

The development establishment's embrace of Myanmar and how to break loose

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Can Myanmar take a path to sustainable development that avoids the pitfalls of the orthodox development paradigm? This report argues that this is not only necessary but possible.

Before elucidating this alternative paradigm, the report discusses Myanmar's economic past and where it's headed under the current paradigm. Starting with land and agriculture, it explains how the repressive extraction of the agricultural surplus coupled with massive land-grabbing produced a crisis-ridden and stagnant agriculture during the military regime. It then argues that the Agriculture Development Strategy and Investment Policy (ADS) proposed by the multilateral agencies will simply insert Myanmar into a regional process of agricultural and natural resource extraction that is termed, euphemistically, the "value chain," and further a process of "accumulation by dispossession" of peasant households and ethnic communities stemming from a fatal combination of coercive and market mechanisms.

The paper then moves to a discussion of industrial policy, where it probes how and why the military regime's experiments with industrialization failed, after which it lays out a critique of the foreign investment-led and export-oriented industrialization process promoted by the Japanese government, subjecting to close scrutiny the key pillars of this strategy: economic corridors to promote regional connectivity, special economic zones (SEZ's), and the "fragmentation" of the process of production that is supposed to benefit Myanmar.

In the next section, the report takes up the debate over Myanmar's energy future and closely examines the pros and cons of the coal, hydro, and renewable energy paths, showing how the coal and hydro options, are strongly influenced in part by corporate, institutional, and geopolitical interests, while raising some issues with respect to one of the proposed renewable energy strategies.

Moving from energy policy to a discussion of an extremely influential economic group, the so-called cronies, the paper takes a close look at the different conglomerates that have been favored by the military regime which now dominate Myanmar's economy, touches on the National League for Democracy (NLD) government's current relations with them, and discusses the likely future of the cronies in the foreign investment-led strategy favored by the Japanese and the international donors. It comes to the conclusion that without significant restitution for past plunder and strict tax rules aimed at redistributing a significant part of their wealth, the cronies will not desist from their predatory ways, thus jeopardizing the country's economic future.

Finally moving on to the proposal for an alternative development paradigm, the report first lays out its critique of the neoliberal paradigm that guides the proposed strategies coming from the donors, using Karl Polanyi's concept of the "dis-embedded market." An alternative strategy or Post-Neoliberal Paradigm (PNP) in contrast, would essentially be one where the market is re-embedded in and governed by a matrix of overarching values.

The paper then recommends an agriculture-led PNP for Myanmar, laying out the key principles that would guide it, such as the priority of equality, synergy between the economy and the environment, subsidiarity, and democratic decision-making in all aspects of economic management. With respect to the role of the agricultural sector in the PNP, the report contends that among the key institutional preconditions for the success of such an approach would be the establishment of a body to dispense agrarian justice and the repeal and amendment of a number of land-related laws.

Moving on, the paper proposes an agriculture- and countryside-led industrialization process promoted by local community enterprises, cooperatives, small and medium private enterprises, and state enterprises that focus on socially useful production such as making industrial inputs for organic agriculture, medicinal products for treating tropical diseases and relieving pain, and solar and renewable energy devices for a decentralized renewable energy path.

The elements of an alternative trade strategy are then highlighted, followed by a discussion of what a solar-based energy infrastructure would entail. The report concludes with a discussion of process and proposes principles that would guide the elaboration and implementation of an alternative PNP.

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Paradigm Trap: The development establishment's embrace of Myanmar and how to break loose
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