

## **ISSUE BRIEF**

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## ITALY'S RESERVATIONS AGAINST PAKISTAN'S RENEWAL OF GSP PLUS STATUS

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December 22, 2017

(Views expressed in the brief are those of the author, and do not represent those of ISSI)



In December 2013, the European Commission granted Pakistan with Generalized System of Preferences (GSP) Plus status giving tariff free access to certain Pakistani goods to the EU markets. Under the GSP Plus status, Pakistan benefits from generous tariff preferences (mostly zero duties on two third of all product categories). This has significantly boosted EU-Pakistan trade relations and increased Pakistan's exports to EU by 38% since 2014. However, earlier this month, Italian Senators have raised concerns regarding deteriorating human rights situation in Pakistan and have suggested to the European Union (EU) to suspend Pakistan's GSP Plus status until it stops supporting terror outfits and persecution of women, children and minorities in its territory.

As the final review report on renewal of GSP Plus status awarded to Pakistan is yet to come out, Italian Senators have raised questions on the unsatisfactory measures taken by Pakistani government to control human rights violations lately. On December 05, members of the Italian Senate, Cosimo Sibilla, Domenico De Saino, Enzo Fasano, Franco Cardiello, and Domenico Auricchio asked Italy's Foreign Affairs and International Cooperation and Economic Development minister to block support for Pakistan's attempts to renew its GSP Plus status in EU until it fulfills its

<sup>&</sup>quot;Pakistan", European Commission, February 2017, http://ec.europa.eu/trade/policy/countries-and-regions/countries/pakistan/.

Shazia Hasan, "Pakistan among 10 countries enjoying EU's GSP Plus facility, says envoy," *Dawn*, September 27, 2017, https://www.dawn.com/news/1360246.

responsibility of safeguarding human rights and provides protection to minorities and underprivileged communities.<sup>3</sup>

Italian Senators also raised concerns regarding the impact of Pakistani textile goods on Italian industries. They were of the view that Pakistani textiles are severely damaging the Italian textile industry. The Italian Senate said in its resolution issued in November 2017, "Pakistan, thanks to this regime, benefits from advantageous tariff preferences and its products enter Italy duty free... trade between our country (Italy) and Pakistan has increased, although the development of Pakistani textiles strongly damages Italian industries."

Moreover, the Italian Senators also criticized Pakistan for supporting terrorism. The resolution further stated, "...with a provision signed by the Minister of the Interior on October 20, a Pakistani national was expelled from Italy for reasons of national security. It is not the first Pakistani expelled from Italy, since the country has always been the cradle of international terrorism..." It is pertinent to mention here that according to data presented in Senate, about 887 Pakistanis were deported by Italy since 2012.<sup>5</sup>

This year's Global Gender Gap Index by the World Economic Forum placed Pakistan at 143rd position out of 144 countries which is worst in South Asian region. According to Human Rights Watch's recent report, in 2016 at least 19 people remained on death row after being convicted under Pakistan's blasphemy law. It is also reported that most of them belonged to religious minority groups and were accused of blasphemy by the locals due to personal disputes. The number of children involved in child labor has also increased over the years with Child Rights Movement estimating it to be more than 12.5 million in 2016. This is a clear violation of UN and ILO conventions. Furthermore, Pakistani government's improper handling of Faizabad sit-in and lack of any strong response to recent blast in the Quetta church have also raised eyebrows in the international community.

2 | Page

<sup>&</sup>quot;Italy questions Pakistan's unsatisfactory measures to safeguard human rights," *Pakistan Today*, December 5, 2017, https://www.pakistantoday.com.pk/2017/12/05/italy-questions-pakistans-unsatisfactory-measures-to-safeguard-human-rights/.

<sup>&</sup>lt;sup>4</sup> ANI, "Withdraw EU GSP benefits to terror-supporting Pakistan: Italian Senate," *Times of India*, December 13, 2017, https://timesofindia.indiatimes.com/world/europe/withdraw-eu-gsp-benefits-to-terror-supporting-pakistan-italian-senate/articleshow/62047612.cms.

<sup>5 &</sup>quot;500,000 Pakistanis deported from 134 countries since 2012," *Samaa TV*, September 05, 2017, https://www.samaa.tv/pakistan/2017/09/500000-pakistanis-deported-134-countries-since-2012/.

<sup>&</sup>lt;sup>6</sup> "Pakistan Events of 2016," *Human Rights Watch*, 2017, https://www.hrw.org/world-report/2017/country-chapters/pakistan.

<sup>&</sup>quot;12.5 million children in Pakistan are involved in labour," *Dawn,* June 13, 2016, https://www.dawn.com/news/1264451.

European Union places strong emphasis on improving human rights conditions and is also one of its external action objectives. EU uses GSP Plus status as a tool to encourage compliance to 27 UN core conventions regarding human and labor rights, environment protection and good governance in developing countries. Italy being the second largest country in Europe to extend GSP Plus status to Pakistan had a bilateral trade volume with Pakistan of about \$1.2 billion in 2016 which has increased by 35% since 2013.8 Considering the poor economic situation of Pakistan; falling exports, current and fiscal account deficits, rupee depreciation and rising external public debt, it is very important that Pakistan takes significant measures to address Italian Senators' concerns as it cannot afford to lose its GSP Plus status.

Although it can be assumed that this reaction by Italian Senators was more of an outcome of Pakistani textiles posing a threat to Italian textile industry in maintaining its market share, but even then, Pakistan should not turn a blind eye to the fact that human rights conditions in its territory have deteriorated lately. Considering the importance that EU gives to promotion of human rights, it's very important that the Government of Pakistan should take significant measures in order to protect its minorities and underprivileged groups in the society if it wants to retain its GSP Plus status. Pakistan needs to highlight its contributions in countering terrorism on international forums and enlighten the international community regarding recent bills it has passed related to women and child rights including Women in Distress and Detention Fund (Amendment) Bill, 2017, the Punjab Restriction on Employment of Children Act 2016, Anti-Honour Killing Laws (Criminal Amendment Bill) 2015 and the Anti-Rape Laws (Criminal Amendment Bill) 2015. There's also a strong need of building soft power and encouraging more people to people contact through various cultural and educational exchange programs in order to promote a positive image of Pakistan abroad..

<sup>&</sup>quot;Bilateral trade between Pakistan, Italy surges 35% in four years," Karachi Chamber of Commerce & Industry Research and Development Department, 2017, http://www.kcci.com.pk/Rnd/index.php/2017/10/28/bilateral-trade-between-pakistan-italy-surges-35-infour-years/