

## Myanmar and its Changing Capitals

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The white elephants in the enclosure at the foot of the shining new pagoda are not really white, but tan coloured with rosy pink hues. There are three of them, shackled in iron chains to prevent too much movement. One of them - an adolescent that had probably behaved too friskily for its own good - has both front feet tied so that it presents anything but a dignified sight. These constrained animals are still highly valued as showpieces and seen as sacred in Myanmar, but their weird and unhappy condition somehow serves as a metaphor for the country's extraordinary new capital: very expensive to acquire and maintain, and with uncertain and dubious advantages for both owner and owned.

Naypyitaw (literally translated as "The capital") is a new city, still very much in the process of becoming. Apparently it was conceived nearly two decades before the move from the previous capital Yangon occurred around seven years ago. Rumour has it that the new capital was chosen because of astrological warnings to the ruling military junta, of dangers coming from the sea. Built in secrecy in the wastelands of central Myanmar, the would-be metropolis was suddenly inaugurated in 2005 as civil servants in Yangon were told without any prior warning to move to their new destination within the week.

Certainly its design reflects grandiose ambitions. The roads are vast divided avenues: well paved and very wide, appearing to be even wider because they are mostly empty. The large official buildings are spaced very far apart, each set back from the road with its own gate and private inner road. The Parliament Hall is humongous and rather beautiful, seen from the distance that ordinary observers must maintain. There is a vast International Convention Centre (built by the Chinese) and a bright new Uppatasanti Pagoda, not quite as amazing as the magnificent Shwedagon in Yangon or even the newer replica of Shwedagon in Lashio in the Shan state, but impressive nonetheless. A major new international airport is planned.

The city's design also reflects a rather militaristic view of urban life, with strictly compartmentalised districts for different activities. Besides the official zones, there are residential areas with hostels for civil servants and villas for senior officials; separate areas for the hotels, almost all of which are built resort-style with little golf carts for internal transport; a different zone for restaurants and "entertainment"; and so on.

In some ways the new capital is also testament to the escalating inequalities in Myanmar. In a country where only around one fifth of households have access to electricity, this newly built city is a glittering example of how to waste resources. It was obviously designed when ecological constraints were not considered important, as it is hard to think of a more gas-guzzling and carbon-emitting way of organising urban life.

The city is not near any major water source, so it will have to draw water from below ground or elsewhere. Distances between any relevant locations are long, making it difficult to walk to most places that people will need to go. Since thus far there is no

public transport, private cars are the main (and often the only) means of transport, while those who cannot afford them can at best use bicycles to go long distances. Floodlights illuminate the main edifices even when there is hardly anyone around to see them. The gigantic official buildings and resort hotels are generally designed to be ridiculously extravagant in power use.

At present the capital is relatively underpopulated, as even most civil servants have left their families behind in Yangon, and the cheerful congestion and urban detritus of most other Asian cities have not had a chance to accumulate. No doubt in a few more years there will be more signs of life as the city inevitably develops, though the initial coldly imperial legacy may be hard to shake off.

This is not the first shift of capitals in Myanmar. As Thant Myint-U points out in his wonderful book (*The river of lost footsteps: A personal history of Burma*, Farrar Strauss and Giroux) every major dynasty or regime through time has seen fit to move to its own capital - even though often that move has been short-lived as those rulers have been defeated within a few decades.

In many ways the new city, with its rigidly imposed and hierarchical rules, seems curiously out of step with the momentous changes underway in the country. A military regime that had obsessively chosen severe external isolation and harsh internal control over many decades now seems to be moving quite rapidly in the opposite direction. Because of the tumultuous past observers are inevitably cautious, since crackdowns can still occur at any time, but this time the reforms do seem to have much more momentum.

The outside world often sees political change in Myanmar in simplistic terms as a contest between the army and the democratic movement led by the much-revered Aung San Suu Kyi, but of course the reality is more complex. Long-running civil wars with a variety of often changing enemies - not just regional secessionist movements but insurrectionist struggles supported by foreign powers - have defined the fears and repressive tendencies of the ruling elite perhaps even more strongly and driven the progressive militarisation of polity, economy and society.

Changes have been occurring for a while, of course. By the early 1990s the regime had abandoned any pretensions it may have had about "the Burmese way to socialism" and opted for military-backed economic expansion based on foreign investment in extractive industries (including not just plantation crops but oil, minerals and precious metals, and then the newly-discovered offshore natural gas reserves). Much of this investment came from countries where the sanctions dictated by western powers did not apply, particularly China.

This was growth that many other countries have experienced in the form of a "resource curse" with little diversification or improvement in general living standards. The people have mostly remained very poor, and the abysmal development of basic infrastructure in much of the country testifies to the unequal spread of the benefits of that expansion.

Elections in early 2010 were widely expected to be a charade, especially when the main opposition political alliance, the National League for Democracy (NLD) led by Aung San Suu Kyi, chose to boycott them. In any case the army retains significant control, nominating a quarter of the members of parliament in the context of a

constitution that requires three-fourths majority for significant legislation. But the newly elected government led by President Thein Sein (with implicit support from the generals) has moved much faster to transform the polity than anyone had expected.

In the past few months alone, ceasefire agreements have been signed with several rebel groups and important political prisoners have been freed, including pro-democracy campaigners. The NLD will fight the April by-elections for 48 seats and has just started its campaign.

The international community has been quick to respond, and what has been described as the latest "Gold Rush" is well under way. Hillary Clinton is just one among the steady stream of international leaders visiting Myanmar. Chinese investors have been active for a while, but now other businessmen are rushing in as well, eager to get a piece of the resource pie before it is shared out by the early birds. International aid agencies are setting up or expanding their offices. Even tourists are coming, lured by the promise of a still unspoiled but exotic location full of architectural marvels, natural beauty and friendly people.

The pace of the change is startling and even disconcerting, as economic policies get rapidly devised and revised to fit in with the new openness. Local residents and foreigners who have lived for some time in Myanmar seem to be equally amazed at the rapidity with which major policies are being transformed and even laws are being changed. There is cautious optimism, along with old and new concerns.

Myanmar must be the only country where even the IMF representative worries that the economic liberalisation process is too rapid and needs to be more cautiously worked out and paced! There are real dangers that the sudden inflow of global capital will put the economy on a trajectory that will provide immediate enrichment of a few in the initial phase but then lead not only to even more inequality and unbalanced development but also to destruction of traditional livelihoods without enough new jobs being created, instability, crises and environmental damage.

Fortunately, there are also those in government who seem to be aware of these dangers, and of the need to tread carefully. A conference organised in mid-February by the UN and Myanmar government on development policy options brought together many economists from different parts of the world, including two famous economists of Burmese origin who were returning home after four or five decades. As they pointed to these dangers, and suggested ways of avoiding them, Ministers and senior bureaucrats took notes. The most important latecomer advantage of all was identified: the ability to learn from the mistakes of others.

Recently, construction was stopped at a major dam on the Ayeyarwady River at Myikyina that was being built by the Chinese, at the personal intervention of the President. This was remarkable in a country that still has no environmental laws and regulations, and where respect for the concerns of displaced peoples has been haphazard at best. Issues like poverty, inequality and corruption that could at best be whispered about some time ago can now be openly discussed and debated at government-sponsored conferences, a first step towards greater official concern and maybe even accountability.

This is an exciting time for Myanmar, with all sorts of possibilities opening up after decades. Certainly, things could go in either direction, and there is no dearth of

external interests pushing for particular types of policy movement. The country's strategic location between China and India and its abundance of relatively unexploited natural bounties make things even more complicated. It may be too much to hope that Myanmar can very quickly move away from the imbalances exemplified in its new capital, but there is no doubt that its political economy is moving into uncharted waters.

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