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Economic Development of Bypassed Areas in Asia*

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I

An area may be defined as a bypassed area if it has been receiving no or inadequate attention in the development process. By implication more attention to such areas would bring better results.

There may be bypassed areas within the national boundary of a country. Similarly in the global context, there may be bypassed countries, regions or even continents, In this sense, Bangladesh may be treated as a bypassed country in Asia.

A less than average situation in terms of income, literacy or any other development criteria may not be adequate for an area to be identified as a bypassed area. Because of differences in natural resources, access to markets, etc. potentialities for development may differ between regions. That is why regional differences in the rate and level of development may be a common feature in the process of economic development. When regional differences increase as a result of deliberate discrimination or neglect or exploitation, the less endowed or disadvantaged area may be defined as a bypassed area. Sometimes areas with potential resources may also get by-passed because utilization of the potential resources of such areas may not be on the priority list of the development planners or because appropriate policies are not adopted or appropriate institutions are not built to exploit these resources. Political power and decision making process as derived from economic power mainly determine whether or not an area will be by-passed. Finally, a by-passed area may not remain by-passed in perpetuity. An area once classified as prosperous may become a by-passed area at some other time and vice-versa.

II

As an independent nation Bangladesh is only ten years old. It is one of the poorest countries of the world. Compared to many poor countries in this and other continents, Bangladesh is a fairly homogenous country in terms of physical and demographic characteristics, availability of resources and production potential. Yet, there are regional differences in some respects and patterns of regional differences have changed over time. For example, the south, west and north-western parts of the country

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were once more prosperous compared to the central and eastern parts. Now the situation is quite the opposite.

The causes of general poverty, underdevelopment and changing pattern of regional disparities in Bangladesh cannot be discussed without going deep into the history of development in the Indian subcontinent of which this country is a part. Such a detailed analysis is beyond the scope of this note. However, a few cursory remarks may be made.

During Mughal rule in India, Bengal was the eastern most Suba or province of the empire. Apart from their minimal loyalty and payment of revenue to the Mughal Kings, rulers of Bengal were quite independent in managing their economy. Bengal then had a prosperous economy with a self-sufficient agriculture and an expanding cottage industry and trade. Being a peripheral state of the empire, Bengal received none or little share of whatever development works the Mughal Kings performed.

After taking over the rule of Bengal and gradually other parts of India, the British East India Company pursued a policy of systematic de-industrialization in the colony with a view to making it a market for British industrial goods. On the other hand, India was made a source of chief raw materials, i.e. indigo, jute, cotton, etc. for British industries. Thus a prosperous economy first stagnated, then started declining.

During the late years of British rule, some industries were built in India by both the British and Indian capitalists. At the time, Calcutta was the capital of Bengal and some industries were established surrounding Calcutta. The area now constituting Bangladesh remained as a supply hinterland of food and raw materials for Calcutta. Being on the periphery, Bengal benefited very little from whatever investments the colonial government made in transport, communication and industry.

After nearly two hundred years of British rule and exploitation, India was divided into 2 independent states in 1947 and part of Bengal became the eastern part of Pakistan. Thus, a new era of discrimination, neglect and semi-colonial exploitation started. West Pakistan started progressing at the expense of East Pakistan. This process ended with the creation of independent Bangladesh in 1971 but the nation is now facing so many odds that very few countries have probably faced such a desperate situation in the history of their development. At present, endemic poverty is a more serious problem than regional disparities in Bangladesh. Given the nature and extent of her connection with and dependence on the world economy, Bangladesh is bound to remain a by-passed area for a long time to come.

III

In the global context, nearly whole of Asia excluding Japan and a few island states may be identified as by-passed areas. Most of the Asian countries were subjected to long standing colonial exploitation by the developed countries. Even after their

independence in recent times, the policies pursued by the developed countries vis-à-vis Asia provided little opportunity for these countries to develop fast enough to reduce gaps with developed countries.

The most important issue by-passed in Asia is the question of peace, freedom, cooperation and stability. Since the Second World War, Europe (previously the hot bed of war) and other developed countries have experienced peace and stability. These countries have also organized various forms of economic cooperation, and thus achieved high rate of economic progress. On the other hand, Asia, Africa and Latin America have become permanent battle fields since the Second World War. Besides fighting external enemies(?), some governments are fighting their own people. In some cases, the whole nation, in others various political, religious, cultural, linguistic and regional minorities are suppressed frequently by using armies that have been built apparently to safeguard national security against external aggression. Ironically, nearly all the arms and ammunitions used in the wars and internal military operations are produced and supplied by the developed countries.

Arms build-up and war impede development by diverting resources away from productive activities and by destroying whatever development work may have been done. Without doubt, countries like Vietnam and Bangladesh would be in a much better position today if they had not had to fight so long for their self-determination and freedom.

While developed countries have been organizing various forms of economic cooperation to acquire more economic power, most Asian countries have been going in their own ways, although they need more economic cooperation than the developed countries. On the other hand, some Asian countries have in the past organized military cooperation, some others are still doing it in collaboration with or with support from developed countries. In the past, military cooperation has proved to be useless and harmful for Asians and it is bound to prove the same in the future.

Asian countries have pursued development strategies based on foreign capital and aid. Economic relationships derived from colonial times played a decisive role in this respect. These countries have neglected the potentiality of a self-reliant growth strategy based on the resource base and long-run capabilities of the country. The political, economic and social costs of foreign capital and aid based development strategy is yet to be comprehensively analysed. However, it may be hypothesized that the costs will outweigh benefits in the long run.