

Myanmar Institute for Strategic and International Studies  
Ministry of Foreign Affairs, Yangon Office  
Monday July 8 2013

# Myanmar in the Global Political Economy: Development Models, the West and China

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Myanmar in  
the Global  
Political  
Economy

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# Agenda 议程

- PART ONE Publishing and Bond University
- PART TWO History and study of Development
- PART THREE Myanmar in the Global Political Economy
- PART FOUR Myanmar's Development
- Conclusion, Bibliography, Questions





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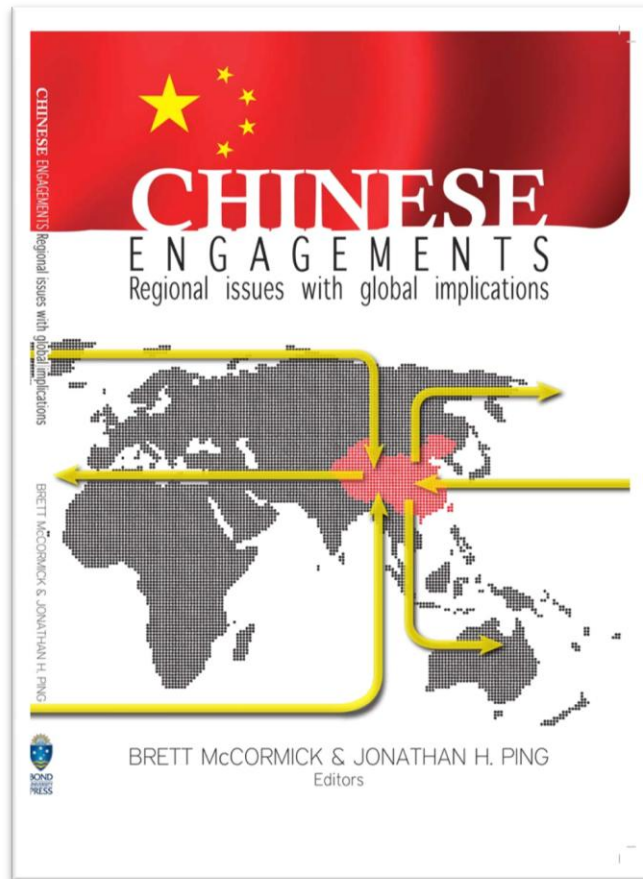
## PART ONE

# Publishing and Bond University

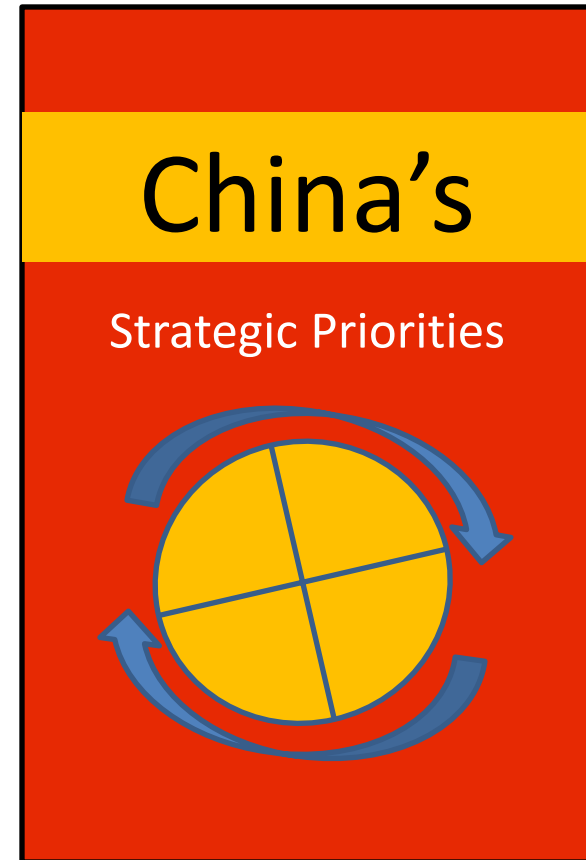




2005 Ashgate Publishing



2011 Bond University Press  
and Amazon eBook



2014 (Forthcoming)  
Routledge Press

# Asian Journal of Political Science

## China's Relations with India's Neighbours: From Threat Avoidance to Alternative Development Opportunity

Jonathan H. Ping

pages 21-40

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\*Compared to Australia's Group of Eight leading universities, Graduate Careers Australia's 2009

Australian Graduate Survey based on 2008 graduates

\*\* 2008 Student to Teacher Ratio, Universities Australia

\*\*\*2013 Good Universities Guide





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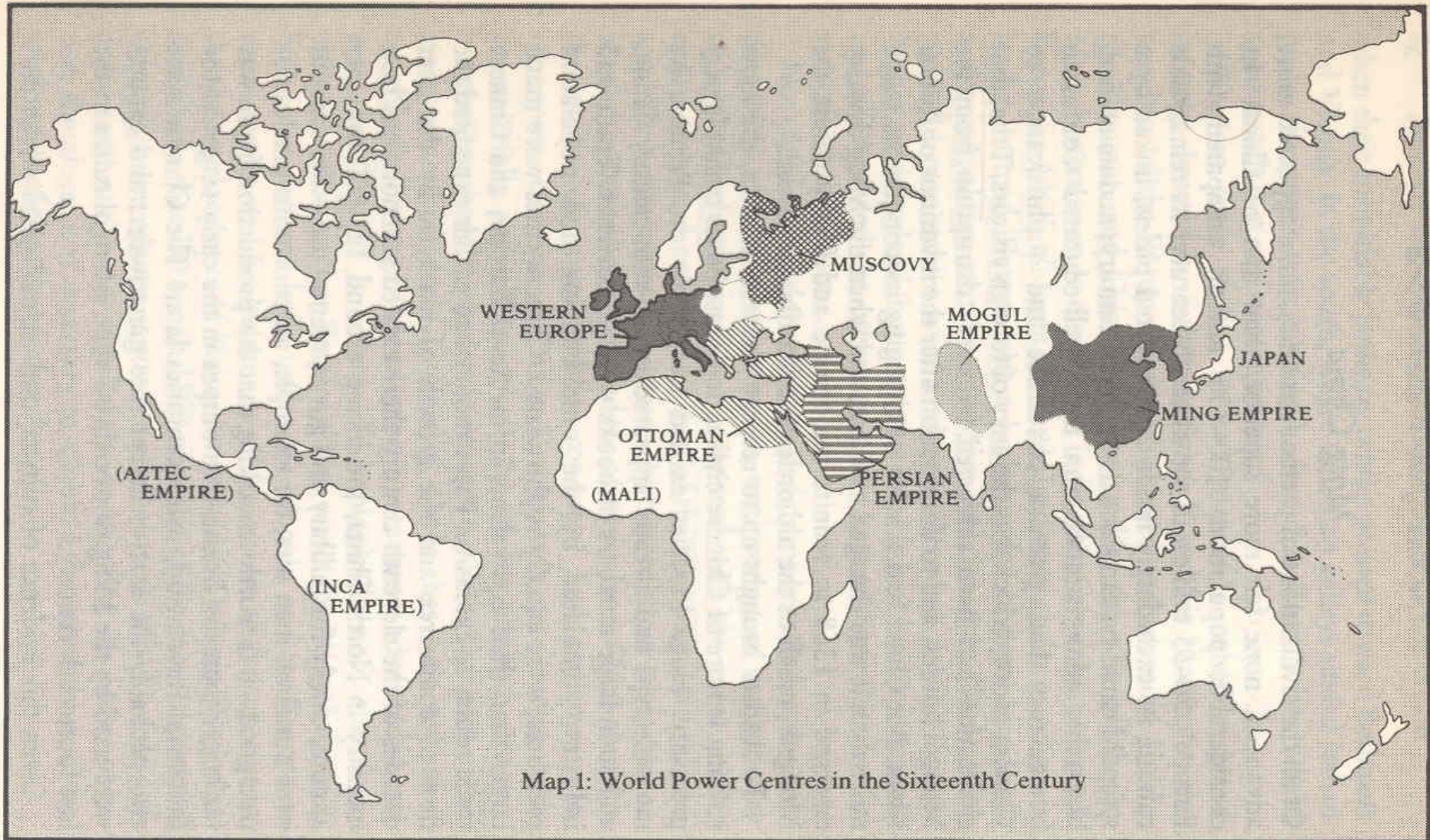
## PART TWO

### History of Development

### The Study of Development







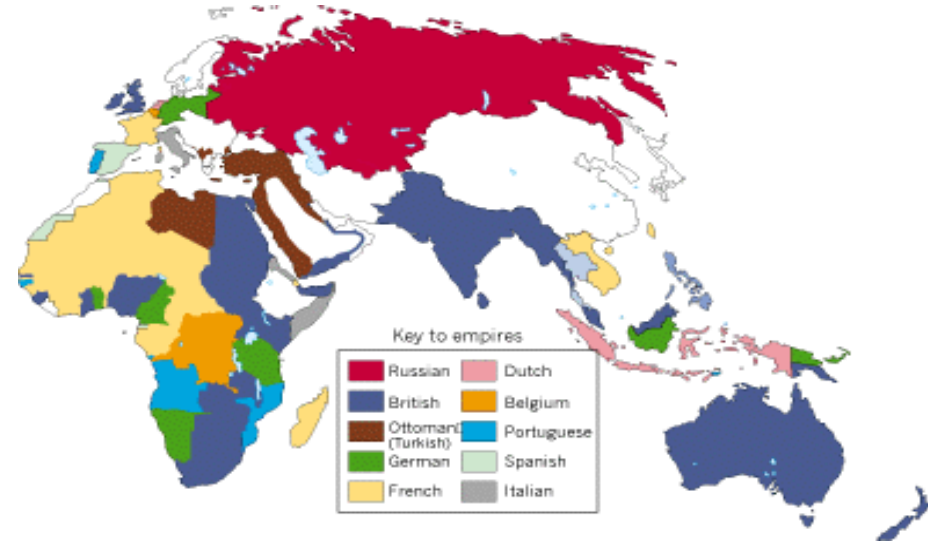
Map 1: World Power Centres in the Sixteenth Century

(Kennedy 1988, 6)

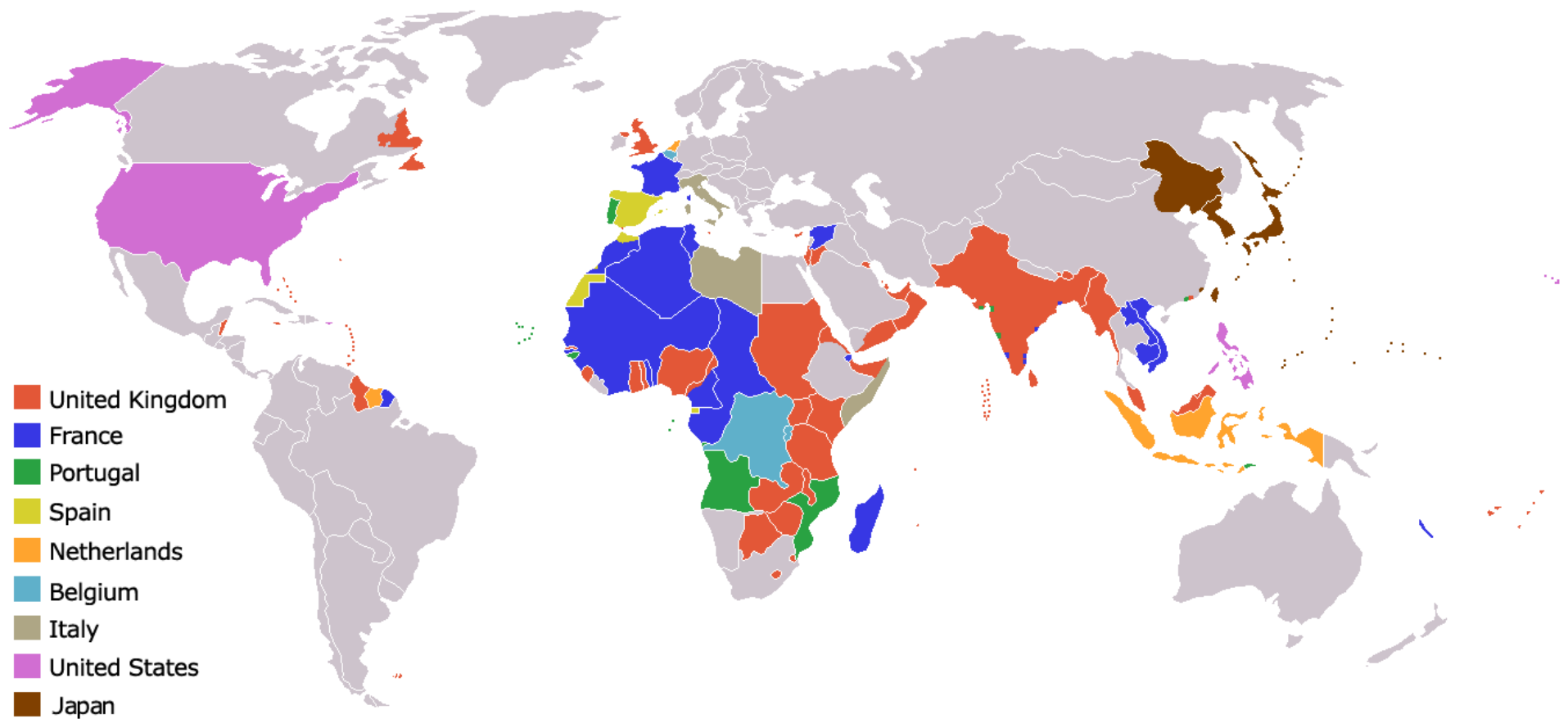
“...an unstoppable process of economic development and technological innovation which would steadily make it [Europe] the commercial and military leader in world affairs (Kennedy 1988, 20).”

# History of Development

- European State-based.
  - Integration into European economy
  - Resource extraction/production
  - Core / periphery relationship
- Global Development occurred as a consequence of colonialism / imperialism.
- Colonialism / imperialism based on competition between European powers.
- Development was not the goal rather the outcome of competition for power.







## Colonialism 1945

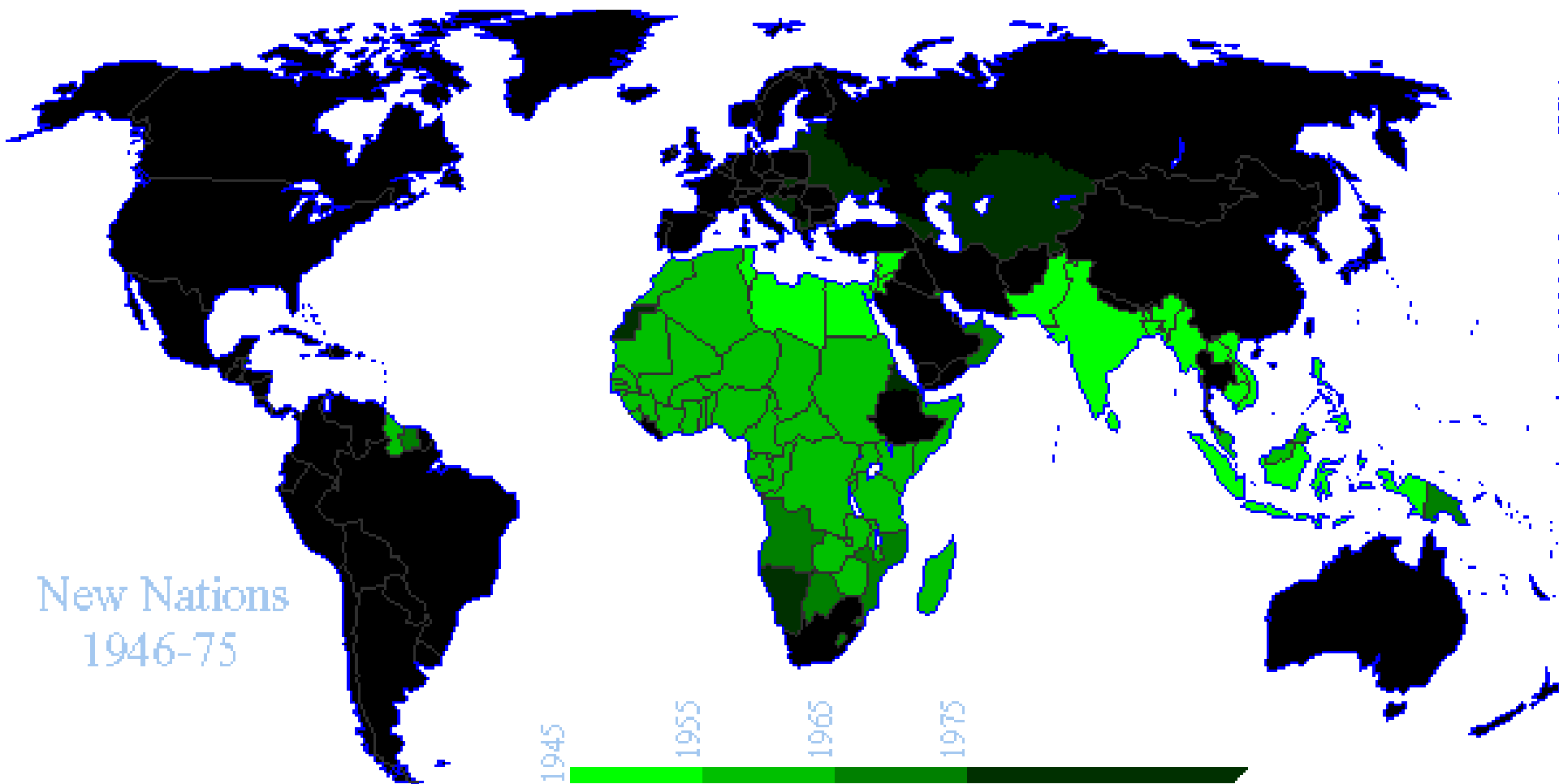


# The Study of Development

## In the beginning: *Development Studies*

- Arising from the ashes of the Second World War and rooted in the emerging bi-polar politics of the Cold War.
- Concerned with post-colonial states.
- Focused on self-determination and state-building.
- Successfully focused attention on development issues between 1960s and late 1970s.
- States and regions that developed can be identified as those of interest to the combatants in the Cold War.
- Failed to make any substantial change to global norms and its fate was determined by structural changes in the global economy and political system.
- Namely, the end of Bretton Woods and the Cold War.

# New States 1946-1975







# The Cold War 1947/8-1989



(Source: [http://cla.calpoly.edu/~lcall/cold\\_war\\_map.jpg](http://cla.calpoly.edu/~lcall/cold_war_map.jpg))

# Dependency Theory

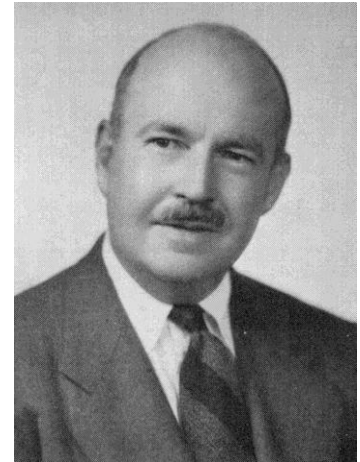
- Founded on Marxist thought.
- Development primarily an external matter.
- Development considered a zero-sum game where the developed are so as a result of the dependency of the underdeveloped.
- Underdeveloped are so because others developed earlier by exploiting their resources and rendering them dependent.
- Uses Core and Periphery conceptualisation.
- Director of the United Nations Economic Commission for Latin America 1948-62, [Raul Prebisch](#) – Protectionism and Import Substitution
- The Development of Underdevelopment – [Andre Gunder Frank](#)
- Allegory of World Systems theory – [Immanuel Wallerstein](#).
  - *The Modern World System: Capitalist Agriculture and the Origins of the European World Economy in the Sixteenth Century*, Academic Press.





# Modernisation Theory

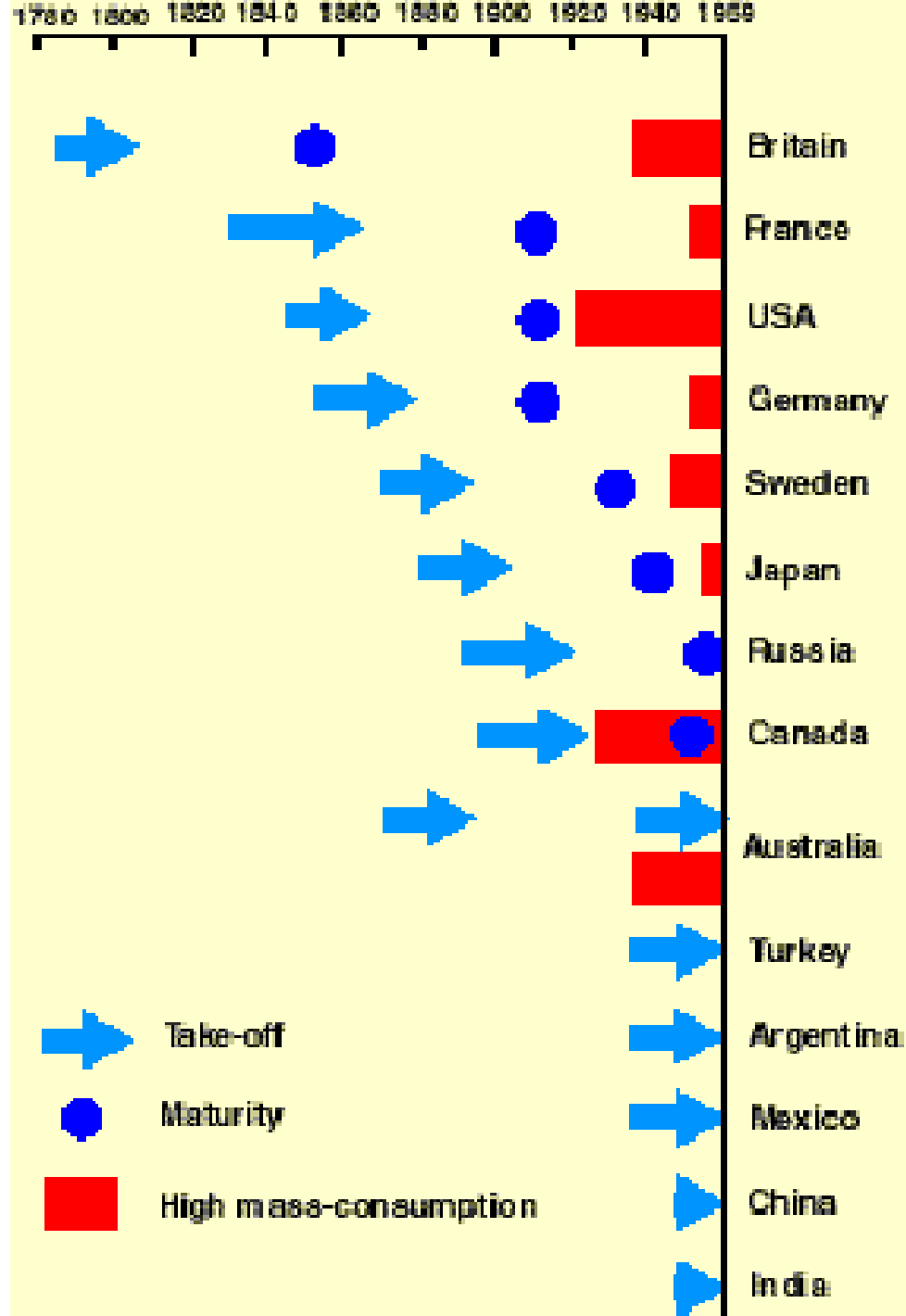
- Founded in sociology.
  - [Talcott Parsons](#) Structural Functionalism
- Development primarily an internal matter.
- Western world (Europe and North America) considered Modern.
- Rest of world considered Traditional or higher (socialist state).
- Goal was to 'Modernise'.
- Method: removal of 'traditional' economic, political and social structures would lead to modernisation.
- Modernisation would result from the emulation of the 'modern' states.
- Entails a theory of a universal process to become modern.
- Walt Whitman [Rostow's](#) Stages of Economic Growth





# Rostow's Stages of Economic Growth

1. Traditional Society
2. Preconditions for take-off
3. Take-off
4. Maturity
5. High Mass-Consumption



(Source:  
<http://www.agoc.g.ac.uk/reports/visual/casestud/southall/fig9.gif>)

# Bretton Woods Paradigm (Liberal)

Approach taken by economically liberal organisations which form the international trading and monetary system.



These established at Bretton Woods in 1944 or subsequently.

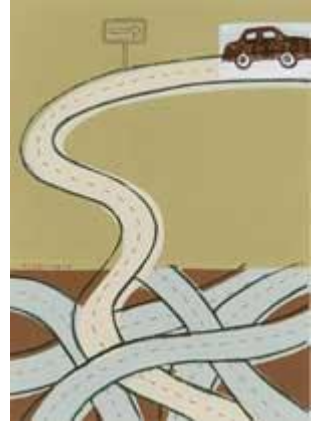
- International Monetary Fund
- World Bank (International Bank for Reconstruction and Development)
- General Agreement on Tariffs and Trade (GATT)
- January 1 1995 GATT became the World Trade Organisation (WTO).



# Bretton Woods Paradigm Solution

Encourage the market through good policy. 'Structural Adjustment Programs'

- Macro economic policy (inflation, unemployment, Balance of Payments)
- Free Trade (removal of trade barriers: Tariffs & Quotas)
- Private companies (Laws and provisions for)
- Foreign Direct Investment (Multinational companies)



These require a fundamental social and cultural revolution inside states to allow them to access the benefits of globalisation.

- Approach locates the problem inside recalcitrant states.
- The 'liberal international economic order' is not at fault and does not require reform.
- Bad Governance the main reason for lack of development.
- Every place is the same and can be developed by the same approach and policies.



# United Nations Paradigm (Sociological)



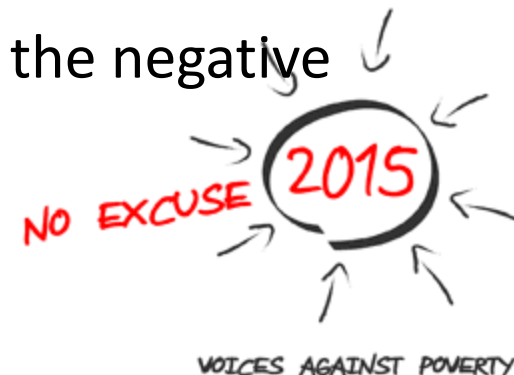
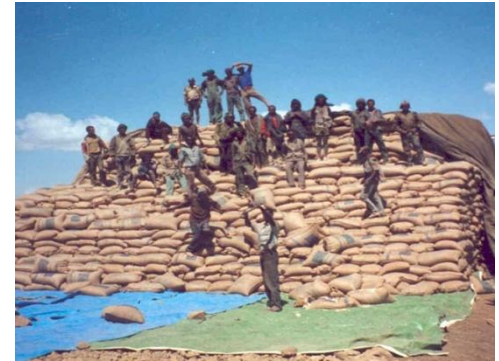
Approach taken by politically liberal organisations associated with the United Nations (UN).

- United Nations Development Program (UNDP)
- UN Economic and Social Council
- International Labour Organisation (ILO)

Similar to that taken by many Human Rights NGOs.

# United Nations Paradigm Solution

- Notion of 'Global Poverty'.
- Focused on individuals rather than states.
- Poverty in North and South.
- Looks beyond neoclassical economics to the question of distribution.
- Finds that economic globalisation has negative as well as positive effects on states.
- Weaker (developing states) most vulnerable to the negative effects.
- Millennium Development Goals.



# Problems(?) with previous systems that produced development outcomes

(political and economic goods)

1. Limited in scope
2. Assumed unlimited resources
  - Thus not practical in a globalised non-renewable world (?)
3. Or Included some, excluded others
  - Thus had unwanted externalities and consequences for those not included
4. Not focused on **outcomes**
  - produced them as a consequence of other goals – religious deliverance, glory, rulers vanity.
5. Overall grade is FAIL (?)
  - must do better (only 25% developed to Australia's level)
6. Need development outcomes focus
7. Need a global development dialectic





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# Agenda 议程

## PART THREE

# Myanmar in the Global Political Economy



# Myanmar in the Global Political Economy

- European Political Economy as Global Political Economy
  - Compromise, Low taxes, Efficient administration, Rule of Law
  - Mercantilism and Liberalism
- Socialist State Directed Market Capitalism
  - Neo-mercantilism
- A Global Development Perspective
  - Outcomes rather than policy pronouncements



# Global Political Economy

## 全球政治经济

- Mercantilism, Liberalism and Marxism
- Global Development
  - As a perspective
  - Outcomes over policy pronouncements
- Myanmar
  - Historical precedents and claims Vs future outcomes
  - This seminar concerned with the future outcomes





# Mercantilism

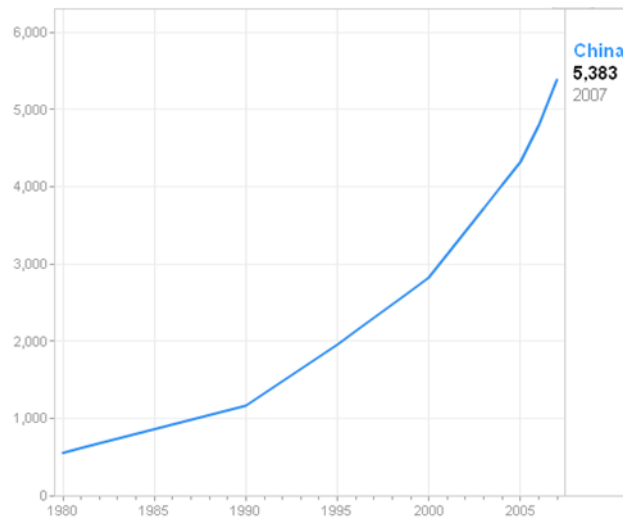
- Global Political Economy for Global Development
- Mercantilism
  - Security
  - State
  - Self-help
  - Anarchic Win/Lose world system
- Not effective in creating Global Development
- Liberal multilateral trading system (by US Mercantilism)
  - Interdependent
  - Reliance on the global Market and Common
    - Examples Oil, SLOC, cars sales.
  - Myanmar also dependant for own domestic stability
  - Dominance-based between Great Powers curtailed by war capability
    - Nuclear weapons and delivery system

# Neo-mercantilism

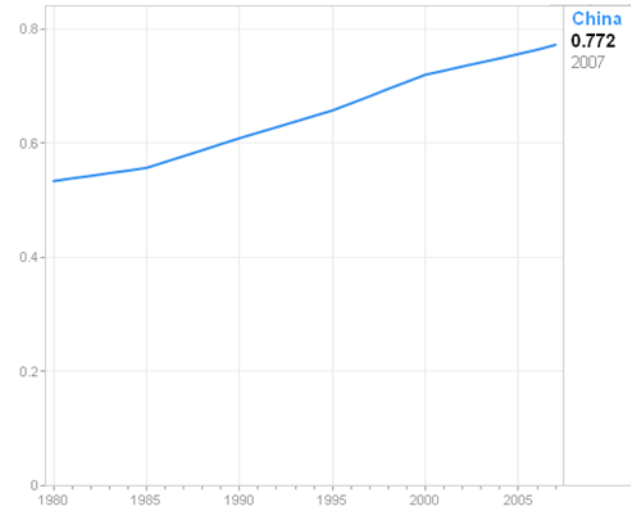
- Neo-mercantilism and export orientated development (Japan and NICs)
- Importing raw commodities / resources (oil)
- Exporting manufactured products
- More stable global development
- Neo-mercantilism as Mercantilism within a Liberal trading regime.
- PRC Response
  - Socialist State Directed Market Capitalism

# Chinese Development Model Success

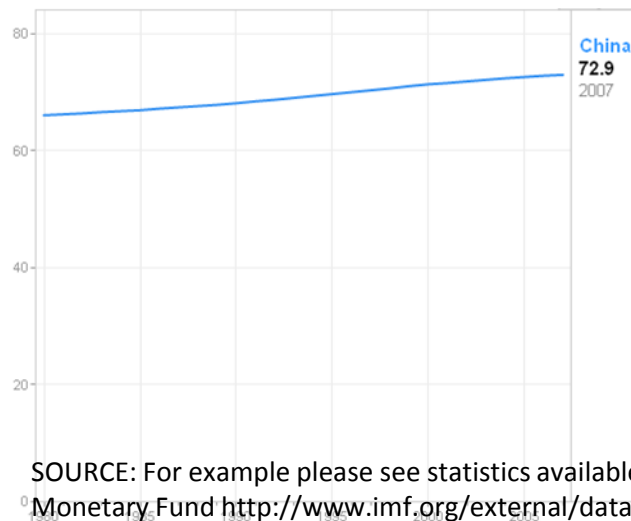
GDP Per Capita PPP, (Constant 2006) 1980–2007



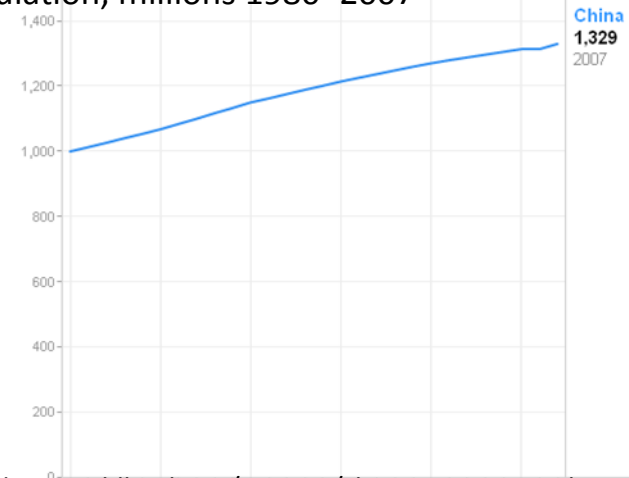
Human Development Index 1980–2007



Life Expectancy at Birth, years 1980–2007



Population, millions 1980–2007



SOURCE: For example please see statistics available at World Bank <http://data.worldbank.org/country/china>, International Monetary Fund <http://www.imf.org/external/data.htm>, or People's Republic of China <http://www.gov.cn/english/>



- 
- Chinese Development Model as a Development Opportunity
    - Most successful model since WWII, infrastructure, transshipment
  - Chinese Development Model as a Development Threat
    - Neo-mercantilist focused on its own development, transshipment



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## PART FOUR

# Myanmar's Development



With knowledge of development.

In a globalised world, should Myanmar copy?

Blending and Hybridising

How?



**Dialectic:** The dialectical method is discourse between two or more people holding different points of view about a subject, who wish to establish the truth of the matter guided by reasoned arguments (Plato's Republic).





# Development Defined

“[T]he collective building by the constituent social and political actors of a country (or at least in the first instance a country) of a viable, functioning political economy, grounded in at least a measure of congruence between its core domestic characteristics and attributes and its location within a globalizing world order and capable on that basis of advancing the well-being of those living within its confines (Payne 2005, 234).”

# Myanmar's Development?

- Compromise, Low taxes, Efficient administration, Rule of Law
- Compromise between functional groups
  - Government, business and people
- Providing political and economic goods for Outcomes
  - Security
  - Infrastructure
  - Local construction industry
- Congruence with Globalised World
  - Use of cheap labour to export to global market
  - Capital and Technology transfers from MNCs
  - Regional and global organisations
    - ASEAN, EAEC, IMF, WTO, World Bank, UN



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# Conclusion 结论

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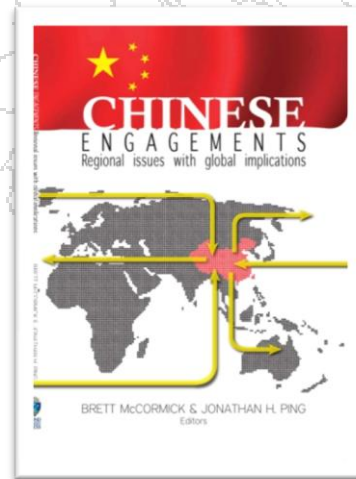
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# Thank you 谢谢

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