WTO and Bangladesh’s External Trade: 
A Scenario of Opportunities, Perils and Pitfalls

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SECTION 1: INTRODUCTION

The World Trade Organisation (WTO) came into being on January 1, 1995 as the outcome of the 8th round of the multilateral trade negotiations under the General Agreement on Tariffs and Trade (GATT), known as the Uruguay Round (UR). The raison d'etre of the WTO is the political need of reciprocal liberalisation of market access of the member countries through the enforcement mechanisms of an organisation rather than through GATT, whose legal foundations were weak as a treaty. Therefore, the WTO is designed as the apex institution for administering multilateral trade agreements negotiated by its members. It includes GATT 1994 signed on April 15, 1994 in Marrakesh, Morocco as the outcome of the successful completion of the more than seven-year-long deliberation process of the Uruguay Round on 15 December 1993. Needless to say, GATT 1994 is a far-reaching historic agreement that goes significantly beyond all the pre-existing GATT disciplines. The WTO also includes the General Agreement on Trade in Services (GATS) and the Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPs), which have vastly expanded the jurisdiction, powers and functions of the WTO, and are also the relatively controversial agreements coming out of the Uruguay Round negotiations. Beside these, the WTO also embodies a number of plurilateral agreements (like that on Government Procurement) that only bind a subset of its membership. As a result, the WTO is fast emerging as a powerful institution, a far-reaching agreement as well as a world market in which members exchange market access 'concessions' and agree on the rules of the game.
Therefore, the issue of WTO membership comes as a dilemma for the countries of the world. One cannot afford to remain outside for long without missing or losing out on some crucial advantages conferred by the membership. But the membership binds the members within a network of constraining disciplines, which tend to erode the sovereign authority of a member state by constraining the ability of the government of a country to take actions that might distort or hamper trade flows, either directly or indirectly.

From this perspective, the WTO can be conceptualised as the third dimension of the World System based on the philosophy (or the ideology) of the open market economy, free trade and globalization. The ideological overtone comes out quite clearly when one considers the fact that accessions of new members to the WTO have been made extremely difficult with lots of conditionalities. Hoekman (1995, p.8) rightly points out, "The GATT assumes that its members are market economies, with trade being determined by the decisions of private parties, and governments intervening in trade through instruments such as tariffs and quotas." Therefore, conditionalities for accession include requirements like 'substantial progress' to be achieved towards privatising production units and establishing a market-based regulatory environment. (Hoekman 1995, p.8).

Bangladesh stands on the periphery of the World System. The nature of the state of Bangladesh can be described as neo-colonial (a la Paul Baran), peripheral capitalist (a la Samir Amin) and bureaucratic (a la Hamza Alavi). As a signatory to the Marrakesh Treaty, Bangladesh has become a member of the WTO. In a neo-colonial structure of the World System, where the inter-state relationship, both bilateral and multilateral, of the developed and developing countries, and especially the least developed ones like Bangladesh, can be aptly characterised as that of dominance and 'the dependency syndrome', a country like Bangladesh has no real option at the moment but to accept the realities of the globalization process accelerated through multilateral organisations like the WTO, IMF and the World Bank. As such, it is crucial to have as thorough an understanding as possible at present of the probable opportunities arising out of the vastly changed and fast-changing international trade scenario, of the difficult
challenges and dangers as well as hitherto unfamiliar pitfalls lying ahead in the coming millennium in the context of the gradual unfolding of the clout of the WTO, functioning in league with the IMF, the World Bank and other multilateral and regional organisations of the World System.

Bangladesh is categorised as a least developed country with a relatively small manufacturing sector. In the post-British-colonial Pakistani era and the post-independence decade of the seventies and the early eighties, Bangladesh pursued a relatively protective import regime on the plea of providing a protected domestic market for the nascent industrial enterprises, patronised by the state under the strategy of import-substituting industrialisation prescribed by the World Bank, donor countries and other multilateral organisations. Along with this, the bureaucratic state built up and maintained an elaborate regulatory edifice, which bred and sustained a system of institutional rent seeking that became more and more pervasive as well as extortionate. Beside this, as the prime sources of government revenue, tariffs and taxation in the external trade sector were frequently used as easy policy alternatives for revenue collection without sufficient considerations of the economic rationale of imposing and/or changing the tariffs and taxes concerned.

Beginning in the mid-eighties, Bangladesh launched a vigorous process of import liberalisation as a step toward implementing the structural adjustment program prescribed by the twin Bretton Woods institutions (BWIs), the IMF and the World Bank. It coincided with the gradual strengthening of the export drive of Bangladesh concentrated in some hitherto non-traditional items like ready-made garments, knitwear and shrimp. During the last thirteen years, the process of liberalisation was carried forward by the three successive governments, thereby giving Bangladesh the distinction of being one of the pioneers among the least developed countries of Asia pursuing the process of globalization. Notwithstanding the arguments placed in support of or against the rapidity of the pace of Bangladesh's on-going liberalisation of import regime, it should be noted that the escalating phenomenon of smuggling, the 'sick industry syndrome' afflicting the traditional industries, the
problem of bank loan default and capital flight and the continued stagnation in the Bangladesh's investment scene are believed to have some causal relationship with the uneven pace of liberalisation of the Bangladesh's external trade and of its neighbours, especially of its neighbouring giant India. (Gafur et al. 1990 and 1991). The other dimensions of the structural adjustment program like the denationalisation and privatisation or deregulation could not be pursued with the same sort of zeal because of the political sensitivities of the issues concerned. Therefore, it can be surmised that in spite of the continuous pressures from our international development partners, the achievements of the successive Bangladesh governments of the late eighties and the nineties in the path of liberalising the Bangladesh economy proper to the satisfaction of the dominant capitalist countries of the metropolitan centre remain somewhat modest by the standards of the latter countries as well as those of the BWIs and the WTO, who have been carrying their ideological agenda around the world.

In the context of the introductory analysis presented above, the present study purports to highlight the opportunities, perilous challenges and the pitfalls lying ahead of Bangladesh in the external trade sector under the global trade regime administered under the aegis of the WTO, IMF and the World Bank. Needless to mention, the author does not claim much originality of thought, as he has to borrow a lot from the accumulated wisdom of some pioneer thinkers in the field, but the particular theoretical stance of the study originates from the author's own beliefs. The organisation of the study runs as follows: The salient features of GATT 1994, GATS and TRIPs from the Bangladesh perspective are briefly outlined in Section 2 of the article. In Section 3, the opportunities for Bangladesh in international trade in the 21st century as visualised in the backdrop of the vastly changed and fast-changing global trade scenario are highlighted. In Section 4, the perceived challenges for Bangladesh's external trade, in the context of the WTO, are analysed. Section 5 reviews the possible pitfalls lying ahead of Bangladesh in the context of the WTO, some of which may seem rather innocuous from the present perspective or at first sight. Section 6 will be the concluding section.
SECTION 2: SALIENT FEATURES OF GATT 1994, GATS AND TRIPs FROM BANGLADESH PERSPECTIVE

The following are the main legal instruments and the associated instruments that have emerged from the Uruguay Round of multilateral trade negotiations, and now constitute the multilateral trading system (Ministry of Commerce 1998, p.4):

A. Marrakesh Agreement Establishing the World Trade Organisation

B. Multilateral Agreements:
   1. Trade in Goods:
      General Agreement on Tariffs and Trade 1994 (GATT 1994)
      
      Associate Agreements
      Agreement on Implementation of Article VII of GATT 1994 (Customs Valuation)
      Agreement on Pre-shipment Inspection (PSI)
      Agreement on Technical Barriers to Trade (TBT)
      Agreement on the Application of Sanitary and Phytosanitary Measures
      Agreement on Import Licensing Procedures
      Agreement on Safeguards
      Agreement on Subsidies and Countervailing Measures
      Agreement on Implementation of Article VI of GATT 1994 (Anti Dumping) & Countervailing Measures (ACM)
      Agreement on Trade-Related Investment Measures (TRIMs)
      Agreements on Textiles and Clothing (ATC)
      Agreement on Agriculture
      Agreement on Rules of Origin

   2. Trade in Services:
      General Agreement on Trade in Services (GATS)

   3. Intellectual property Rights:
      Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs)

C. Plurilateral Trade Agreements
   Agreement on Trade in Civil Aircraft
   Agreement on Government Procurement
   International Dairy Agreement
   International Bovine Meat Agreement
The WTO is the organisation for administering the GATT 1994, GATS, Agreement on TRIPs and all other legal instruments. Therefore, the multilateral trading system is referred to as the WTO Legal System. The WTO is assigned the responsibility to settle disputes amongst its member countries on the basis of the rules of the system.

As outlined by Hoekman (1995,p.1), from the point of view of the philosophy of the open market economy articulated through the four dimensions of liberalisation, privatisation, deregulation and globalization, the appropriate policies to be considered to evaluate a country's trade regime are:

1. Government Procurement and state trading;
2) Customs and related administrative entry procedures valuation, customs classification, consular formalities and documentation, rules of origin and pre-shipment inspection requirements, and temporary admission/drawback mechanisms);
3. Technical regulations and standards, testing and certification arrangements;
4) Quantitative restrictions, including embargoes, screen-time quotas, mixing regulations, discriminatory sourcing, measures to regulate domestic prices, or requirements concerning marking, labelling and packaging;
5) Charges in addition to tariffs on imports (such as prior import deposits, surcharges, port taxes, statistical taxes, discriminatory film taxes, use taxes, discriminatory credit restrictions, border tax adjustments);
6) Subsidies and related state aids;
7) Environmental, health and safety regulations;
8) Intellectual property rights;
9) Local content and performance requirements;
10) The treatment of FDI; and
11) The regulatory regime applying towards services.

The WTO Legal System has touched as many of the issues mentioned above as could be negotiated successfully in the Uruguay Round, thereby expanding its jurisdiction to address 'internal' policies of the member states, though the main focus of the WTO is not on minimising the distortions of the domestic trade policies pursued by a government. The WTO System tried to address the issue of trade liberalisation through four basic principles: 1) Tariffication of protective import regimes and phase-wise elimination of quantitative restrictions. 2) Gradual reduction and elimination of tariffs and other barriers to trade with the help of tariff bindings. 3) Reduction of discrimination from international trade through the most-favoured-nation (MFN) principle with the important exception permitted in the case of regional preferential arrangements. 4) The national treatment rule. Rahman (1994, p. 119) lists the following as the general principles: a) transparency, b) single undertaking, c) differential and more favourable treatment to the developing countries, d) balanced concessions, and e) financial and trade needs. The salient features of GATT 1994 are outlined below:

A. Agriculture:

The agreement calls for reduction of export subsidies by 24 per cent by value and 14 per cent by volume in the developing countries, and of domestic production supports exceeding 10 per cent. However, input subsidies for low-income farmers are permitted. The developing countries will have ten years to phase in such reduction. In order to remove market access barriers, a country must allow imports of a minimum of 3 per cent initially of domestic consumption of a hitherto banned product, which should climb to 5 per cent at the end of the sixth year. All quotas and other non-tariff barriers must be converted into tariffs and reduced progressively. The aggregate measure of support to agriculture is to fall by 13.3 per cent at the end of the tenth year. The WTO members must notify all subsidy programs to the WTO Secretariat on an annual basis. There is also the scope for "cross-notification" of subsidies by other members. However, two types of subsidies are allowed: subsidies for reducing the
cost of marketing agricultural products and subsidies to agricultural products to be incorporated in export products.

B. Textiles and Clothing:

The Multi Fibre Arrangement (MFA), which has been governing the system of import quotas in the textiles and clothing sector provided by the developed countries to the developing countries since 1974, will be phased out in 10 years starting from January 1, 1995, after the expiry of MFA IV at the end of 1994. Under the MFA, a developing country gets and administers a bilaterally agreed quota of exports to each market. The MFA will be eliminated in three stages. As soon as the Agreement comes into effect on January 1, 1995, products that accounted for not less than 16 per cent of 1990 imports would be integrated into the GATT. At the beginning of Stage 2 in 1998, 17 per cent more would be integrated. At the beginning of the 3rd stage in 2002, 18 per cent more would be integrated, and, finally, all the remaining 49 per cent would be integrated on January 1, 2005. During each stage, annual growth in import quotas on those products that are still under restraint would be increased by no less than 16 per cent per year over MFA IV in Stage 1 (until 1998), by no less than 25 per cent over Stage 1 in Stage 2 (1998-2001), and finally by no less than 27 per cent over Stage 2 in Stage 3 (2002-2004). Needless to say, we have entered the second stage now, and the remaining six years will be the most precious period for the RMG and knitwear sectors of Bangladesh to shape up and be ready for the stiff competition lying ahead.

C. Industrial Products:

Market access will be vastly increased through the elimination of industrial country tariffs on construction and agricultural equipment, medical equipment, steel, beer, distilled spirits, pharmaceuticals, paper, toys and furniture through a process called "zero-for-zero", from what the developing countries are exempted. Tariff cuts on electronic products will range between 50 and 100 per cent on selected items. Developing countries are to reduce bound industrial tariffs by 24 per cent. With the entry into force of the WTO, all
GATT members are required to submit a schedule of tariff bindings to the WTO. For the least developed countries, quotas to restrict imports are allowed only on balance of payments grounds. The average rate of tariffs for manufactured goods would be reduced to 3.8 per cent from the pre-UR level of 6.3 per cent, a 40 per cent reduction. The proportion of imports from developing countries facing a tariff exceeding 15 per cent will fall from 9 per cent to 5 per cent. The least developed countries will have 10 years to withdraw protection given to domestic industries.

D. Product Standards and Process Standards:

In order to ensure that the technical regulations and standards are not formulated and applied in a manner that causes "unnecessary obstacles to trade", the Agreement requires countries to ensure that their technical regulations are adopted wherever possible by using international standards, are applied on MFN basis, and do not extend to imported products treatment less favourable than that extended to domestic products. ISO 9000 (a comprehensive standard developed by the International Standards Organisation governing management design, purchasing process control, inspection and testing, control of quality and training) and ISO 14000 (environmental standards) are recommended in this regard.

E. Sanitary and Phytosanitary Regulations:

The sanitary and Phytosanitary measures are included in the SPS Agreement to protect human, animal and plant life or health from risks arising from the entry and spread of pests and diseases or risks arising from additives and contaminants used in food products.

F. Subsidies and Emergency Safeguard Actions: Anti-Dumping and Countervailing Measures

The Agreement prohibits the use of export subsidies for industrial products, which is to be phased in. The Agreement establishes three categories of subsidies, such as 'prohibited'.
'actionable' and 'non-actionable'. The least developed countries can take "safeguard actions" to protect domestic industries affected by liberalisation for a period not exceeding 10 years. The member countries of the WTO can also counter unfair trade practices of foreign suppliers by levying anti-dumping duties. The members are also allowed to impose countervailing duties to counter subsidies causing lower export prices of foreign suppliers. The Agreement lays down detailed procedural rules to be followed in taking safeguard actions or in levying anti-dumping and countervailing duties.

G. Safeguard Actions for Economic Development Purposes:

In addition to emergency safeguard actions, the GATT rules permit developing countries to take trade restrictive measures "to promote the development of a particular industry", but these provisions require that they have to be approved by the WTO before application.

H. Trade-Related Investment Measures (TRIMs):

The TRIMs Agreement prohibits countries from using five TRIMs considered inconsistent with GATT rules on national treatment and the rules against quantitative restrictions. These relate to local content requirements, trade-balancing requirements, restricting foreign exchange access to an amount attributable to the enterprise, domestic sales requirements and use of quantitative restrictions. The Agreement provides a seven-year transitional period to the least developed countries for the elimination of the prohibited TRIMs.

I. Customs Valuation, Pre-shipment Inspection and Import Licensing

The rules relate to methods to ascertain the value of imported goods, abolition of tariff values, pre-shipment inspection requirements, treatment of sole agency discounts, rules to ensure fairness of import licensing, etc.
J. Trade in Services

The WTO Secretariat has included 12 sectors of services. These are business (including professional and computer) services, communication services, construction and engineering services, distribution services, educational services, environmental services, financial (insurance and banking) services, health services, tourism and travel services, recreational, cultural and sporting services, transport services, and other services not included elsewhere. The GATS framework requires countries to apply MFN treatment as well as national treatment to international service providers. In GATS, the least developed countries were required to assume only token liberalisation commitments for the moment. However, the special provisions for the developing countries in the GATS provide that the government can ask the foreign service provider to establish a joint venture or to provide the local company access to its technology, information and distribution channels. It is significant that the developing countries failed to include the issue of trans-border movement of the natural persons with service skills (international movement of labour) in the GATS.

K. Intellectual Property Rights:

The issue of strengthening the protection of intellectual property rights was one of the most contentious topics of debate during the Uruguay Round of multilateral trade negotiations. The Agreements on TRIPs lay down the minimum standards for the protection of intellectual property rights as well as the procedures for their enforcement, the provisions of which apply to the following: Patents, copyright and related rights, trademarks, industrial designs, lay-out designs of integrated circuits, undisclosed information, and geographical indications. The Agreement reaffirms the basic principle of national treatment in the field of intellectual property rights. The least developed countries have a transitional period of 11 years to accept the obligations of the Agreement, which encompasses both product patenting and process patenting. It also provides for granting exclusive marketing rights for a period of five years as soon as the
application for a new product patent is received in the host country. In patents, members are required to provide protection for a minimum of 20 years in all areas covered. The Agreement prescribes the procedures and remedies that countries should adopt to enable IPR holders to obtain redress, to prevent release by customs authorities of counterfeit, pirated and other goods that infringe IPRs, and to prosecute the counterfeiters and pirates under criminal law. Barai (1997, p.93) suggests that the Agreement on TRIPs may usher in a new era of techno-imperialism, which will bring ominous consequences for the developing countries.

L. Functioning of GATT System (FOGS):

The WTO has come up with a number of dispute settlement mechanisms and dispute settlement bodies (DSB) to administer and monitor the compliance of the WTO Legal System. It provides for retaliation and cross-retaliation as well as cross-compensation in case of non-compliance and failure of the dispute settlement mechanisms. This particular strengthening of the dispute settlement and enforcement role will add to the clout of the WTO, and may create tensions, discords and even conflicts among the members.

M. New Issues:

These are 1) Trade and environment, 2) trade and labour standards, and 3) trade and competition policy.

N. Regional Preferential Trade Arrangements:

Although it may be regarded as contradictory to the principles of liberalisation and globalization, the WTO Legal System allows the formation and/or continuation of regional preferential trading arrangements or agreements among countries of different regions of the world, either neighbouring each other or sharing some attributes promoting such regionalization (free trade areas, customs unions, economic unions, common markets, etc.).
SECTION 3: OPPORTUNITIES FOR BANGLADESH'S EXTERNAL TRADE IN THE 21ST CENTURY

Theoretically, liberalisation of international trade should increase the welfare of the participants through creating a level playing field for all and reducing distortions and rent seeking. The advocates of free trade and open market economy also claim that, through facilitating competition in the field of international trade, the on-going globalization process has been creating an international trade regime based on the principles of specialisation according to comparative advantage and factor abundance. But, in the actual scenario of a World System characterised by inter-country relationships based on dominance by a few nations and 'dependence' of the weaker majority of nations, international trade inevitably becomes 'unequal exchange' in the various articulations of the concept. In this real world, the real game behind the founding of the WTO centres on the issue of expanding world market for the developed economic powers of the globe. The crux of the matter lies in building the elaborate edifice for an increasingly unhindered market access of products, services and capital from the developed countries in all markets irrespective of political borders, and in benign disregard of the inviolability principle of state sovereignty or governance systems.

Therefore, the opportunities for gaining benefits for a least developed country, like Bangladesh in the emerging world order of the 21st century, may at first sound like a contradiction in terms. It is true that Bangladesh's population can be regarded a huge potential reservoir of educated and skilled manpower that can achieve miracles in case they are given scientific education, training and technological skills through a massive investment drive and then productively employed with the help of appropriate technologies. But it is easier said than done, which implies that the opportunities may remain theoretical possibilities rather than actual. Moreover, it may sound a bit unfair that Bangladesh's immediate opportunities have arisen in the field of textiles and clothing purely because of the phasing out time allowed in the case of elimination of the notorious quantitative restrictions called MFA. (This may be a reason for the
lukewarm opposition seen in Bangladesh against the Uruguay Round draft proposals in sharp contrast to vociferous protests raised in India! It is undeniable that the WTO Legal System will eliminate the anti-export bias of the external trade regimes of the least developed countries like Bangladesh, and will help to curb the might of the system of institutional rent-seeking. But, it is crucial to realise that Bangladesh cannot just wish away the existence of its mighty neighbour India, whose policy regimes continue to wield tremendous influence on the pattern of legal as well as illegal trade flows in the South Asian region. Therefore, the opportunities will be achievable if this reality is properly considered by the policy makers of Bangladesh to avoid the mistakes of the last thirteen years.

The flexibility of the rules and regulations of the WTO allowed in the case of the least developed countries will provide precious adjustment times for Bangladesh in different fields mentioned in Section 2. The tacit agreement to continue the Generalised System of Preferences (GSP) will be another bonus. The rules regarding subsidies and agricultural supports actually allow countries like Bangladesh to provide much more assistance to the poorer farmers, both in the fields of production and marketing. There remains ample scope for providing protective support to selected domestic industries on the basis of the provisions of the 'safeguard actions for economic development purposes'. The invocation of the 'balance of payments needs' can be used wisely to curb imports deserving a relatively lower priority. As the tariff bindings are not that constraining for Bangladesh at the moment, the tariffication of import restrictions can be prudently used to keep the growth of imports under check. The process of tariff rationalisation can be a very effective tool to fight back against the well-entrenched rent-seeking system.

The deregulation process can be substantially speeded up with a proper administrative reforms program. The computerisation of the customs valuation and assessment will definitely help in reducing the legendary extortionary harassment of the exporters and importers. The rules regarding pre-shipment inspection are worth implementing provided we can judiciously use the marvellous opportunities created by the revolution in information technology. It should
be obvious from the points raised above that the vested interests will try to frustrate the needed reforms at every step. Moreover, it is crucial to realise that, in spite of the outer appearance of the WTO Legal System as promoting liberalisation of trade, the agreements have provided a built-in mechanism of selective protectionism from the developed country perspective termed by Krugman as 'enlightened mercantilism'. The rules regarding TRIMs, TRIPs, product standards, process standards, labour standards, environmental standards, anti-dumping duties, countervailing duties, cross-retaliation, etc. will emerge as very potent tools in the hands of the dominant capitalist countries to practise protectionism whenever they feel it expedient. Therefore, Bangladesh should not feel complacent about the transitory benefits arising out of MFA or GSP. However, the following fields seem promising for Bangladesh in the immediate future:

1) Composite textiles and linkage industries of RMG and knitwear industries;
2) Leather and leather goods;
3) Power generation;
4) Oil, gas and mineral exploration;
5) Private EPZs;
6) Frozen food;
7) Fish hatcheries and feed mills;
8) Diversified jute goods and jute-based pulp and paper mills;
9) Food processing, fruit canning and allied products;
10) Chemicals and petro-chemicals;
11) Ceramics;
12) Computer software and data entry;
13) Jewellery, gems-cutting and polishing;
14) Toys;
15) Imitation jewellery; and
16) Sport goods.

SECTION 4: WTO: CHALLENGES AND PERILS FOR BANGLADESH IN THE 21ST CENTURY

The liberalisation process of Bangladesh's external trade sector started almost a decade ahead of the birth of the WTO under the structural adjustment program prescribed by the
IMF and the World Bank. Concurrently, the spurt in the RMG and the knitwear exports was gaining in strength in the eighties and the nineties, which was boosted by the MFA quotas and the concessions obtained from the GSP. Therefore, there is a noticeable tendency to invent causal relationships between trade liberalisation and export growth of Bangladesh in the last 13 years. I submit that such a generalisation remains unsubstantiated, and this kind of spurious correlation may be quite harmful and misleading. On the contrary, what has been evidenced through research findings is that too rapid a pace of liberalisation, compared to that of its big neighbour India, has exposed the domestic market for foreign imports coming through both legal and illegal trade, especially from India, and that even the legal and illegal imports from other countries are being re-exported to India to take advantage of the uneven rates of liberalisation of the trade regimes of the two countries creating a lucrative incentive structure for arbitraging and profiteering by the smugglers. (Gafur et al. 1990 and 1991).

However, the success of the RMG and knitwear sectors is quite laudable, and the greatest challenge for Bangladesh's export sector would come from the phasing out of the MFA by 2005. This is because the competitiveness of these sectors will be grievously threatened in the absence of the MFA if the backward linkages of these sectors cannot be developed in the textiles and related manufacturing industries.

The Agreement on TRIPS will also emerge as a major threat in the near future, because of the fact that the mad rush for patenting and other measures for protecting the intellectual property rights will immensely increase the clouts of the multinational corporations in the fields of agriculture, electronics, information technology, chemical products, pharmaceuticals, high-tech products, etc. The developed countries will use the cross-retaliation measures to force the developing countries to comply with the demands of the multinational companies for payment of monopoly rents and royalties. Therefore, the new era may well be the era of 'recolonization', where the existing technology gap between the developed world and the third world will be widened to the peril of the people of the latter group of countries.

The Agreement on TRIMs will also emerge as a potent tool
for recolonization. The WTO Legal System ensures the gradual opening of the developing economies, even with the help of a 'sledge-hammer' (to quote the US trade representative in the 1993 Geneva meeting of GATT Uruguay Round), but the developed countries craftily retained the restrictive tools in many guises, like the labour standards, environmental standards, sanitary and phytosanitary measures, antidumping and countervailing duties, etc. The abolition of the prohibited TRIMs will make the access and withdrawal of DFI and portfolio foreign investment almost unhindered in the developing countries, the dangers of which have already been revealed in the case of the East Asian and South East Asian on-going crisis.

The GATS poses another potential danger for Bangladesh, though not in the immediate future. As Hoekman (1995, p.73) rightly points out, market access commitments by OECD countries tend to be more restrictive with respect to services in which developing countries have an actual or potential comparative advantage. Barai (1997, p.95) characterises GATS as an endeavour by the developed countries to extract extra-territorial benefits. It is very significant that the GATS could not include an agreement on the issue of liberalising the movement of Third World labour force to the developed countries.

SECTION 5: PITFALLS FOR BANGLADESH ARISING OUT OF THE WTO

Pitfalls refer to hidden dangers, which may seem rather innocuous from the point of view of an unsuspecting traveller. The WTO Legal System has got plenty of such pitfalls for a least developed country like Bangladesh, whose policy makers often tend to follow the dictates of their donor big brothers at their face value. The recent episodes regarding child labour in the Bangladesh’s RMG and knitwear sectors, the unhygienic conditions in the fish processing factories and the constant bickering regarding environmental degradation should make us aware of the seriousness of the future problems coming our way.

The issue of agricultural subsidies will become one of the seriously contentious issues for Bangladesh in the future,
though it is not so at present. On the one hand, the withdrawal of agricultural subsidies in the food exporting developed countries will increase the cost of Bangladesh's food imports in the future causing chronic balance of payments difficulties. On the other hand, any future agricultural support programs undertaken by Bangladesh may invite complaints from the trading partners regarding unfair trade practices that may lead to the adoption of countervailing duties.

The issue of providing protection to some industries may also be used to invoke such measures. Countervailing duties against Bangladesh's exports of clothing and leather goods may not be too far. The ten years that are provided to least developed countries to withdraw protection given to domestic industries should not be wasted. The issue of child labour should not be allowed to appear as a nagging problem for our industrial sector.

The sanitary and phytosanitary measures that will be asked for by the developed countries will embarrass Bangladesh in the future also. Especially, the requirements concerning environmental standards and health standards will prove to be quite costly for our potential exports. The same can be said about the safeguard measures.

The Agreement on TRIPs will bring up frequent complaints against Bangladesh in the WTO dispute settlement bodies, though the issues seem quite innocuous at present. The use of hybrid seeds may make our crop sector highly dependent on the whims of the multinational companies.

Even, the much-vaunted GSP facilities may land Bangladesh in frequent disputes on charges of fraudulent practices, corruption and forgeries, as is the case presently.

SECTION 6: CONCLUDING REMARKS

It is important to appreciate that traditionally all the GATTs are characterised as the "multilateralized versions of US Trade Acts enacted from time to time not necessarily in words but in spirits and contents." (Panchamukhi 1994, p. 29). GATT 1994 is also strongly influenced by the United States Omnibus Trade and Competitiveness Act of 1988. Moreover, it is quite significant that the Uruguay Round of
multilateral trade negotiations was visibly affected by the events leading to the abolition of the Soviet Union and the fall of the 'socialist' states of Eastern Europe. The Dunkel version, which is the mainstay of the Final Act of 1994, was launched in the nineties incorporating most of the controversial issues of TRIPs, TRIMs and GATS. So, the WTO Legal System is a direct manifestation of the current unipolar world power balance and world leadership. One of the leading exponents of International Trade theory, Jagdish Bhagwati, laments, "The notion that the United States should serve as a benign dictator laying down its own definition of a desirable trading regime instead of making progress by persuasion and mutual concessions is frankly an unacceptable one." (Quoted in Panchamukhi 1994, p.28).

Considering the fact that a peripheral state like Bangladesh is mostly at the receiving end of this power play, it is imperative for Bangladesh to properly prioritise the goals and objectives to achieve the most beneficial deal and to avoid the dangers and pitfalls lying ahead. The issue really boils down to the urgent need to launch the gigantic investment program for human development with the appropriate restructuring of the education system, wherein lies the key to our successful drive in the path of economic development. If the perfidious pretensions of the successive rulers of Bangladesh regarding the issue of giving top priority to education can be shunned, the results of such a crash program will show in no time. The question of national security of Bangladesh is not after all narrowly translated into a question of protecting the territorial integrity of Bangladesh from an outright foreign aggression. Bangladesh has already become a hapless victim of the machinations of the World Capitalist System and the invasion of the deluge of foreign products about to capture our domestic market. So, in this game of market invasion, our future army of educated and skilled manpower will be our source of strength.
REFERENCES


