Jordanian products can withstand the competition from South-east Asian goods?

If the question is whether we can compete in the US market for bottom-of-the-range Chinese goods, my answer is, obviously no. How could we be expected to defend ourselves in this area when our production costs are twice as high as China's? It's impossible, but it's not on this ground that we are fighting. We can remain competitive because we are able to position ourselves in another segment, that of quality goods. The 53, 000 people currently working in Jordan's EPZs mainly produce clothing for brands such as Hugo Boss, Century or Victoria's Secret, international brands that bear witness to our ability to position ourselves in the top-of-the-range segment of the global market. Moreover, let's put things in their place: Jordanian textile production represents a turnover of one billion dollars. What weight does this have on the Chinese market? What we produce can be sold in a day. The Chinese

textile industry employs 50 million workers - ten times the total number of men, women, children and elderly people living in Jordan! What do we have to fear? We carry no weight.

- Exactly. Is there not a danger of you being affected by the rationalisation of purchases expected to hit the global textile market?

Why on earth would the Americans stop buying from Jordan when, along with the Israelis, they have invested capital in these zones that they themselves requested? Let's be clear about things, Jordanian textile products are not merchandise like the others. It's a political product. A bargaining chip. A gift made to Jordan for its role in the peace agreements between Israelis and Palestinians, for the role it is willing to play in the establishment of a new order in the Near and Middle East. I know that such remarks may be surprising. In addition, the jobs that exist in the country's six export processing zones only exist because of the United States' political interest in strengthening relations between Israel and Jordan. Under the terms of the agreement signed, the goods produced there have to contain at least 8 per cent added value from Israel. Jordanian textiles are a political product linked to the future of the peace agreements between Amman and Tel Aviv. If the United States and the Israeli government want the Hashemite Kingdom to continue playing its role as a stabilizing force in the region, they know what they have to keep doing: to keep investing here regardless of how the global textile market evolves; to invest and produce in the zones and to buy Jordanian products in order to help us create employment. That is the condition for stability in Jordan. And why should they refuse when the minimum wage here is more than four times lower than on the other side of the River Jordan?

-But are you not afraid that the new textile trade rules will lead to a deterioration in the working conditions in Jordan's free trade zones, a situation you are already condemning?

They cannot be any worse. Most of the workers there earn the minimum wage: 85 dinars, or 120 dollars a month. Who can be expected to live on such a salary, when a recent government study concluded that 250 dollars would be the minimum required to fight poverty in the country? The average salary in the zones is 170 dollars. Could the situation be any worse for the people working there? No, the only thing we have to fear is the increasing allocation of jobs to migrant workers, who already represent over half the workforce in the zones. It is up to the governments of the United States, Jordan, and Israel to assume their responsibilities. More than a quarter of Jordanians are unemployed. No one knows exactly how many people are working in the informal economy, some say half of the active population. The social situation is unacceptable. 50,000 young graduates leave university every year without managing to find the kind of work they expect. The wars going on around us have ended up weakening our economy. Iraq used to play a key economic role for us - now it's finished. Fifteen years ago, many Jordanians still worked in the Gulf countries, bringing the country the money it needed. That's also finished now. The situation created for us is stopping us from developing. So it's up to those who are the cause of it not to let us drown.

-What role do you assign to the trade union organisation you lead?

Firstly, to obtain wage increases. It has to be said once again that the minimum wage in Jordan is unacceptable. The reason there are so few men working in the zones is because no one can hope to meet their family responsibilities with such an amount. This wage has to be increased to resolve the unemployment problem. The lies also have to be stopped about the advantages immigration will bring. Migrant labour is costly, much more costly than we think - three times more costly if we take into account the transport, accommodation and food costs. So let's train Jordanian workers and pay them the excess this represents and many of our problems will be solved. Training, qualifications, controls on investments and measures to ensure that foreign employers respect the law: that's what we are asking for, what we will be working towards over the months to come. We are going to fight for better working conditions, for the creation of a health insurance scheme, and for the right to organise immigrant workers. Then it's up to the politicians to take care of the rest. The country only recovers a fifth of the turnover from the textiles produced in the zones, in the form of salaries and taxes. This is not what we were promised. The changes to the rules of international trade will do nothing to alter this fact.

Interview by Martine Hassoun

-Link to Trade Union World Briefing: Jordan's export processing zones - A political bargaining chip

<http://www.icftu.org/displaydocument.asp?Index=991221894>

-Link to Spotlight interview with Ebtisam Ali Ayad Muosbahe (Jordan - JTGU)... "Women are overrepresented in Jordan's export processing zones": <http://www.icftu.org/displaydocument.asp?Index=991221889>

-Link to Spotlight interview with Fatmeh Habahbeh (Jordan - GFJTU): "We need quotas for women in unions"

<http://www.icftu.org/displaydocument.asp?Index=991221356>

-Link to ICFTU REPORT EPZs: working conditions and labour rights around the world:

<http://www.icftu.org/displaydocument.asp?Index=991220896>

-Link to ICFTU report : DISASTER LOOMS WITH THE ENDING OF THE QUOTA SYSTEM

<http://www.icftu.org/displaydocument.asp?Index=991220796>

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