Understanding Myanmar’s Economic Transition Through Policies and Practices

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Abstract

Myanmar has been experiencing democratic transition phase by phase through elections in 2010 and 2015. In the first phase, the people witnessed a process of liberalisation from authoritarian rule with the end of the military regime in 2011, while in the second phase the transition has escalated towards democratisation, with a peaceful transfer of power to the first civilian government in more than 50 years. The transition has included several facets such as political, economic and social arenas at the same time, creating a great deal of expectation, opportunity and challenges. The first transitional government faced a large amount of skepticism, while the second transitional government faced high expectations domestically and internationally. This research paper studies the changing policies and practices in the economic transition, starting from 2011. After that, it continues to discuss the challenges faced by the present government in its efforts to reduce economic dependence on natural resources, to limit or transform crony capitalism, and to improve the economic environment to be more inclusive, transparent and accountable. It also studies Myanmar’s economic relations with the region and beyond through an analysis of the changing flow and direction of foreign direct investment (FDIs) into the country. Finally, the paper assesses the role of the economy in the process of building a future democratic federal union.