

The recently announced Punjab industrial policy promises to help growth in the sector, if implemented in its true spirit

Punjab Chief Minister Chaudhry Pervaiz Elahi has recently announced a new industrial policy to boost the ailing industrial sector of the province. The major focus of the policy remains on elimination of inspections of industrial units by labour inspectors, revision and improvement in the social security system, withdrawal of the education cess imposed on industries, introduction of self declaration system, creation of the Punjab Industrial Estate Development and Management Company (PIEDMC) with a government loan of Rs1 billion to establish new industrial estates in the province and allocation of Rs 2.5 billion for the benefit of laborers.

Although the problems faced by the industrial sector are many, and on certain occasions, beyond the control of the provincial government, these announcements have been welcomed by the industrialists and labourers alike provided they are implemented 'in their true spirit'. While there are elements who are all praise for the decisions taken by the Punjab chief minister, there are others who are labelling the new policy as a mere eye wash with minimum chances of effective implementation.

Members of the industrialist community have heaved a sigh of relief after hearing about the 'clipping of wings' of the much-dreaded labour inspectors who would enter any small or big industrial unit and subject the management to pass through a cumbersome procedure of inspections. To simplify the process further, the government has replaced the previously used six-page inspection form by a much simpler two-page simple self-declaration form in Urdu and English languages. The government has also decided to

# Industry more free



Workers at a stitching unit totally oblivious of the concessions offered to them by in the 'landmark' industrial policy. Photo: Rahat Dar

By Shahzada Irfan Ahmed

Fat. Eco  
News 130

# economy

prominent place of each unit so that the employees are aware of the country's decisions. The question that arises here is that whether the private sector will be willing to comply with the requirements of self-declaration honestly or take it as an opportunity to save the social security taxes applicable on it to the maximum?

There is no second thought that Punjab Chief Minister Pervaiz Elahi, who also hails from an influential industrialist family, is well aware of the fact that inspections by labour inspectors were creating hurdles in the promotion of the industry. However, his opponents contend that he must also be aware of the tactics used by the employers to maximise their prof-

its at the cost of their employees' welfare and take steps to curb such practices.

In this context Pakistan People's Party Punjab President Qasim Zia strongly condemns the idea of rendering labour inspectors powerless. Qasim says by taking this decision the government has given a freehand to industrialists to hire and fire employees and violate labour laws. "The policy is industrialist-friendly and there is nothing in it for the welfare of the labour class," he comments.

Another major feature of the policy is that it has introduced a new social security system under which the units making first payments would be exempted from inspection for the next three years. There would be slabs of Rs 10,000 per annum for units employing 1 to 10 employees, Rs 25,000 per annum for 11 to 20 employees and Rs 50,000 per annum for units employing 21 to 50 employees. A self-declaration system has been introduced for units having 50 or more workers. Such units will be required to declare their particulars every month on simple forms, depositing them along with the self-assessed charges with the local social security offices.

Ghulam Sarwar Malik, President All Pakistan Cottage and Small Industries tells *TNS* that the private sector has been paying huge amounts for social security for ages but the government has never provided the promised facilities to the employees. Whenever the employees need any services, the employers have to fulfil their demands from their own pockets.

"The government must ensure that each and every penny secured from the private sector under social security taxes is spent on the welfare of the poor. The industrial units have not been totally freed from the shackles of the state machinery as the provincial Labour Department has been empowered to inspect 5 per cent of the registered units thrown up by a computerised random process. This random inspection is a hidden tool in the hands of officials who can add anybody's name to the list whenever they want to," he says.

The Punjab government also plans to establish a company under the name of Punjab Industrial Estate Development and Management Company (PIEDMC) with an aim to establish new industrial estates providing fully

developed industrial plots to small and medium enterprises on ownership basis. The proposed company will have all the financial support of the government but will also include representatives of the private sector.

Explaining the functions of the company, spokesman to the Punjab CM tells *TNS* the government will acquire land for new industrial estates and hand it over to PIEDMC. "The company will also be given loans for establishing industrial estates which it will return after selling fully developed plots to intending industrialists. Let us hope the new industrial estates do not meet the fate of the previously established ones like the Kot Lakhpat Industrial Estate in Lahore. The government plans to acquire 105 acres of land near Kot Lakhpat and provide all facilities including electricity, phone, gas, sewerage, lighting, landscaping and roads to the buyers at the time of purchase of land," he says.

The spokesman says that under the new industrial policy, the provincial government has planned to upgrade 20 social security hospitals in the province. Each hospital will have at least 100 beds against their present total strength

of 1,400 which will hopefully reach the figure of 3,500. "Complaints of the private sector regarding the denial of social security services to the employees will be things of the past. These plans have been backed by heavy government funding worth Rs 2.5 billion," he adds.

The announcement of the policy was made by the CM at the convention of Technical Education and Vocational Training Authority (TEVTA) where he explicitly mentioned his resolve to increase the efficiency of TEVTA and promote technical education in the province. Talking to *TNS*, Almas Haider, member TEVTA Board, says that under the new industrial policy the authority will produce the much needed manpower for the industrial sector of the province. "In this respect the district boards of TEVTA will identify the manpower required for their respective industries and the authority will design courses while keeping these requirements in mind. Faisalabad and Multan will need skilled workers for textile sector, Sialkot for leather and sports goods and Lahore for knitwear and engineering," he explains.