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6. EU-Pakistan Relations :

EU-Pakistan Relations and GSP Plus:

Towards an End of Europe's 'Whitewashing'?

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If one believes official statements, it seems that the EU accomplished an evolution in its relations with Pakistan. There is no doubt that the cooperation between Europe and Pakistan in terms of economic and development assistance has expanded over the last decades. Realizing the re-emergence of the EU as a major economic actor as well as its own tremendous need for development and industrialization (cf. Lieven, 2002), Pakistan started looking towards Europe as partner. A first agreement that was made to set up relations between Islamabad and Brussels was signed in 1962, which was followed by the first comprehensive agreement in 1976 to further intensify trade and economic ties. Currently, the legal and political basis for the relations between Brussels and Islamabad is the 2004 Cooperation Agreement. Additionally, within the framework of the Lisbon treaty of 2009, the EU-Pakistan 5-year Engagement Plan was launched which was supposed to further widen and deepen the cooperation between Europe and the South Asian state. At least on paper, the endorsed agreement was adding to trade, economic cooperation and development, and also addressed the issues of regional security, counter terrorism, narco-trafficking, and organized crime. Another significant initial determinant of the 5-year plan was to strengthen the process of strengthening democratic institutions, civilian-administrative structures, and civil society. The signing of a memorandum of understanding on civilian capacity building for law enforcement in Pakistan in November 2010 has to be seen in this context. One of the outcomes of this document was the creation of the National Counter-Terrorism Authority (NACTA) and the support for provincial police forces in Khyber

Pakhtunkhwa (KPK) and Punjab (cf. Sultana, 2013, 41). Furthermore, a Strategic Dialogue was envisaged to offer political guidance within the EU-Pakistan relations.

In addition to the various signed documents, the EU started also to build-up its physical presence in Pakistan in the form of an office by the European Commission in 1985. Already three years later, the office was upgraded to a fully fledged EU Delegation in order to monitor trade and development cooperation. In 1992, the Humanitarian Aid and Civil Protection department of the European Commission (ECHO) opened an office in Islamabad too. Besides the Delegation there is also the EU-Pakistan Joint Commission which is complemented by a Foreign and Security Policy Dialogue at senior official level to give more depth to the existing collaboration. On top of that several regular meetings at the expert level are held to discuss urgent matters regarding international affairs, non-proliferation, counter-terrorism, and migration issues.

However, the shaping of the European strategy with respect to Pakistan is not devoid of limitations and weaknesses. Apart from the intention to get more involved on the political and strategic dimensions, the decision makers did not go far beyond the economic paradigm which has traditionally defined the Pakistan-EU ties. Neither the Cold War nor the developments in the realm of security after "9/11" changed much in this respect. As a result, there is a clear 'economization' of the bilateralism between Islamabad and Brussels which was apparently at the expense of Europeans' enthusiasm to take a closer, consequent look at Pakistan's domestic affairs, especially when it comes to human rights, labour rights, environmental protection, women's rights and the rights of religious minorities (cf. USDS, 2013a, 2013b). This process recently reached a new peak when Pakistan was granted the GSP Plus status by the EU. Under this programme the beneficiary state (a developing country, *in casu* Pakistan) is given special trade preferences, namely tariff reductions. The agreement is unilateral, meaning that the EU does not require or expect the beneficiary state to adopt similar measures reciprocally. Basically it provides for a flexible scheme of preferences according to the individual needs of the recognized states. There is no doubt that the GSP Plus status will give a

boost to the country's economy (cf. Dawn, 2013a), especially the textile and clothing sector would benefit from unrestricted access to the EU's single market (cf. ITC 2013, 3-4). Pakistani analysts have calculated that GSP Plus is expected to help Islamabad earn an additional USD 550-700 million per year with an increase in exports of USD 2 billion (Mirza, 2013; Daily Times, 2013). It is estimated that 20 percent of the country's exports would be allowed to enter the EU duty-free and 70 percent would benefit from preferential rates (Gishkori/Rana, 2013). Furthermore, Islamabad considers the granting of GSP Plus a matter of prestige, for it hopes that it will improve the country's tattered international standing. Pakistan's reputation suffered significantly from its image of being one of the world's greatest hubs for international terrorism, Islamic fundamentalism, and a source of all kinds of instability leading to the suppression of ethnic and religious minorities and tensed relations with its neighbours. Especially the persistently deteriorating human rights situation in the country (cf. USDS, 2013b, 1), enforced by religious fanaticism and certain state agencies acting with impunity, is a matter of severe concern that is shared by many Pakistan observers around the globe.

In order to achieve the GSP Plus Status, it is mandatory for Pakistan to ensure human rights protection and to ensure compliance with key human rights conventions. More concretely, Pakistan has to apply and prove the following: First, it must have ratified 27 conventions key conventions. In order to get GSP Plus, which has to be understood as a "special incentive arrangement for sustainable development and good governance" (EC, 2008), one has to sign and ratify 16 international conventions on human rights and labour rights, and 11 conventions on good governance and the environment. Second, Pakistan must not demonstrate serious problems with the implementation of these conventions (cf. Ali, 2013). Third, it may not have formulated any reservations to those conventions. Furthermore, Pakistan has to commit to a series of monitoring requirements. Here, Pakistan must provide comprehensive information concerning the required legislation and measures taken to implement them consequently.¹

For the time being, it seems that Pakistan's diplomatic and lobby machinery was able to convince the most important decision-making circles within the EU of the following things: First, they have the political will and the capacities to deal with the prerequisites for getting the GSP Plus Status. Second, to improve the weak coordination and cooperation between its own institutional structures to be able to carry out the entire GSP Plus programme. Third, the respective authorities were able to convince the originally 'indifferent attitude' of the private sector towards GSP Plus conditions.

Fourth, it seems that the Pakistani government was also able to give an impression that the human rights situation in the country is improving. But as already indicated above, this does not reflect the realities on the ground. Religious and ethnic minority rights are often bluntly violated and the rights and interests of certain regions like Balochistan and Gilgit-Baltistan are treated with contempt. In brief, the human rights situation in Pakistan remains murky (Wolf, 2013d).

Having this in mind, it is important to be aware of the fact that there was also a significant degree of resistance against the granting of GSP Plus to Pakistan within the members of the EU. For example, the criticism found its expression on 5 November 2013 as the International Trade Committee of the European Parliament (INTA) had to make a decision regarding the granting the GSP Plus Status to Pakistan (and 9 other selected countries). Besides the fact that INTA voted against a resolution opposing the grant of the GSP Plus Status (cf. Khan, 2013), 12 (out of 30 votes) were not in favour. This marks an interesting aspect of the whole GSP Plus process, which are worth looking at in detail. Here, one has to recognize that the result of this vote mainly comes from an intrinsic divide within the EU between the 'Northern States' and the 'Southern States'. The 'Northern bloc', mainly comprising the Scandinavian states (also known as the 'free traders'), Germany, and UK. Foremost, Berlin and London were already keen to grant Pakistan GSP Plus Status a couple of years before, especially after the traumatic experience of the 2010 flooding.

The 'Southern alliance', on the other hand, shares a common interest in protectionism. These member states are concerned that Pakistan's GSP Plus status would negatively impact their own economies by taking away jobs in their own clothing industries (cf. Sultana, 2013, 40). It is because of that that the EU for long preferred to provide humanitarian aid, as opposed to trade benefits. However, some Pakistan products received in the past duty free access but items perceived as a challenge for European products² were excluded from the list of favoured import items (cf. Siegmann, 2013).

Therefore, it is unfortunate but obvious that the decision pro- or against the GSP Status for Pakistan was rather made on the basis of economic interests of the individual member states, less on the evaluation of the human rights situation and the matching of the necessary requirements. Leaving aside the fact that several human and labour rights organizations have raised their concerns about Pakistan's commitment to these requirements, it seems that the economic paradigm continues to dominate the EU-Pakistan relations.

Also on the level on the individual member states and their bilateral relations with Pakistan, it does not seem that there is any significant impetus to put pressure on the EU institutions to make Islamabad stick to its commitments. Instead, a 'strategic silence' can be observed in European foreign policy circles when it comes to getting strict in insisting on international standards and conventions, especially in the context of human rights, political and religious freedom. European ambivalence in vocally claiming and practically enforcing democratic values in the South Asian context is not only obvious when its own economic interests are at stake, but even more when it intersects the transatlantic relationship. In other words, Europe's approach towards Pakistan is still far from independent from US interests and interference. For example, there are no doubts that Germany will do anything which will turn out to be perceived as an unnecessary burden for its relations with Washington. Berlin's maneuver of sitting out the issue of granting Edward Snowden potential asylum, or the National Security Agency (NSA) affair of tapping Germans communication systems can be seen

as clear indications thereof. The 'official indignation' of the German government in this context has to be seen rather as a distraction of Europe's public attention from certain political developments in Brussels (initiated by Germany) than a severe 'huff' about the US ignorance of the private sphere of German citizens.

In consequence, many of the European evaluations, which are announcing processes of democratic consolidation look rather as attempts of politically motivated 'whitewashing' than credible assessments of the real status quo in Pakistan.³ Therefore, Pakistan's establishment is enjoying a situation in which one can ignore the implementation of commitments without fearing significant consequences. In consequence, the enthusiastic reform measures regarding the improvement of the conditions of disadvantaged communities and regions, and especially their implementation, remains rather the exception than the norm.

To conclude, the EU has to make sure that Pakistan's political establishment and law enforcement agencies do more than merely paying lip service to democratic values and human rights. Furthermore, Europe needs to monitor the implementation of international commitments. It is important for the decision-makers in the EU to demonstrate the political will to implement the opportunities given by GSP Plus to them, and to show that withdrawal of the benefits in case of non compliance with the prerequisites remains a viable option. The case of Sri Lanka,⁴ which temporarily lost its GSP status after a series of violations of the conventions, should serve as a reminder for Pakistan's elite that the EU is willing and able to react according the recommendations of the strict monitoring mechanism of the implementation of GSP Plus requirements.⁵ Here, the EU must also take into account the likelihood that the 'non-economic motivation' of the new civilian government in intensifying cooperation is also to a certain extent an outcome of the growing anti-American sentiments in Pakistan and less in the convictions of European values (Wolf, 2013d). In addition, Islamabad has to realize that the granting of concessions and aid come hand in hand with responsibilities. The arguments that have persistently been made over the last decades

– that changes need time, and the security of the state must deserve the primary attention (which absorbs of course the bulk of the national resources) – cannot be used anymore as an excuse to not deliver the implementation of international commitments and domestic political-decision making. Therefore, the reiterated demands for more (unconditional) funds successfully addressed towards the international community by concurrent negligence of its own homework or performing basic duties (like paying taxes or energy bills), must come to an end. Otherwise, the establishment in Pakistan will interpret GSP Plus as just another ‘carte blanche’ for financial and economic benefits. However, in order to do so, Europe has to recall its democratic norms and values in its foreign policy decisions. In sum, whitewashing can’t be an alternative for a sustainable, constructive and relationship with Pakistan.

Notes :

1. See for more details: European Commission, Generalised Scheme of Preferences (GSP), http://ec.europa.eu/trade/policy/countries-and-regions/development/generalised-scheme-of-preferences/index_en.htm.
2. For example knit wear, bed linen, apparel, and home textile (cf. Siegmann, 2013; cf. Sultana, 2013).
3. For a critical assessment of Pakistan’s latest political development, see Wolf (2013a, 2013b, 2013c).
4. The EU suspended Sri Lanka’s GSP status after violations of the human rights conventions in the context of the armed confrontation with the Liberation Tigers of Tamil Eelam (LTTE) leading to their military defeat.
5. See European Commission, 15.2.2010, <http://trade.ec.europa.eu/doclib/press/index.cfm?id=515>.

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