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BURMA'S RECENT HISTORY, of turmoil and change (including the 1989 renaming to Myanmar), makes it a telling case study for the Asian region at large, in all its cultural, political and economic diversity. The November 2015 landslide election of the National League for Democracy, effectively headed by national icon Aung San Suu Kyi, indicates the altering mood of a country that has borne the effects of colonialism and military oppression for almost two centuries. Continuing the conversations begun with *Griffith Review 49: New Asia Now*, former diplomat and Burma scholar Andrew Selth takes a timely and insightful look at the evolution of Burma in the forty years since he was first posted to Rangoon.

Burma after forty years

Still unlike any land you know

Andrew Selth

The View From a River Boat

THERE IS A wide consensus among experienced Burma watchers that the country (known since 1989 as Myanmar) has changed more over the past five years than at any time since the abortive 1988 prodemocracy uprising. Some take the comparison back to General Ne Win's *coup d'etat* in 1962, which ushered in the modern world's most durable military dictatorship. Since Aung San Suu Kyi and the National League for Democracy (NLD) won government in an election landslide last November, expectations have risen that the pace of political, economic and social change will become even faster. A few observers have even begun speculating about the country's future role as a regional leader, a status it has not enjoyed since the late 1930s, when it was a British colony. Given the myriad problems it currently

faces, this seems rather premature. Then again, as Rudyard Kipling observed after a short visit to Burma in 1889, it is 'quite unlike any land you know about', and always has the capacity to surprise.¹

Mulling this over recently, my mind was taken back to the 1970s, when I was a fledgling diplomat on an extended posting to the Australian Embassy in Rangoon (now Yangon). I remembered a conversation I had with a Burmese scholar about the country's economic and social development. It set me wondering how much of that discussion was still relevant, after the passage of forty years, and whether Burma's fundamental goals and needs had changed.

It was February 1976, and I was on one of the Inland Water Transport Corporation's old twindeck riverboats as it slowly made its way through the network of canals and rivers that linked Rangoon to the Irrawaddy delta town of Bassein. I was on my way to the Mawdin pagoda festival, which is held every year on the coast, facing the Andaman Sea. Accompanying me on the trip was a Burmese friend who had just returned from a British university, where he had successfully completed a PhD in economics. He is now a retired senior civil servant, and a well-known public figure in Burma, so to protect his identity I shall call him Nyan Htut. Looking out over the ship's railing with him one warm evening, I saw what seemed to me to be an idyllic scene. As the sun was setting, a large, dun-coloured bullock in harness was pulling a simple plough through a paddy field, guided by a bare-footed farmer. The angled sunlight made the water glisten and heightened the vivid green of the rice shoots. The farmer's hat shone a golden yellow. Nearby was a small thatched basha, or shelter. On a mound in the distance was a white zedi or stupa, the most common kind of pagoda in Burma, surrounded by tall toddy palms.

Apart from its peacefulness and intrinsic beauty, this scene seemed to me to be a classic statement of Burma's historical self-reliance. Rice was the farmer's staple food and his main source of income, the river provided fish, and the toddy palms could be tapped to make sweet jaggery and a potent wine. The plough was largely made from wood and the farmer's hat was woven from palm fronds. The bullock ate grass and reproduced itself. Its hooves helped turn over the soil, which it manured with its droppings. It did not consume scarce fossil fuels, require expensive spare parts or emit toxic gases. On festival days, it could be hitched to a two-wheeled cart and take the farmer's family to the pagoda. After it died, its flesh and organs could be eaten in a variety of tasty dishes. Its hide could be tanned or used to make musical instruments. Even the bullock's hooves and horns could be put to good use. The basha, which provided the farmer with a shady place to rest, was constructed from bamboo poles and banana leaves. The zedi where he worshipped had been built with wood-fired bricks, hand-made from clay, straw shavings and rice husks. It was covered in mud plaster and whitewashed, using lime and other local ingredients.

In my callow, romantic imagination, this bucolic scene was a timeless snapshot of rural life in Burma, which I had seen reproduced in countless sepia-tinted photographs. Indeed, it was for centuries the image described by European explorers and literary travellers. During his visit to Burma, for example, Rudyard Kipling described such a view from 'the old Moulmein pagoda':²

...turning me around, [I] looked upon a view of water, island, broad river, fair grazing ground, and belted wood that made me rejoice that I was alive... Far above my head there was a faint tinkle, as of golden bells, and a talking of the breezes in the tops of the toddy-palms.³

With a few slight modifications, he could have been describing the scene before me, almost a century later. In the 1970s, 85 per cent of the Burmese population still lived a simple rural life.⁴ Under Ne Win's military regime, there were only two population centres in the country deserving the title 'city': the commercial and administrative capital of Rangoon, built after the Second Anglo-Burmese War (1852–53), and the old royal capital of Mandalay, which fell to British arms during the Third Anglo-Burmese War (1885–86).⁵ Most people could be found in the sixty thousand villages that dotted the countryside.⁶ There they followed a largely traditional lifestyle, relying on the ubiquitous black market to provide those essentials – from sunglasses to gearboxes – that could not be made or purchased locally.

As we gazed at this scene, I remarked to Nyan Htut that some of my friends in the West would see the life that it represented as something worth aiming for. Although the attractions of the so-called counterculture were starting to pale by the mid-1970s, quite a few people in Australia and elsewhere were leaving behind their conventional, well-paid jobs in the cities to go and live in the countryside. The aim of such 'tree-changes' was to reject the bustle, pollution and noise of modern life and adopt what these people considered to be a lifestyle more in tune with the natural environment. They hoped to rediscover the pleasures of wearing simple clothes, growing their own food, making their own tools in the traditional manner, and in other ways being closer to the earth – both figuratively and, in some cases, literally. Their worldview brought to mind Kipling's poem 'Mandalay', in which a retired British soldier, now working in a London bank, walks along the city's cold and gritty streets pining for 'a neater, sweeter maiden, in a cleaner, greener land'.⁷

NYAN HTUT WAS a worldly man with a deep affection for his country. I knew that he also had an artistic bent, and collected landscapes by local painters. So I expected him to agree with me, or at least to understand my feelings. Yet, he surprised me by reacting strongly to my comment. Life in the countryside was very hard, he said, and took a heavy toll on those who relied on their own labour to make a living and keep their families safe. The life expectancy of the average Burmese in 1975 was only fifty-two years. Ne Win's idiosyncratic Burmese Way to Socialism was a manifest failure, and had condemned most of the population to a life without ease or hope of advancement. It was difficult to calculate accurately but, by most measures, more than 75 per cent of Burma's population was living in poverty. In 1976, the average annual per capita income had barely reached US\$90, a level last recorded just before the outbreak of World War II. Only about one quarter of the population had access to electric power, and even then the supply was erratic. In Rangoon, 'brownouts' and 'blackouts' were common. Unless you were a senior government official or a member of the armed forces (known as the

Tatmadaw, or 'royal force'), career opportunities were limited. Indeed, the best way for someone to achieve any social mobility was to become an army officer.

More to the point, Nyan Htut continued, the 'idyllic' picture that I had painted was fine if the aim was for Burma to remain at its current level of economic and social development. He felt that the only way for the country to advance was significantly to increase its agricultural output. He reminded me that in 1931 Burma was the largest rice-producing country in the world, exporting 3.25 million tonnes. This accounted for about 45 per cent of total export earnings. At that time, it had just over 5 million hectares of paddy fields under cultivation. By 1974, this area had risen to 8 million hectares, producing 8.5 million tonnes of paddy, but rice exports had dropped to 0.21 million tonnes. Looked at another way, when the Korean War stimulated global demand in the early 1950s, Burma controlled 28 per cent of the world's rice trade. By 1970, it controlled only 2 per cent. Even taking into account the devastation caused by World War II and subsequent increases in Burma's population, Nyan Htut said, this was a very poor record. Only by exploiting the country's vast untapped potential and generating a higher level of production could Burma earn the foreign exchange necessary to import the modern technology, capital goods and expertise it needed. This meant larger paddy fields, increased mechanisation, greater diversification and modern ways of harvesting, milling and marketing the crops.

I recall making a rather tasteless joke about the collectivisation of agriculture in Russia during the 1930s, and the terrible famine that followed. It seemed to me that the average Burmese farmer, proverbially famous for his independence and distrust of officialdom, was better off without an ideologically blinkered and inefficient government running his life. (The 'five evils' of Burmese folklore were flood, fire, thieves, enemies and, last but not least, kings – that is, the state.) This comment prompted another serve from Nyan Htut. He held no brief for the Ne Win regime, he said, which had completely distorted the concept of socialism and deprived millions of Burmese of a secure future. As clear proof of its failure, corruption was rife and the (technically illegal) black market was probably larger than the official economy. An estimated 90 per cent of the population made use of it. However, he recognised that if Burma's standard of living was to rise, for the benefit of all, the country had to keep pace with the rest of the world, or at least other states in South-East Asia. To his way of thinking, Burma's ingrained culture of small rural holdings operated by individuals using traditional techniques was no longer viable.

I had clearly hit a nerve, and tried to change the subject. But more was to follow. Nyan Htut turned to the centuries-old custom in Burma of acquiring merit by putting gold leaf on pagodas and Buddha images. The revered Shwedagon Pagoda in Rangoon, for example, was reputed to be covered in up to fifty tonnes of pure gold, including gold bricks and gold plate. It was a rough guess, but in monetary terms this was worth about US\$350 million in 1975, or almost 1 per cent of Burma's GDP.¹⁷ If the gems on the pagoda's *hti*, or umbrella, were added, the sum would be much greater. Like most Burmese, Nyan Htut was a devout Buddhist, but to his Western-trained mind this was a waste of disposable income, which could be used more productively to lift the population's standard of living. It

could contribute to the accumulation of capital, for which the Burmese had long relied, usually reluctantly, on local Chinese and Indian entrepreneurs. For subsistence farmers, it could ease the burden of rural debt, which was a longstanding national problem. Although he had spent some time in a monastery himself, Nyan Htut was also unhappy about the fact that, at any one time, hundreds of thousands of young men in Burma, possibly up to 3 per cent of the total population, opted out of the workforce to become *pongyis*, or Buddhist monks, relying on community donations for their daily sustenance.¹⁸

His was a pure economist's view of Burma and its development needs, which I did not have to share. Even so, his comments made me feel a little shamefaced. After all, I was a foreigner, living a comfortable life in Rangoon with a good income, servants and access to diplomatic privileges. As a single young man still excited by his first sojourn overseas, Burma's isolation, lack of modern facilities and curious socialist government were more of a challenge than a problem. During my time in Burma, I had heard plenty of stories and even seen a few examples, but I had not directly experienced the harsher elements of military rule. The fact that the country had barely recovered from World War II before entering a time warp under Ne Win was not really an issue for me. (The standing joke made by pilots on commercial aircraft arriving from Bangkok was to tell passengers to set their watches back fifty years.) Indeed, Burma's crumbling colonial buildings and decaying infrastructure gave it a certain antique charm. Also, to my mind, its reliance on natural materials and traditional skills gave it a texture and authenticity that was hard to find in more developed countries, which tended to rely on cheap, mass-produced goods. However, unlike tourists, who in those days could only get a visa for seven days, I had spent almost three years travelling around the country, talking to people and learning about its history and culture. I could have been a little more sensitive.

Nyan Htut was too polite to accuse me of being naive, or even patronising, but he clearly felt that despite my time in Burma I had not grasped the reality of its dire circumstances and pressing need for economic and social change. Rural life in Burma was very picturesque, as illustrated by the many postcards and photograph albums published during the colonial period, and the growing number of coffee-table books being produced by more recent visitors. However, all those pictures of 'Eastern' sunsets, golden pagodas and colourful ethnic minority groups disguised a harsh reality. Nyan Htut knew this from his studies and, despite his relatively elevated status in Burmese society, first-hand experience. He believed strongly that, unless something was done to raise the country's GDP, then it would not progress, its basic needs could not be met and its people would continue to suffer from a lack of modern facilities and services. From his point of view, Burma sorely needed the kinds of technology, equipment and specialised expertise that only increased agricultural production and greater foreign exchange could buy. He also understood that, for the country to prosper and grow, it had to be more open to the world of international trade and finance.

Many of Nyan Htut's views were shared by the international community, which for years had been trying to persuade the Ne Win government to abandon its rigid ideological stance and adopt what

they considered to be a more practical and humane approach to economic and social development. The counsellor of the Soviet embassy in Rangoon told me at a reception one night – in confidence, of course – that he was embarrassed by Burma's claim to be socialist. The rather confused amalgam of Marxist, Buddhist and Humanist ideas that constituted the Burmese Way to Socialism was to his mind simply muddled thinking. It had turned one of the region's richest countries into one of the world's poorest; hence the common saying, 'from rice basket to basket case'. (In 1987, Burma asked the United Nations for Least Developed Country status, so that it could be granted relief from its ballooning debts. In 2015, despite significant economic advances and a high literacy rate, Burma was still one of forty-eight countries on the LDC list.) Burma accepted some official development assistance, mostly through UN agencies and countries like Japan and West Germany. As the local manager of Australia's Colombo Plan projects, I knew that all aid had to be granted without any strings attached. This struck me as understandable, but the Soviet counsellor and my other diplomatic colleagues in Rangoon saw Ne Win's attempts at national self-reliance as misguided primitivism, and his strictly neutral foreign policies as xenophobia.

These views were strengthened by the reclusive dictator's personal eccentricities. As the British scholar Robert Taylor has recently shown, many of the stories which circulated about Ne Win were apocryphal.¹⁹ Most stemmed from his interest in astrology and numerology. For example, the decision in 1970 for Burma to change from driving on the left-hand side of the road to the right-hand side was believed to be because his astrologer felt that the country had moved too far to the left, in political terms. In 1987, Ne Win introduced 45-kyat and 90-kyat currency notes, prompting the observation that the face values added up to nine, his lucky number. It was also rumoured that he walked backwards over bridges to ward off evil spirits, and bathed in dolphin's blood to extend his life to the age of ninety. There was no hard evidence for such claims. Some other stories, however, were easily confirmed. In 1975, Ne Win was so annoyed by the Western pop music playing at a hotel near his lakeside home that he personally went around there, escorted by his military bodyguard, and smashed the band's drums. He enjoyed the good things of life, particularly on his frequent overseas trips, but in many ways he was notoriously abstemious. He told the Australian ambassador in 1975 that 'all the Burman wants is enough rice in his belly and two longyi (sarong) lengths a year'. 20 Even his beloved Tatmadaw was starved of resources. Such an attitude did not encourage confidence in the regime's ability to manage Burma's affairs, let alone lift it from its then sorry state.

Before he retired from the civil service, my friend Nyan Htut helped plan Burma's economic growth. He also played a role in managing the country's relations with foreign aid agencies. These grew apace after 1976, when the World Bank formed a Burma Consultative Group consisting of ten donor countries and multilateral lenders. I have not seen him for years, but I cannot help wondering what he would say if I reminded him of his passionate exposition on that old riverboat forty years ago. I suspect that he would defend his basic premise about the country needing to modernise and grow in order to make progress. The same hard-headed logic seems to have been behind the economic reforms tentatively introduced by the State Law and Order Restoration Council (SLORC) after 1988 and, in a much more

comprehensive and considered way, by President Thein Sein's mixed civilian-military administration, which took office in 2011. Take Nyan Htut's vision of increased agricultural output, add a few references to natural gas revenues, foreign direct investment and international expertise, and his broad thesis would not be very different from the policies that, over the past five years, have transformed Burma from the isolated, poverty-stricken backwater we once knew, to the rapidly developing regional state that it is now.

The Statistical Picture

AS SCHOLARS LIKE Peter Perry have written, it has always been risky to quote statistics to prove a point relating to Burma, particularly those compiled by successive military regimes.²¹ Despite their elaborate bureaucracy and passion for red tape, they never seemed able to compile reliable data. One reason for this was that junior officials were usually too fearful of their superiors to report anything other than steady progress. Graphs showing the country's agricultural output inexorably pointed upwards (as graphs showing the level of social problems like violent crime always pointed downwards). The shonky figures seemed to be accepted without question by the higher authorities, who routinely published them in official bulletins. It was never clear whether such statistics were meant to fool the international community or Burma's own population. Some critics of the regime suggested that they were in fact designed to give Ne Win and his supporters the illusion that their experiment in socialist autarky was successful and that, despite all appearances, the country was thriving. If so, it was an exercise in self-delusion that was exposed in 1988, when the government was finally forced to face its record of criminal mismanagement. Whatever the reason, Burma's statistics simply could not be trusted.

Caution in citing specific numbers is still advised, but the data available now is sufficiently comprehensive and accurate to give a good idea of the extent of the changes that have taken place, or in some cases remained the same, in Burma over the past forty years.

For much of the twentieth century, the size of Burma's population was unknown, as there had not been a comprehensive and reliable head count since the last British census in 1931. However, in 1975 official estimates put it at about 30 million.²² Ne Win considered this figure far too small for a country surrounded by giants like India and China – hence the ban, until 1993, on the sale of contraceptives (and the large number of illegal abortions). In 2014, a national census supported by the United Nations Population Fund found that, despite a slowly falling birth rate, Burma's population had almost doubled to 51.5 million.²³ A large proportion of those people – about 40 per cent – lived in the central lowlands, in the three regions incorporating the country's main cities. Revealing a gradual demographic shift, some 33 per cent of the total population is now listed as urban.²⁴ When I lived there in the mid-1970s, Rangoon was a leafy, low-rise city of 1.5 million people, in an area of about 210 square kilometres.²⁵ Greater Rangoon is now a bustling metropolis of 5.21 million, covering almost 615 square kilometres.²⁶

Mandalay, once known for its stately pace of life, has grown from a modest 418,000 people living within 80 square kilometres to 1.2 million people spread over 118.5 square kilometres.²⁷ Even though it is only ten years old, the country's purpose-built administrative capital, Naypyidaw, boasts a population of around 1 million. Estimates of its area have ranged between 1,035 and 4,800 square kilometres, but according to official sources the city precincts (covering two districts and eight townships) cover an extraordinary 7,000 square kilometres.²⁸

There have been other changes to the urban landscape. Forty years ago, most of the motor vehicles on Burma's roads were British and Canadian trucks left behind after World War II, and Hino buses, Mazda jeeps and tiny pickups (known as lei bein) provided under a Japanese post-war reparations program. There was also a small number of cars imported (often by sailors) during the 1950s. After new regulations were introduced in 2011, all these old vehicles disappeared, to be replaced by new models. Between 2011 and 2014, the number of registered vehicles in Burma grew from to 2.4 million to 4.4 million.²⁹ Most came from Japan and South Korea. In a few celebrated cases involving wealthy military officers and their 'capitalist cronies', luxury cars were imported from Europe. (Visiting Rangoon in 2015, it was surreal to look out of the window of my battered taxi and see a bright yellow Lamborghini draw alongside.) Mandalay's quaint horse-drawn gharries have almost gone, replaced by thousands of noisy Japanese and Chinese motorcycles.³⁰ Unfortunately, the national transport network has not developed at the same pace. During the 1970s, there were about 30,000 kilometres of roads, only 21,515 of which were suitable for light motor transport.³¹ By 2013, there were still only 148,000 kilometres of roads, and nearly 80 per cent were unpaved – this in the largest country in mainland South-East Asia.³² Some major routes still only have a single lane. ³³There are plans to expand the road system but at present it is barely able to cope. Motor vehicle accidents are common, and traffic jams in Rangoon are now a daily occurrence.

ANOTHER NOTABLE CHANGE in Burma has been the influx of foreigners. The former military regime's attitude to tourists was ambivalent. They were sources of foreign exchange, but were also considered potentially subversive. This thinking lay behind the strict visa regime. After the 1962 coup, tourist visas were only issued for twenty-four hours. This was extended to seventy-two hours in 1969 and seven days in 1971. After 1988, the SLORC still had reservations – even the relevant minister worried that 'tourists can instigate trouble and spread misinformation' – but it gradually relaxed its policies.³⁴ Two-week tourist visas were introduced. By 1994, stays of one month were permitted. In a bold departure from past practice, the regime designated 1996 'Visit Myanmar Year', but only 200,000 tourists accepted the government's invitation. Visa restrictions were further relaxed, but in 2011 there were still only 816,000 foreign visitors. That year, however, a government was installed that met with greater international approval, prompting Aung San Suu Kyi to further relax her opposition to tourism. By 2015, the annual number of visitors had catapulted to 4.7 million.³⁵ According to an official survey, in 2012 there were 2,800 hotel rooms in Burma. There are now over 51,000, but even that number cannot cope

with the demand.³⁶ Unsurprisingly, tariffs at the major hotels have skyrocketed. Between 2011 and 2012, they increased almost 400 per cent.³⁷ Annual receipts from tourism are expected to reach US\$10 billion by 2020.³⁸

There has also been a marked change in the profile of foreign visitors. Forty years ago, most tourists were young backpackers happy to endure the lack of hotels, shortage of transport and unsanitary conditions. In 1979, the Lonely Planet guide warned that Burma 'is far from the easiest or most comfortable country in Asia to visit'. 39 Also, to see the main sites in Upper and Lower Burma, all in seven days, required a fairly robust constitution. These days, 18 per cent of the tourist market is made up of package tours. About 35 per cent of foreign visitors are aged over fifty-one. 40 They expect certain comforts, and are prepared to pay for them. Ask old Burma hands what has changed most in this sector, however, and the answer is likely to be the availability of potable water, which has made internal travel much easier and safer. There were a few purification plants in the 1970s, but this development has really only occurred over the past decade. In 2008, there were 320 bottled water factories in Burma. In 2013, there were reported to be 657.41 The quality of some brands is doubtful, but simply being able to buy plastic bottles of drinking water has transformed the tourist trade. Medical evacuations to Bangkok occur far less often than in my day, when food and water-borne diseases took an alarming toll on foreign residents and visitors alike. At about US\$0.25 per litre, purified water is still too expensive for most Burmese to drink regularly; in 2013, the consumption of bottled water per head stood at just 0.1 litres, compared with a regional average of 21 litres.⁴²

After 1988, the SLORC and its nominal successor, the State Peace and Development Council (SPDC), introduced a range of modest economic reforms, some of which encouraged foreign entrepreneurs to seek openings in Burma. However, after some had their fingers burned, many pulled out. The Kafkaesque regulatory framework surrounding foreign direct investment and restrictions on the repatriation of profits were powerful disincentives. (Some foreign firms used their local earnings to buy pulses, which they could sell outside Burma for hard currency.) It has only been since 2011, when President Thein Sein introduced a range of macroeconomic reforms, and most foreign sanctions were lifted or suspended, that Burma's economy has really taken off. Annual GDP growth in 2011 was 5.9 per cent, but since then it has been between 7.5 per cent and 8.5 per cent. This is higher than the average rate for the entire East Asia and Pacific region.⁴³ Although it is now modifying some of its earlier bullish forecasts, the World Bank has projected continuing high levels of growth. There has been a major inflow of capital from foreign companies, attracted by Burma's abundant natural resources, its need for modern technology and its hunger for consumer goods. There is also strong interest in Burma's low cost and loosely regulated labour market. Barring unforeseen disasters, or a sudden downturn in Burma's economy, foreign direct investment is expected to reach US\$100 billion over the next two decades.⁴⁴

Agriculture and the processing of agricultural products currently provide 60 per cent of the country's GDP and employ about 65 per cent of the population.⁴⁵ Rice production jumped after the introduction of winter cropping and high-yield varietals in the 1970s, but since then it has risen slowly. In

the fiscal year 2014–15, Burma exported 1.7 million tonnes of rice. However, according to a World Bank report published at the same time, the country has the potential to double its rice exports by diversifying and increasing rice production, opening its rice milling sector to foreign investment and reducing export procedure costs. Due in part to lingering resentment of British colonial business practices, which are still portrayed by Burmese nationalists as predatory, there is some reluctance to permit foreign companies to exercise control over key aspects of the country's economy. Because of its vital role in external trade, and in the maintenance of internal stability, the rice industry has always been a particularly sensitive area. However, laws have been eased to permit investment in the extractive sector and light industries. Burma's abundant teak forests, mineral and gem deposits, fisheries and offshore natural gas reserves are already being heavily exploited. Several Western fashion houses now purchase clothing from Burmese garment factories run by South Korean and Chinese interests. Increasingly, US and European companies are establishing a presence in the country.

Burma produces enough food for its people, but many go hungry due to a lack of purchasing power. About one quarter of the population lives below the poverty line.⁴⁸ Despite its natural riches, the country's average per-capita income (US\$702) is less than Laos and Bangladesh.⁴⁹ For example, the women seen breaking stones by hand to pave country roads, in grotesquely misnamed 'poverty alleviation projects', are paid about US\$1.20 per day. The mandatory minimum wage for urban workers, introduced last year, is US\$67 for an eight-hours-a-day, six-days-a-week working month. This gives manufacturers in Burma a competitive advantage over places like Cambodia and Vietnam, where textile workers typically receive between US\$90 and US\$120 per month.⁵⁰ Their salaries leave Burmese workers precious little for discretionary spending, but the local markets are overflowing with foodstuffs and cheap consumer goods, most imported from China, India and Thailand. For a price, it is now possible to buy everything that, not so long ago, could only be found on the black market. Increasingly, traditional bazaars (zei) and street sellers in the larger population centres have to compete with modern shopping malls, department stores and supermarkets.

MANY OF THE changes seen since 2011 have been beneficial, broadly speaking, but in a number of areas Burma seems to have marked time, or even gone backwards.

For example, one result of the economic boom since 2011 has been a surge in the cost of living, particularly in the cities. Natural disasters like the 2015 floods push the price of essentials even higher. Also, as the Australian economist Sean Turnell has noted, corruption and financial irregularities underpin almost all major transactions in Burma. The local population is always the hardest hit by such factors, but foreigners are also affected. According to a recent survey, expatriates now find living in Rangoon more expensive than in Berlin, Rome or Madrid. Real estate prices have risen dramatically over the past five years. For Japanese businesses, the cost of land and rents in Rangoon is comparable to downtown Tokyo. As Georgetown University's David Steinberg has written, forty years ago landlessness was a marginal issue, but it is now said to affect up to 30 per cent of the population. Land confiscation disputes

are becoming more common and many of them end in violence. Also, the high demand for modern hotels, offices and apartments, often being built by Burma's wealthy generals and their 'cronies', is threatening the destruction of many fine old colonial-era buildings. An effort is being made to preserve what urban historian Ian Morley has described as 'the last example of a "colonial core" still intact in Asia'. As he eloquently puts it, Rangoon is 'a city that has captured time'.⁵⁵

After 1988, the military regime turned a blind eye to corruption and permitted senior officers and their cronies to amass considerable wealth. ⁵⁶ This opened a significant gap between the rich and the poor, which has been compounded in recent years by increased urban-rural disparities. As already noted, Burma's current poverty rate has been calculated at 26 per cent of the population. It varies between states and regions, but the level is twice as high in rural areas, where 67 per cent of the population now lives. ⁵⁷ Also, as one observer has noted, the urban-rural gap 'is conspicuous in every aspect of the common man's life, be it access to education and healthcare, infrastructure, power, communication or even general living standards'. ⁵⁸ The 2014 census revealed how this gap has translated into social and economic inequality, and unbalanced development. For example, life expectancy in the cities is seven years longer than in the countryside. About 72 per cent of private motor vehicles are found in urban areas, compared to 28 per cent in rural areas (where 29 per cent of households still use bullock carts). About 77 per cent of the urban population uses electricity for lighting, as opposed to 15 per cent in rural areas. Some 64 per cent of the urban population has a mobile phone, compared with 21 per cent in rural areas. ⁵⁹ This gap has encouraged a drift to the cities (and countries like Thailand) in search of work and a better life. ⁶⁰

Under Ne Win, tertiary students were viewed with suspicion as potential trouble-makers and kept under close surveillance. (It was said at the time that about 20 per cent of the student body was fulltime agents of, or part-time informers for, the feared Military Intelligence Service.) Even so, the nineteen universities and professional institutes offered a reasonably good education. The country's literacy rate of 60 per cent was among the highest in the region. After the 1988 uprising, which was itself sparked by student protests, the ruling military council created an uncoordinated network of 154 tertiary-level institutions, spread around the country. This was ostensibly to share opportunities for a higher education more equitably among the population, but it was also to disperse the students and make them easier to control. During the 1990s, most centres of higher learning were closed for lengthy periods, and when they were open they lacked the most basic resources. The system effectively collapsed. Most students were forced to rely on private tuition or, if they could afford it, to go abroad. Education was also given a low priority by the Thein Sein government, which allocated the sector a smaller percentage of GDP than any other country in the world except Equatorial Guinea. 61 The only institutions of higher learning that received adequate government support were those found within the military system. Despite this, the education sector is starting to revive and standards are gradually rising. This trend is assisted by the national literacy rate, which now exceeds 90 per cent.⁶²

During the 1970s, professional medical standards in Burma were generally high, but the public health sector was a shambles, crippled by a chronic lack of funds, facilities and medical supplies. Most

patients had to buy their own medicines on the black market. It didn't help that Burma was, as the resident World Health Organisation representative told me at the time, a living laboratory of almost every disease he had studied at medical school. This was in 1976, just after a thousand people in Mandalay had been diagnosed with bubonic plague. 63 There were then over five million rats in Rangoon, excreting an estimated 65,000 tonnes of faeces every year. 44 Yet public sanitation was almost non-existent. In 2000, the WHO's World Health Report ranked Burma 190 out of 191 member states on overall health system performance, and 129 out of 191 on the overall health of its population. 55 Burma's current health needs have been described as 'formidable and complex'. 66 Under Thein Sein, an attempt was made to improve the situation but the sector still struggled for support. In 2014, for example, health was allocated only 3 per cent of the annual budget. (Defence received 12 per cent.) More than two thirds of all health spending in Burma still comes from private sources. Life expectancy in Burma has risen to 66.2 years, but it ranks only 171 out of 224 countries surveyed by the UN. 59 The incidences of drug-resistant malaria, tuberculosis and HIV are among the highest in the region.

In addition, since the 1970s Burma has paid a heavy price in terms of environmental degradation. Under Ne Win, there were few major industries to cause pollution. Also, the government lacked the resources, technical means and in some areas the access to exploit the country's natural riches. When the SLORC took power in 1988, however, it was so desperate for funds that, to quote one activist group, it 'began to sell Burma's natural resources like fast food'. 71 By the early 1990s, for example, forty-seven Thai firms had been awarded lucrative logging contracts. While paying lip service to international conventions, the SLORC ignored the ecological and social impact of these operations until 1993, when it tried to regain control of the forestry industry. At the same time, businesses and criminal syndicates took advantage of corrupt officials and the lax enforcement of environmental protection laws to pillage Burma's jade, gems, timber and marine resources. Burma's precious wildlife also suffered. Since 2011, an attempt has been made to exercise greater control over all these areas, but Naypyidaw lacks the legal and administrative structures, funds and political will needed to enforce even the limited laws and regulations currently in place. Also, despite official statements about ecologically and socially responsible development, the greatest imperative is clearly economic growth, particularly in the potentially destructive energy, extractive, agricultural and tourism sectors. Between 2000 and 2015, for example, Burma lost 20 per cent of its forest cover, the third-highest annual rate of deforestation in the world.⁷²

The New Political Landscape

THESE STATISTICS PAINT a stark picture, but they tell only part of the story. When I've walked around cities like Rangoon and Mandalay over the past few years, and occasionally travelled to more remote areas of the country, I have been struck by several other major changes to Burma since I lived there. While some give cause for optimism, others prompt mixed feelings.

Forty years ago, almost everyone in Burma proudly wore the national costume. (Because they did not wear longyis, the British colonialists were known as 'trouser people'.) Also, women still used a traditional makeup known as thanaka, made from the aromatic bark of a tree. Encouraged by the military regime's inherent conservatism, modesty was stressed in dress, speech and behaviour. Female teachers were required to wear long-sleeved eingyis, or blouses, and in Mandalay it was frowned upon for women to ride bicycles. Western cultural influences were muted. This was in strong contrast to Bangkok, which I occasionally visited on official duty. In those days of the Vietnam War, the Thai capital was a noisy, polluted and rapidly expanding city of some 4 million people, dominated by American popular culture and dubious businesses catering to servicemen on 'rest and recreation' leave. Burma has a long way to go before it reaches that state, but its cities are gradually acquiring the trappings of modern international commerce, such as electronic advertising hoardings, KFC fast food restaurants and Pepsi Cola. No longer subject to the military regime's strictures against 'alien cultural influences', many young Burmese have embraced Western styles of dress and music, often filtered through countries like South Korea. There is even an underground punk scene. Burma always had a commercial sex industry but it is becoming larger, more open and more geared to foreign visitors.

Many of the older generation regret these changes and the loss of the more measured pace of life that prevailed before 2011, or even 1988. Also, while they are pleased to see the return of educated Burmese from places like the UK, US, Australia and Singapore, they worry about some of the foreign influences that they bring with them. As an Asia Foundation survey found in 2014, honesty, responsibility and hard work are still highly valued, but there is a sense that standards are slipping.⁷³ Of particular concern has been an apparent weakening of traditional cultural norms, such as respect for teachers and elders. Conservative elements also complain that ostentatious displays of wealth, a heightened demand for modern consumer goods and easy access to the internet are changing patterns of behaviour. Violent crime is said to be increasing, particularly in the cities. In 2009, a SIM card in Burma cost about US\$2,000. They are now US\$1.50 each, and it is de rigueur for young Burmese to have mobile phones and other modern appliances. (This has prompted Aung San Suu Kyi to criticise the time spent by children playing computer games.) Social networks have permitted unprecedented intercommunal links and have become influential in mobilising opinion. This has not always been for the better. In 2014, for example, the false report on Facebook of a rape in Mandalay caused a race riot. In 2015, a satirical reference to Buddhism on Facebook saw a Rangoon-based foreign businessman sentenced to two years hard labour for insulting the religion.

Perhaps the greatest difference between the country in the 1970s and now has been in the political climate. After the collapse of Ne Win's socialist government in 1988, first the SLORC and, after 1997, the SPDC ruled by executive fiat. An opposition election victory in 1990 was ignored. In 2003, the military regime announced a seven-step 'road map to discipline-flourishing democracy'. Five years later, a new constitution was promulgated, followed in 2010 by a managed election for a hybrid civilian-military parliament. After a total of almost fifteen years, opposition leader Aung San Suu Kyi was released

from house arrest. The new parliament, consisting of both elected members (75 per cent of the total) and military appointees (25 per cent), met in 2011 and chose former general Thein Sein as president. Regime strongman Senior General Than Shwe and other members of the armed forces leadership retired, and the Tatmadaw stepped back from day-to-day politics. With the blessing of the new Commander-in-Chief, Senior General Min Aung Hlaing, the government introduced sweeping political, economic and social reforms, prompting some observers to tag Thein Sein the 'Gorbachev of Burma'.⁷⁵ In 2012, by-elections were held in which Aung San Suu Kyi and forty-two other members of the NLD became MPs. In 2015, relatively free and fair national elections were held, resulting in a landslide victory for the NLD, which formed a new government in March 2016.

Thanks largely to the 2008 constitution, which is heavily weighted in favour of the Tatmadaw, the armed forces remain the most powerful political institution in Burma. In 2012, some two thousand names were removed from an official register of enemies of the state, but four thousand dissidents, exiles and foreigners still appear to be blacklisted. Also, at last count, seventy-eight political prisoners remain in detention, and human rights abuses continue to occur. Despite this, however, there is now a palpable sense of freedom. The Burmese people can speak much more openly about the country's problems and the press is surprisingly frank about the shortcomings of the government and security forces. There are no obvious restrictions on use of the internet and booksellers offer a wide range of foreign publications, some of which are highly critical of past and current governments. Works banned by the former military regime are openly advertised for sale, in both English and Burmese. In 2012, a translation of George Orwell's Burmese Days, which was blacklisted by Ne Win, won a national literary prize. Once spoken about in hushed tones by a fearful yet adoring public, Aung San Suu Kyi's picture is now to be seen everywhere, in newspapers and magazines, on calendars and posters, T-shirts and fridge magnets. One souvenir prized by tourists is a coffee mug showing her in an awkward embrace with US President Barack Obama, who visited Burma in 2012. For most Burmese, it is a new world, and a most welcome one.

ALL THAT SAID, Burma still faces many serious challenges, some of which may well prove to be intractable.

More than forty insurgent groups have emerged in Burma since it regained its independence from Britain in 1948. During the 1970s, there were vast tracts of the countryside where the military regime's writ did not run and foreigners normally could not go. These were mainly around the country's periphery, which was controlled by communist insurgents, ethnic guerrillas and narcotics warlords. However, rebels and bandits (known as *dacoits*) still operated in the Irrawaddy River delta and the central Pegu Yoma mountains. In 1973, two Russian aid experts were kidnapped by insurgents from Taunggyi, the capital of Shan State. When I visited Myohaung (now known as Mrauk U) in 1975, the Arakan state authorities insisted that I have an armed police escort because of the threat from rebels. The Tatmadaw struggled to make any headway against their opponents with the slim resources at their disposal.⁷⁸ One notable deficiency was airlift and medivac capabilities. I once flew from Heho Airport to Rangoon in a

civilian aircraft that had been commandeered by the army to take wounded soldiers to hospitals in the south. The Communist Party imploded in 1989 and, by the 1990s, a number of key drug lords had retired or been removed. During this period, a series of truces was arranged that resulted in a suspension of the fighting – in some areas for more than twenty years. Serious negotiations with non-state armed groups over a more comprehensive ceasefire agreement have begun, with a view to a nation-wide peace settlement. Trade across Burma's borders is booming and foreigners are able to travel around much more freely.⁷⁹

However, Burma's long-running civil wars are unlikely to end soon. As Martin Smith has written, Burma is one of the most ethnically diverse countries in the world. 80 The government has identified 135 'national ethnic groups', divided into eight major 'races'. By far the largest is the Burmans, or *Bamar*, which make up 68 per cent of the population. Historically, these ethnic groups have never been comfortable with each other. Indeed, they have often been on opposite sides of major political contests, notably during the colonial era and World War II. Since 1948, most ethnic minorities have taken up arms against the central government at one time or another, either to seek a separate state or a federal system that gives them a greater say in their own affairs. It is over-simplifying a very complex issue to state this so baldly, but the Tatmadaw has sought to unify the country in terms of the dominant Burman Buddhist culture. In this process, other ethnic groups have been marginalised and victimised. According to the UN High Commissioner for Refugees, there are currently up to half a million internally displaced people in Burma, and about the same number of Burmese refugees in other countries. Pighting continues in the northern and eastern parts of Burma today, and there are still parts of the country that are not controlled by the central government. The Wa people, for example, have established a mini-state on the Chinese border, which would strongly resist reabsorption into Burma proper.

There are other internal security concerns. When I lived in Burma, religion was not the obvious source of communal tension that it is now. There were active Christian and Muslim communities (each about 4 per cent of the population) but they kept a low profile and were generally left alone. In any case, with over 80 per cent of the country Theravada Buddhist, there was little scope for minority religions to claim any special privileges. Indeed, a saying common at the time was 'to be Burmese is to be Buddhist'. In local Chinese and Indian communities (making up 3 per cent and 2 per cent of the population, respectively) also kept their heads down. The generals were not above exploiting religious and racial tensions when it suited them, but stability and unity were always paramount concerns. For example, in 2003 the Buddhist monk U Wirathu was sentenced to twenty-five years in prison for inciting religious unrest. He was released in 2010, however, and now leads an extreme nationalist movement determined to expel all Muslims from Burma. His fiery sermons find a ready audience among those Burmese who share his prejudices against some 800,000 Muslims of South Asian ancestry who call themselves 'Rohingyas'. Many have lived in Burma for generations. Such is the level of popular antipathy to this community, however, that not even Nobel laureate Aung San Suu Kyi is prepared publicly to defend their claims to citizenship, or human rights. The potential for further sectarian violence remains high.

In Ne Win's day, it was a common sight in Rangoon and Mandalay to see trucks full of soldiers or riot police parked behind public buildings and in alleyways, ready to move against any civil unrest. Public protests were quickly suppressed. Demonstrators were taken away for a summary trial and a lengthy spell in prison. According to Amnesty International, torture during interrogations was routine. Despite this, there was initially a grudging respect for the armed forces, which most people acknowledged had held the country together in the turbulent years after independence and restored order after the 'chaos' of the so-called democratic era (1948–62). The police, on the other hand, were widely seen as brutal and corrupt, and held in low regard. The reputation of both services suffered greatly in 1988, when they crushed the pro-democracy uprising, at the cost of over 3,000 lives. Fearful of widespread internal unrest, and possibly even a US invasion to install a democratic government, the SLORC launched a massive military expansion and modernisation program. During the 1990s, the Tatmadaw doubled in size to about 400,000 and acquired a wide range of new arms and equipment, mainly from China. Pi In 2007, there were nation-wide protests led by Buddhist monks, but the expected existential challenges to the military regime never eventuated. The armed forces were mainly used to keep the population under control, and the generals in power.

Since 2011, there appears to have been a change in the military mindset. After handing over government to President Thein Sein, the armed forces have downsized (possibly to about 300,000) and made an effort to become more capable, professional and respected. The Tatmadaw's arms inventory is being substantially upgraded, but most new weapons systems (including armoured vehicles, fighter aircraft and warships) are designed for territorial defence, not counter-insurgency. Increasingly, internal security is being civilianised, through a much larger police force. Currently about 80,000-strong, it is planned to expand to about 155,000 by 2020, giving a ratio of police officers to population equivalent to most developed countries. 90 It will probably take a generation before these changes are fully accepted, but the force is being reinvented as a reformed institution trained in modern concepts like human rights and community policing. Under a European Union program, its security battalions (popularly known as 'riot police') are receiving training in crowd control. Both the armed forces and police are recruiting more women. They have also launched public relations campaigns, including through the use of social media, designed to win back the respect of the Burmese public. The police force already has international links, mainly to facilitate its campaigns against transnational crimes like drug trafficking, people smuggling and Islamist terrorism, but now the Tatmadaw is seeking greater access to the expertise, resources and arms of foreign countries, including the US and UK.

ANOTHER STRIKING DIFFERENCE between the Burma of the 1970s and the Burma of today is that, forty years ago, few people had any real regard for the government, which was widely viewed as incompetent, corrupt and self-serving. Hence the emphasis I saw on self-reliance and community self-help (bearing in mind the severe restrictions placed on any civil society organisation that was not endorsed by the government). As always, Buddhist monasteries played a major role in community life, although after

1980 they too had to be registered with the regime. These days, official institutions are still weak, and not rated highly in the public mind, but expectations are rising. Most Burmese have a rather hazy idea of what democracy actually means, and levels of social trust remain low, but increasingly they are looking to Naypyidaw to tackle a range of pressing concerns. In one sense, this shift in perspective is a positive thing, but it carries with it the seeds of future trouble. Given its current weaknesses and lack of resources, there is no way that the government will be able quickly or easily to solve what the British author Timothy Garton Ash once called Burma's 'fiendishly complex problems'. In Aung San Suu Kyi's case, popular expectations are even more unrealistic. She is constantly held up by members of the public as some kind of miracle worker who can cure the country's many ills, from judicial corruption to blocked drains, almost with a wave of her hand. Many of her followers are going to be disappointed.

Aung San Suu Kyi now has some of the influence she has long sought, but it remains to be seen how she will approach the business of government. Concerns have been expressed that she has lost sight of goals such as universal human rights, which she espoused as a prisoner of conscience. She has also been accused of putting the pursuit of power above principles. For example, she has declined to speak out against the abuse of the Rohingyas, and the NLD refused to field any Muslim candidates in the 2015 elections. No one can deny Aung San Suu Kyi's courage and determination, but since being released from house arrest in 2010 she has revealed other personality traits that seem out of step with the new, more enlightened political order (and her public image). For example, she has been described as having an autocratic leadership style, refusing to listen to contrary advice, and denying others in the democracy movement opportunities to influence its membership and direction. During the 2015 elections, she essentially reduced other NLD candidates to proxies by restricting their activities. Although denied the top job by law, she has stated that she intends to be 'above the president', who would 'have no authority'. She plans to 'run the government' herself and to 'make all decisions'. 92 (The 2008 constitution stipulates that no one with close family members holding foreign citizenship can become the country's highest office holder. Her two sons are British.) Some foreign observers are already calling Aung San Suu Kyi a 'democratic dictator'. 93 Regardless of her personal leadership style, her role will be critical. The political landscape will pose serious challenges for an inexperienced and potentially fractious government that relies heavily for its popular legitimacy, cohesion and policy direction on one person.

At least the new government will not have to face the diplomatic pressures and economic sanctions imposed on the former military regime by the Western democracies. Since 2011, Burma has been courted by the great powers and other states. Ironically, this was also the case when the country was under Ne Win. During the Cold War, the US, Soviet Union and China all tried to woo Burma away from its strictly neutral foreign policy stance. Also, divided countries like Germany, Korea and Vietnam competed for Burma's support. The Ministry of Foreign Affairs used to complain about the workload that resulted from these rivalries. Every time an official delegation or cultural troupe arrived from one side, the visit was immediately answered by the counterpart organisation of the other side, putting the Burmese bureaucracy under terrible strain. After the 1988 uprising, the West abruptly changed its

approach. It was determined to isolate and punish the new military government, and if possible precipitate a change of regime. The US, UK and Scandinavian countries openly supported Aung San Suu Kyi and gave aid to a range of opposition groups, both inside and outside Burma. This policy proved to be ineffective, as most governments now acknowledge. There is no evidence that external pressure made the military regime change any of its core beliefs or policies. Indeed, sanctions only hindered the development of a business and professional class, and made daily life harder for the Burmese people. By 2010, the regime was stronger than it had ever been, which is probably one reason why it felt able to introduce a more democratic system of government.

Since 2011, Burma has attracted a different kind of attention. There has been a tsunami of officials, businessmen, consultants, academics and journalists – and I dare say a fair sprinkling of carpetbaggers – all looking to take advantage of Burma's opening under Thein Sein. Such is the level of interest in exploiting new opportunities in the country that some observers have started referring to this mass movement in terms of a 'gold rush'.⁹⁴ Others have referred to 'Asia's Klondike' and 'Myanmar mania'.⁹⁵ Following close behind have been those governments that, for more than twenty years, were among Burma's harshest critics. They are still uncomfortable about some issues, such as the Tatmadaw's political influence, continuing human rights violations, the government's harsh attitude towards the Rohingyas, and Burma's shadowy links with North Korea. However, the Western democracies welcomed Thein Sein's more open-minded approach to government, and have been keen to encourage further political, economic and social reforms. Such interest is likely to be all the greater now that Aung San Suu Kyi, for decades held up by the West as an icon of democracy, has become Burma's leader, in reality, if not in name. Provided that the NLD can agree on a *modus vivendi* with the armed forces and form a workable government, foreign aid, investment and other forms of support for the new administration is bound to increase.

Looking Ahead

OUTWARDLY, BURMA IN the 1970s was a peaceful, picturesque place, in many ways the 'Unknown Paradise' and 'Golden Land' portrayed in the tourist brochures. To my mind, this at least justifies a certain level of nostalgia. Yet, as my friend Nyan Htut reminded me back then, beneath the surface its politics, economy and society were characterised by extremes — of violence, poverty and discrimination. These occasionally broke the surface of daily life, as occurred during the 1974 U Thant riots (when martial law was declared in Rangoon), in periodic protests against price rises, and in the bitter military campaigns being waged against non-state armed groups. The root causes of many of these problems remain unresolved. Other problems, like Burma's deep-seated religious and racial tensions, have been given room to grow by the post-2011 reforms, which have permitted greater freedom of expression, movement and association. Burma's population is now demanding more from its leaders, and are being

encouraged by greater access to the outside world. Ironically, many of these challenges have risen because there is no longer a tough, conservative and in many ways isolationist military regime restricting Burma's behaviour, aspirations and foreign contacts. In one sense, Burma has become a victim of its own success. That said, there are very few people, either in the country or outside of it, who would like to turn the clock back to the days of General Ne Win.

Burma is a rich country with enormous potential, but its future is uncertain. It may no longer lack international friends or a reliable national income, but the scope and pace of the reform program threatens to overwhelm it. The country is trying to find a new balance, between official controls and democratic freedoms, between free market capitalism and social justice, and between the preservation of its traditional way of life and the introduction of modern technology and global mass culture. The challenges are great, but so are the possible rewards.

After having fought so hard to achieve government, over so many years, it is now up to Aung San Suu Kyi and her party, assisted by the country's armed forces, to find answers to all these questions.

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⁷ Kipling, 'Mandalay'.

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