Economics from the Ground Up

Case Study: current issues facing Burma as an Asian developing nation – a case study

History

Burma, known officially as **Myanmar**, is located in the tropics of South East Asia. It shares borders with China, Thailand, Laos, India and Bangladesh and is the second largest country in the region.

Burma was **colonised** by Britain from the early 1800s, gaining its independence in 1948. In the 19th and earlier parts of the 20th century, Burma was one of the fastest-growing and most advanced economies of Asia, with its then-capital Rangoon (now called Yangon) a major trading port.

Following a brief period of democracy after independence, between 1962 and 2011, Burma was ruled by a military **dictatorship**, sometimes called '**junta**' (a Spanish word meaning a military group in charge after a coup). The junta had almost absolute power over its citizens, and violently silenced any opposition to its rule. It also imposed an isolationist approach to economics, called the **'Burmese path to socialism'**, which involved nationalising much of the industry and cutting links to the outside world.

Nationalisation is the process whereby the government of a country takes over ownership of private enterprises. It is the reverse of privatisation. The junta also imposed central planning on the economy. **Central planning** involves the government setting targets for production, including what, how much and how it will be produced, rather than allowing this to be decided by the free operation of the market mechanism.