

### **Need stressed for setting up institutions to look into interests of workers, industry**

KARACHI: Speakers at a webinar organised by the Democracy Reporting International (DRI) on Tuesday looked at the Generalised Scheme of Preferences-Plus (GSP-Plus) and its 'Prospects and challenges in Pakistan' and how it can be retained in times of the global crisis of Covid-19.

The moderator of the event, Zulfiqar Shah, who is the joint director at the Pakistan Institute of Labour Education and Research (Piler), started the discussion by explaining that Pakistan was granted the GSP-Plus scheme from January 2014 with duty-free access of our goods in the European market.

As a result, Pakistan's exports to the European Union enhanced from €4.53 billion in 2013 to €7.49bn in 2019, registering an increase of 65 per cent.

He also said that Pakistan had successfully passed through the three reviews debated and approved by the European Parliament in 2016, 2018 and in 2020.

*Some 2.1m pandemic-hit families are selling their household items as their breadwinners lost jobs*

"While the country was celebrating the approval of the latest review by the European Parliament and schemes and extension till 2023, there was the Covid-19 pandemic also raising its head in March badly affecting life and economy here," he said.

"Since then exports have fallen significantly, many businesses still remain closed and the government has lowered all economic targets. Amid this scenario, the GSP-Plus scheme has gained more importance as the country would need to boost its exports once the situation returns to normality," he added.

### **Textile sector remains a key beneficiary**

DRI's country director Jamil Malik said that the textile business remained the main beneficiary of GSP-Plus as Pakistan's exports to Europe are mainly in clothing.

"However, the trade preference scheme is conditional to compliance on the UN human rights conventions with biannual monitoring review by the EC," he said.

About Pakistan's compliance with the UN human rights conventions, he said that "Pakistan has tabled some 20 to 22 progressive laws in the last few years so we are doing quite okay as far as human rights are concerned".

Speaking about the role of the business community and expectations from the state, Syed Nazar Ali, the secretary general of the Employers' Federation of Pakistan, said that they had not taken the benefit they could have actually taken from GSP-Plus.

"It is because our own government could not develop a mechanism to benefit from it," he said. "Yes, it is good to make sure that workers have a good environment to work in because happy workers mean improved productivity so the conditions of GSP-Plus are great that way. Besides the checks by the European Union, we at the Employers' Federation of Pakistan are also running our own checks to promote human rights among businesses. But the government, too, should ensure this and have institutions that look into the interests of workers and the industry," he said.

### **Businesses need govt's support**

He also said that in the last 20 to 25 years, the governments turned Pakistan into a trade country instead of an industrial one that manufactures its own products.

Hence many products that were previously manufactured here are now imported from abroad. "This is because the industry, too, needs support from the government in the shape of subsidies for electricity or gas. How else are they going to be able to compete with the world? In the Covid-19 scenario they are losing so many orders and are really in need of support from the government as regards payment of their employees, waiving of taxes, supply of power, etc," he said.

He added that so many small and medium-sized enterprises were already closing if not helped through government packages.

The director of the National Organisation for Working Communities, Farhat Parveen, also said that there was a dire need for infrastructure to boost industry in Pakistan.

Speaking about Pakistan's priorities for human rights and labour rights, she said that some 2.1 million families here were selling their household goods such as furniture to survive in the Covid-19 scenario because their earning member has lost his or her job.

"There are so many women too who have lost their jobs due to the pandemic. Most of them are aged between 35 and 50. The mass unemployment and poverty as a result of it could be helped by the civil society and the international community among the civil society but that has also shrunk so much that it is unable to help much," she said.

Karamat Ali of Piler said that there was a need for organised collective work and a proper strategy.

### **Call to form labour unions**

"Don't think of just fulfilling GSP-Plus compliance. We should work for the betterment of our workforce on the whole, even without any conditions. Our industry too should stop competing against each other because that will only put it in a race to the bottom. Both industry-wise and sector-wise, we need to make unions because unionisation helps in

making workers aware about labour laws, which in turn improves working conditions. Currently, we only have one per cent unionisation here,” he claimed.

Speaking about the government’s role in compliance with human rights conventions, retired Justice Majida Rizvi, who is the chairperson of the Sindh Human Rights Commission, said that the condition that we are finding ourselves in now is not just because of the government.

“We are also responsible for it,” she said. “The government has always tried to make things better. The Sindh government has come up with so many laws such as laws for women, including women rights laws, anti-harassment laws, laws against gender-based violence, labour laws, etc. So institutions have been set up already, though there is a need for implementation of several laws. For that there is a need for an implementation commission, too,” she said.

“There is a need for systematic work with coordination and cooperation here to make things better as far as human rights are concerned,” she said.

Talking about the importance of exports to overcome the economic effects of Covid-19, Zubair Motiwala of the Karachi Chamber of Commerce and Industry, said that it would be a disaster if Pakistan lost the GSP-Plus scheme.

“And it will be even worse if that were to happen in the Covid-19 scenario,” he said, adding that Pakistan would then be left to compete fiercely among the other textile and clothing manufacturing countries such as India, Cambodia, Vietnam, Bangladesh, etc on its own.

“We have grown here only because of GSP-Plus. It has given us an advantage into the European market,” he pointed out.

“But,” he concluded, “we don’t just require labour laws in our industry, we also need productivity of labour.”