



June 2010
AK Position Paper

Generalised Tariff Preferences (GSP+) – Pakistan

About us

The Federal Chamber of Labour is by law representing the interests of about 3.2 million employees and consumers in Austria. It acts for the interests of its members in fields of social-, educational-, economical-, and consumer issues both on the national and on the EU-level in Brussels. Furthermore the Austrian Federal Chamber of Labour is a part of the Austrian social partnership.

The AK EUROPA office in Brussels was established in 1991 to bring forward the interests of all its members directly vis-à-vis the European Institutions.

Organisation and Tasks of the Austrian Federal Chamber of Labour

The Austrian Federal Chamber of Labour is the umbrella organisation of the nine regional Chambers of Labour in Austria, which have together the statutory mandate to represent the interests of their members.

The Chambers of Labour provide their members a broad range of services, including for instance advice on matters of labour law, consumer rights, social insurance and educational matters.

Herbert Tumpel
President

More than three quarters of the 2 million member-consultations carried out each year concern labour-, social insurance- and insolvency law. Furthermore the Austrian Federal Chamber of Labour makes use of its vested right to state its opinion in the legislation process of the European Union and in Austria in order to shape the interests of the employees and consumers towards the legislator.

All Austrian employees are subject to compulsory membership. The member fee is determined by law and is amounting to 0.5% of the members' gross wages or salaries (up to the social security payroll tax cap maximum). 560.000 – amongst others unemployed, persons on maternity (paternity) leave, community- and military service – of the 3.2 million members are exempt from subscription payment, but are entitled to all services provided by the Austrian Federal Chambers of Labour.

Werner Muhm
Director

Executive Summary

Pakistan does not meet the requirements for the GSP+ for two reasons.

The Austrian Federal Chamber of Labour (AK) has for years supported the motion of only granting special preferences within the scope of the Scheme of Generalised Tariff Preferences (GSP+) if the relevant conditions have been met. Pakistan does not meet the requirements for the GSP+ for two reasons: she has not yet ratified all 27 of the required conventions and regularly and seriously infringes against already ratified ILO Core Labour Standards. As things stand now, AK opposes the currently discussed inclusion of Pakistan in the GSP+.

The AK position in detail

AK is opposed to admitting Pakistan into the GSP+ Regime.

Based on various references in recent reports (e.g. the report of the Austrian Embassy on "GB Positions to the EU-Pakistan Summit" of 21.4.2010 in London) and various other documents, we notice increasing activities at EU level concerning the admission of Pakistan into the GSP+. The United Kingdom currently lobbies the EU Member States to increase one of the infringement criteria of the GSP+, according to which the entire preferential imports of one country into the Community have to be less than 1 %, to 1.5 %. With regard to foreign trade, the Pakistani draft of the "Pakistan-EU Cooperation Perspective Plan" contains the item "Immediate access to EU markets through GSP+ and WTO", which suggests that the issue is already decisively driven forward.

The last report of the International Trade Unions Confederation (ITUC) available to us on the situation with regard to the ILO Core Labour Standards (CLS) in Pakistan is from 2008. Although it confirms the ratification of all eight Core Labour Standards, it refers to regular, massive and outrageous violations against all CLS.¹ According to the ITUC, the accusations against Pakistan are still relevant. Nothing, for example, is done against the persistent anti-union discrimination. Teachers, employees working in the

¹ Internationally-recognised Core Labour Standards in Pakistan, ITUC 2008.

health sector, for airlines, railway and shipping companies are not allowed to form trade unions or to negotiate collective agreements. Child labour, which is also still a problem in Pakistan, is currently addressed by the ILO. Labour inspections to eliminate child labour do not work in important provinces. Forced labour and human trafficking, in particular involving women and children for the purpose of forced prostitution, are widespread.

That is why the Austrian Federal Chamber of Labour is opposed to admitting Pakistan into the GSP+ Regime, all the more as granting exemption from duty for Pakistani imports into the EU would send a completely wrong signal and seriously question the effectiveness of the GSP+ as an incentive system. Apart from that, the admission of Pakistan would expose the EU to possible demands for equal treatment resp. to attacks for example from emerging markets, such as India, China etc.



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