

The Role of Government and Its Development  
Management Capability (A Master Key for  
Political Stability and Sustainable  
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著者	Lwin Maung Maung, Kinoshita Toshikazu, Mori Chie
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# The Role of Government and Its Development Management Capability (A Master Key for Political Stability and Sustainable Development of Myanmar)

Maung Maung Lwin

Toshikazu Kinoshita

Chie Mori

There has been a numerous studies on the importance of economic and noneconomic factors for achieving sustained economic growth. Particularly, the importance of mobilization and efficient utilization of resources comprising land, labor, capital, technology and entrepreneurs for achieving economic growth are studying widely. However, we still have very limited studies on the role of government and its capability in achieving political stability and sustainable economic development through the progress of industry, business and trade activities which directly addresses the provision of job and income opportunities to the working poor. This is mainly due to the lack of reliable data and information as well as limited freedom for doing research especially in the countries which are under the control of military and dictator governments. Particularly, the research works on capability and effectiveness of government, and transparency and accountability of government are strongly prohibited. It is also very important to remind that the failure of sustained economic growth in some developing countries is not simply because of miss management and due to the lack of capability. The high ranking government officials of these countries are consciously operating administration and economic activities with the objectives of maximizing their own personal profit through abuse of political power and illegal business. Myanmar is no

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exception.

As a result, since the middle of 1980s, especially the international organizations and donor countries began to focus the important role of developing countries' government and its capability in efficient utilization of existing resources, economic aid, technical assistance and foreign investment for achieving sustained economic growth and reducing poverty. This was followed by the increase in studies on noneconomic aspects of development such as politics, governance, gender, women empowerment, education, health, ethnic and religious factors. Particularly, since around the early 1990s, the studies on important role of government's capability in economic growth have given priority among researchers. Because, development management capability of government<sup>1/</sup> (DMCG) has begun to recognized widely as "*a master key for achieving stability and sustained economic growth*".

Myanmar, relatively rich in natural and human resources, and having favorable geographical and climatic conditions has begun to introduce market oriented policy measures since early 1990s as in other transitional economies of Asia<sup>2/</sup>. Unfortunately, industry, business, trade and investment activities as well as peoples' socioeconomic condition did not progress both the periods of market economy under military rule (1990-2011) and military backed government (2011- March 2016) . Accordingly, this study attempts to focus the role of government and its capability in achieving political stability and sustained economic growth of Myanmar. It has three main objectives: (1) Examining the role of government in economic growth, (2) Investigating the important tasks of government for achieving sustained economic growth, and (3) Investigating important tasks of Myanmar's new government for stability and growth.

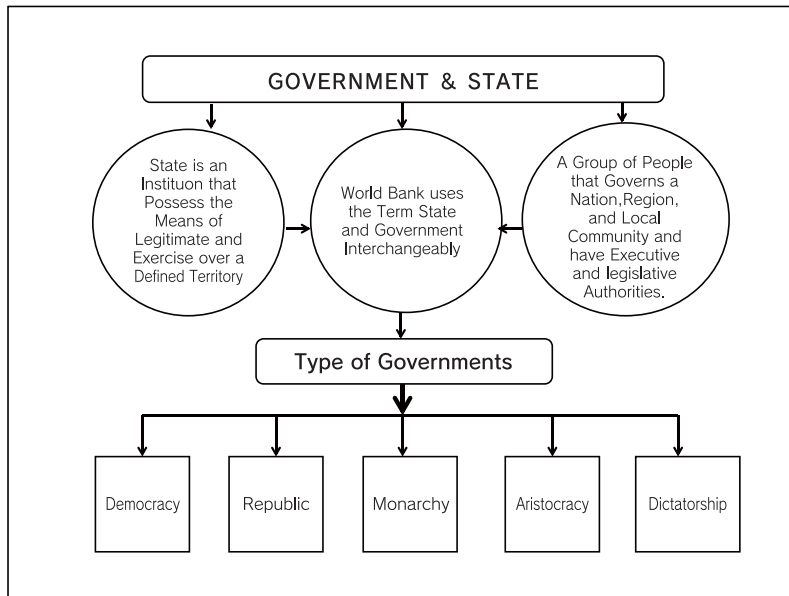
Section (1) explores the concept of government, the nature of economic growth and development, and determinants of economic growth. Section (2) attempts to examine the tasks of government, development management capability and the main causes of government failure. Finally, the section (3) provides the suggested government's tasks and strategies for stability and growth in Myanmar.

## **Section (1) : Concept of government, the nature of growth and development, and determinants of economic growth.**

*State and the Government*: State refers to a set of institutions that possess the means of legitimate and exercises over a defined territory and its population. Government generally refers a group people who fills the positions of authority in a state. Government is a group of people that governs a community or country. It usually sets and administers public policy, and political and sovereign power through customs, institution, laws and regulations within a state. A government can be classified into many types, such as democracy, republic, monarchy, aristocracy, dictatorship, military and civilian etc. as summarized in diagram (1). The World Bank uses the term state and government interchangeably<sup>3/</sup>.

If we examine the type of government in recent Myanmar, it would be appropriate to label “*military backed so-called semi-democratic government*” for the period from 2011 to March 2016. But, for the new government which took political power from 1<sup>st</sup> April 2016 to present, would be appropriate to label “*civilian democratic government*”. However, nobody knows the “how long does it take for having a full-blown civilian democratic government” which has capability to manage the country’s economy and politics properly. The constitution of present Myanmar is consciously drafted by a series of army generals for maintaining the military power longer. Therefore, constitutional reform has been the most challenging and hardest task for the new civilian government. According to Lwin (2007), required time length for establishing “democratic society” and “acceptable constitution” in a peaceful way depends on “capability of government” and government’s extent of “love the country” (patriotism, aikokushin).

Diagram 1. The type of governments

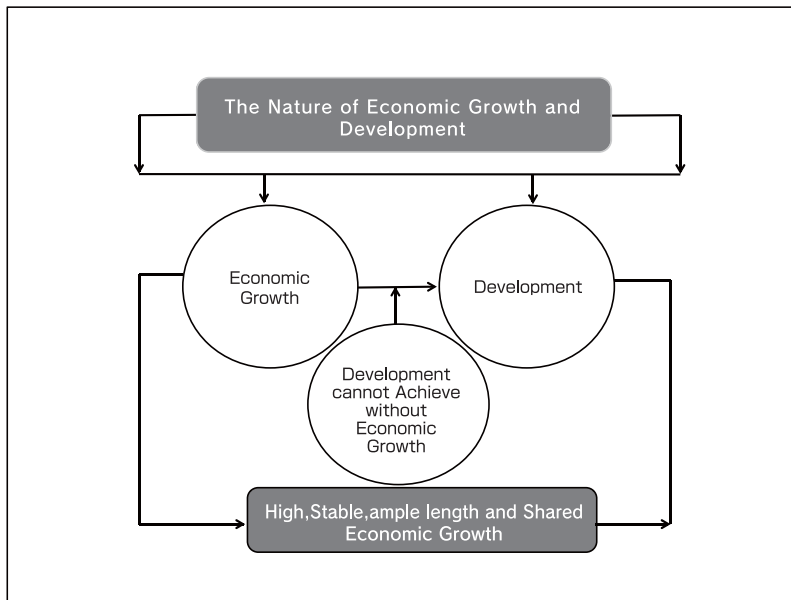


Source: Authors' image diagram based on World Bank Development Report 1997

*Growth and development*<sup>4/</sup>: The progress of “peoples’ income and gross domestic product” of a country during a certain period is known as economic growth. Development means “growth of peoples’ income and GDP” as well as “progress of social and economic condition of the people”, “change in social and economic structure”, and “having acceptable income distribution and poverty”. Therefore, as stated in diagram (2), economic growth is an important integral part of development and, development cannot achieve without economic growth. However, high, stable, ample length and shared economic growth is required for achieving sustainable development<sup>5/</sup> as depicted in image diagram (3). It is very important to keep in mind the differences and relationship between economic growth and development in order to judge properly the capability and effectiveness of government.

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Diagram 2. Growth and development



Source: Authors' image diagram

*Determinants of achieving economic growth and sustainable development:* Achieving sustained economic growth and development of a country generally depends on the following economic and non-economic factors.

- (1) Existence of acceptable geographical and climatic conditions,
- (2) Existence of acceptable natural resources (land, water, mineral, sea, river, mountain, forest, rain fall, sun shine hour, wild life etc.) ,
- (3) Existence of appropriate human resource (healthy, educated and skilled labor force) ,
- (4) Existence of acceptable political stability and tranquility ,
- (5) Existence of acceptable peaceful ethnic and religious situation,
- (6) Existence of appropriate social and physical infrastructure,
- (7) Existence of market friendly political and economic environment,
- (8) Existence of internationally recognized government which is gradually reforming towards democracy and freedom economically and politically, and
- (9) Existence of government which has acceptable development management capability and effectiveness.

According to the past experiences of newly industrializing economies (NIEs) and today developing and emerging economies Asia, it is widely recognized that the above mentioned three out of nine factors viz. political stability, market friendly political and economic environment, and capable government [No. 4, 7, and 9] have been playing most important role in achieving high economic growth and sustainable development through the efficient utilization of official development assistance (ODA) and foreign direct investment (FDI). Generally, the economies of Asia such as Singapore, Hong Kong, Taiwan and Korea of 1980s, Malaysia and Thailand of 1990s, China, Vietnam, Philippines, Indonesia, India, Cambodia, Laos of 2000s and Myanmar of 2010s are known as obvious examples.

Diagram 3. Economic growth and sustainable development

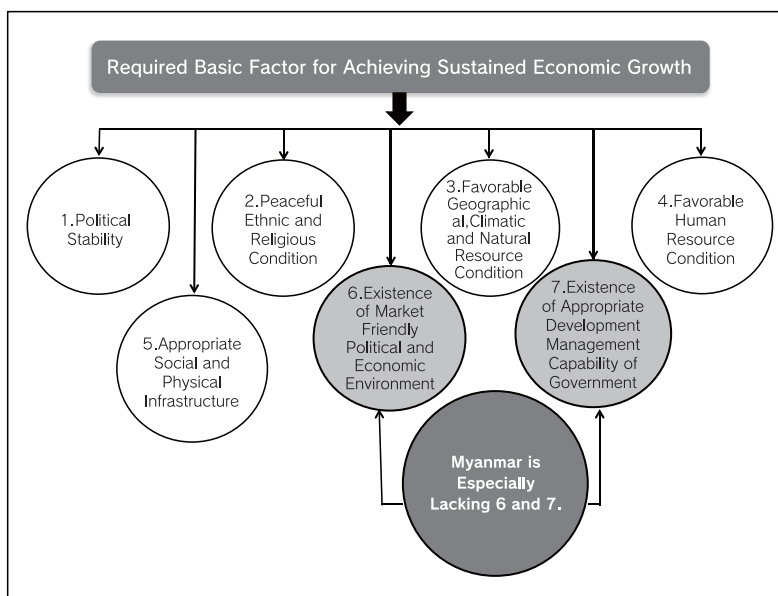


Source: Authors' image diagram

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The required basic factors for achieving sustained economic growth in the context of Myanmar is depicted in diagram (4).

Diagram 4. Required basic factors for achieving sustained economic growth



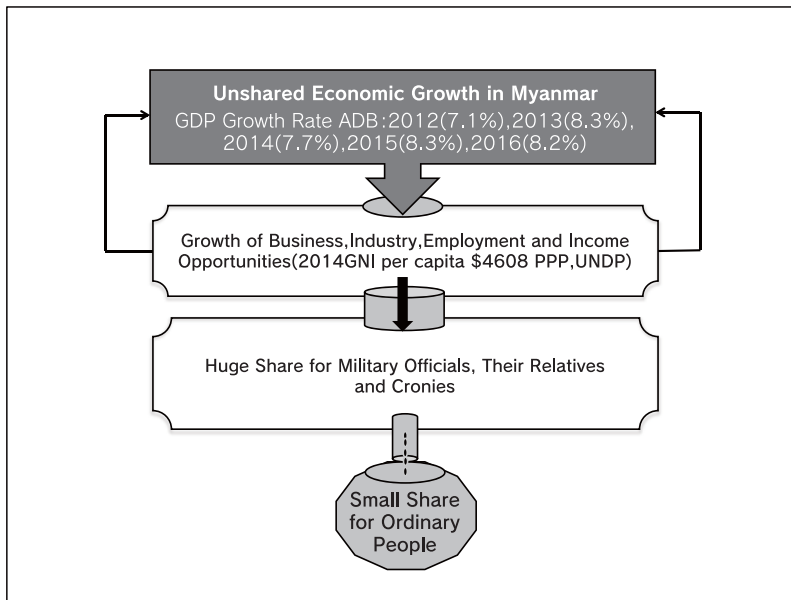
Source: Authors' image diagram

As stated in diagram (4), Myanmar is especially lacking market friendly political and economic environment, and development management capability of government. The new democratic government of Myanmar should give priority to building its capability and introducing market friendly policy measure timely for achieving ADB estimated growth rate of 8.2% for 2016.

Moreover, Myanmar which is under the military regime for about more than a half century, is suffering severe problems of unfair distribution of wealth, business, and employment opportunities, as well as lacking free and fair competition in industry and business society. That is the major source of the unshared economic growth, and increasing number of very rich high ranking military officials and their cronies on the one hand and working poor on the other in Myanmar.



Diagram 5. Unshared economic growth in Myanmar



Source: Authors' image diagram

As stated in diagram (5), recent Myanmar is achieving remarkable economic growth of about 7% to 8% during 2012 and 2015. It is also estimated to achieve GDP growth rate of 8.2% in 2016 by Asian Development Bank (ADB). But, unfair huge share of business, employment and income opportunities as well as illegal profit and wealth are grabbed by high ranking military officials and their cronies. Only a small share is left for ordinary people as a result of unshared economic growth under military and military backed government during the period from 1962 to March 2016. It is also very important for new civilian government to introduce the effective policy measures for eradication of abuse of political power and public sector corruption as well as for achieving fair distribution of wealth and income opportunities *wisely and timely*.

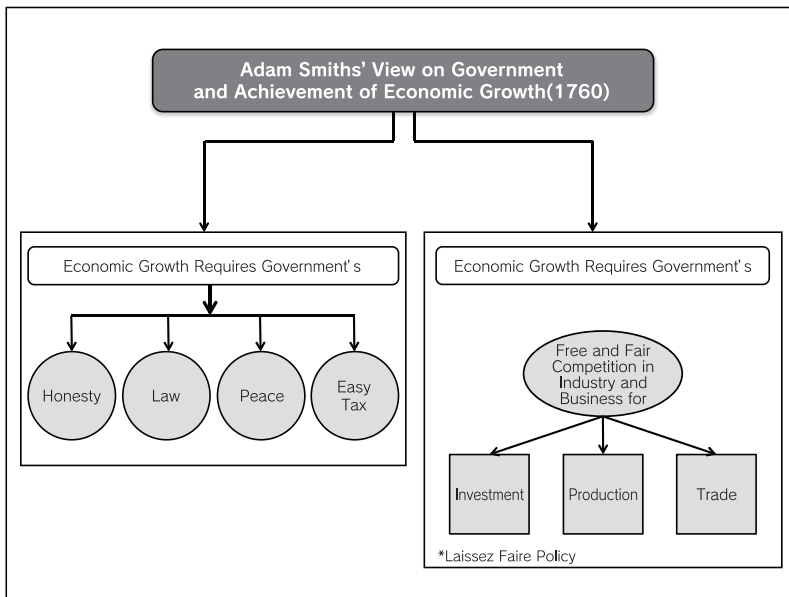
## Section (2) : The tasks of government, its development management capability and causes of government's failure

Since the age of Adam Smith, Keynes and, Meier and Baldwin, the important role and

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tasks of government in economic growth was widely discussed in their famous books of The Wealth of Nations (1760), The General Theory of Employment, Interest and Money (1936), and Economic Development (1957) respectively. Adam Smith (1760) explained that development of a country requires an economic environment which could provide free and fair competition in investment, production and trade for the growth of industry, business and trade. This kind of economic environment is widely known as Smith's "laissez faire policy" and it can be found only under the government which has appropriate economic management capability. Keynes (1936) also threw the light on importance of appropriate government's banking, monetary and fiscal policies for managing market economy that leads to the growth of industry and business as well as the progress of employment and income. Moreover, Meier and Baldwin (1957) advocated the important role of various degrees of government's initiations and directions in achieving successful economic growth by using different development experiences of Japan, Germany, USSR and United States<sup>6/</sup>.

Diagram 6. The duties of government (Adam Smith)

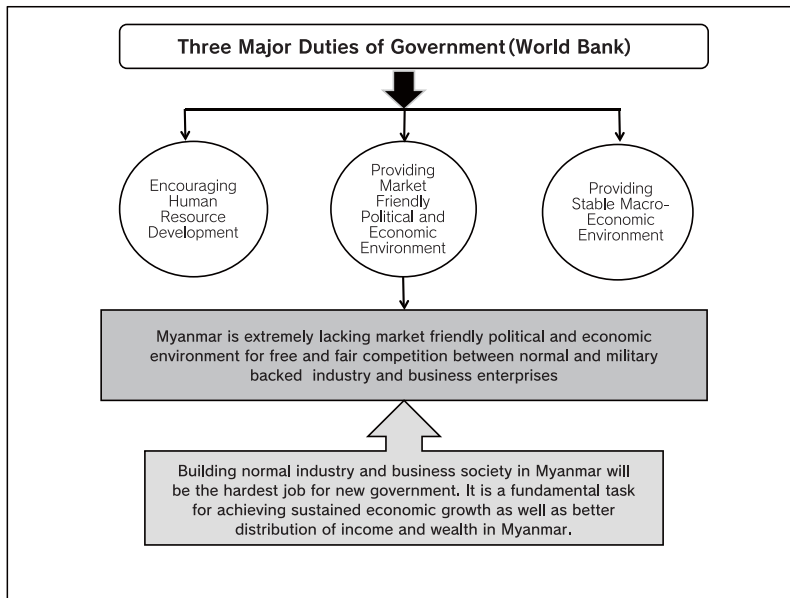


Source: Authors' image diagram

Diagram (6) explains that economic growth requires government's honesty, law, peace and easy tax as well as provision of free and fair competition in industry and business society for the growth of investment, production and trade. Moreover, it is worthy to introduce the important duties of governments for achieving economic growth partly based on the views of World Bank.

*The duties of government:* (1) Providing education, training and skill development programs for encouraging human resource development, (2) Providing market friendly political and economic environment, (3) Providing free and fair competition in industries and business societies and (4) Providing stable macroeconomic environment. Moreover, governments are responsible to examine always- (1) What should do (2) How should do and (3) How can do better for achieving economic growth that addresses the progress of industry, business, employment and income of ordinary people<sup>7/</sup>.

Diagram 7. The duties of government (World Bank and Lwin)



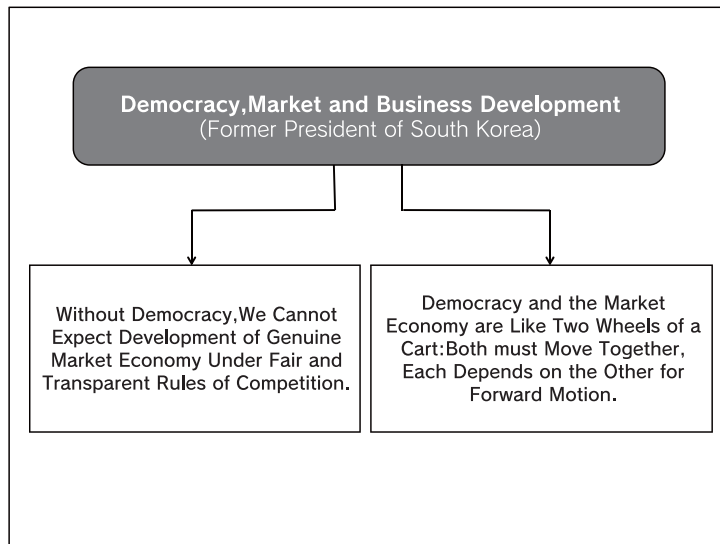
Source: Authors' image diagram partly based on World Bank Development Report 1991, 1997 and Lwin, 2007.

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As stated in diagram (7), Myanmar is lacking market friendly political and economic environment as well as free and fair competition between normal enterprises and military backed enterprises. Building normal industry and business society which is operated by civilian business people is also a hard job for the new government. It can be expected that the growth of civilian business and industrial society would lead to the reducing uneven distribution of wealth, employment and income opportunities gradually.

The former Presidents of South Korea Kim Dae-jung expressed that “Without democracy, we cannot expect development of a genuine market economy under fair and transparent rules of competition.” Democracy and the market economy are like two wheels of a cart: both must move together, each depends on the other for forward motion.” (Democracy and the Market Economy: Two Wheels of a Cart; Kim Dae-jung, 1999). World Bank also expressed that the success of public and private sectors industry and business activities is the result of investing in human resource development, a much reduced economic role of government, openness to the rest of the world and macroeconomic stability. This is widely known as the “Market Friendly Approach to Development”. Successful establishment of market friendly political and economic environments is largely relied on existence of democratic government which has appropriate development management capability<sup>8/</sup>.

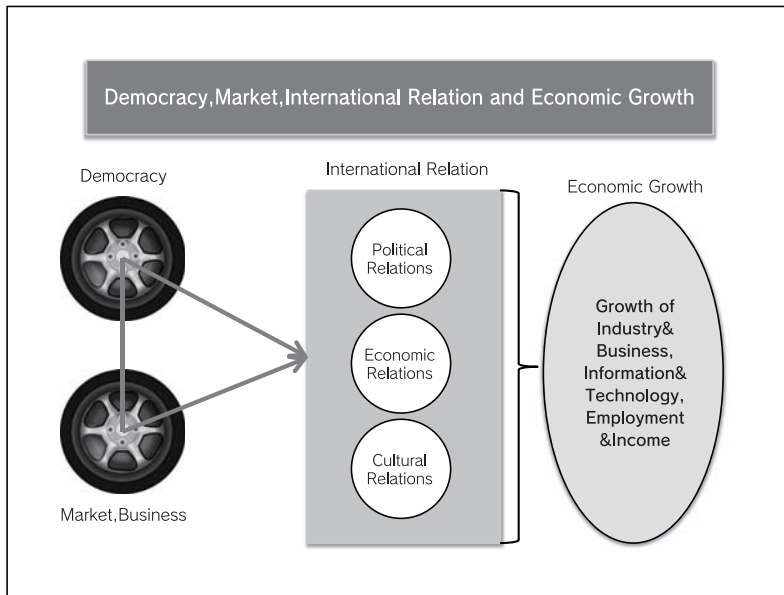
Diagram 8. Democracy and market economy



Source: Authors' image diagram based on Kim Dae-jung (2001).

The above mentioned relationship between democracy and market economy, depicted in diagram (8), is possible to modify by introducing the importance of international relation comprising political, economic and socio-cultural relations (Lwin 2013) for achieving economic growth. This extended version is depicted in diagram (9).

Diagram (9). Democracy, market, international relation and economic growth



Source: Authors image diagram based on Kim Dae-jung (2001) and Lwin (2013).

Moreover, democratic way of political and economic management is a fundamental requirement for building of free and fair competition in investment, production, and trade which could lead to sustained economic growth of a country. The Burmese view on democracy is not merely as a form of government but as an integrated social and ideological system based on respect among individuals. Moreover, regarding Buddhist view on responsibility of kings, the "Ten Duties of Kings"<sup>9</sup> is widely known and accepted among the people of Myanmar as a standard yardstick of good governance. These duties of kings also can be compared with the governments of Myanmar during the period after independence (1948) to March 2016.

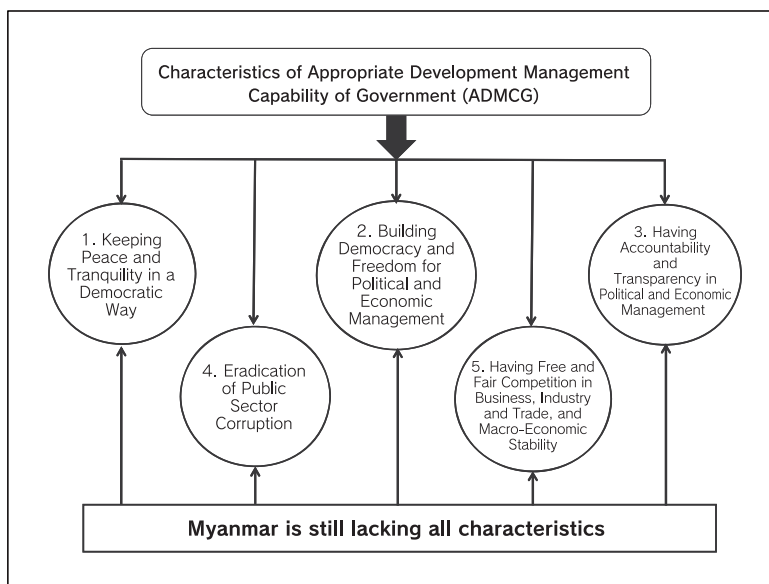
It is worthy to note that keeping peace and tranquility, eradication of poverty, building

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democratic society gradually are the fundamental tasks of developing countries governments before achieving a developed country status. The main causes of government failure or failure in sustained economic growth and poverty reduction in today's developing countries has been basically the poor development management capability of governments rather than the lack of land, labor, capital, technology, natural resources, and appropriate infrastructure.

*Development management capability of government: It refers to the ability of government in managing improvement of socio-economic wellbeing of the people through the growth of industry, business, investment and trade as well as the employment and income opportunities. Without the existence of democratic way of political and economic management, we could not achieve the sustainable development of human society in a global scale. (Lwin 2007). Capability is the ability to undertake and promote collective actions efficiently- such as law and order, public health, education, and socioeconomic infrastructures. Effectiveness is a result of using that capability to meet peoples' needs. A government may be capable but not very effective if its capability is not used in society's interest (World Bank 1997). The general characteristics of development management capability of government is depicted in diagram (10).*

Diagram 10. Characteristics of development management capability of government



Source: Authors' image diagram based on World development Report 1997 and Lwin 2007

As stated in diagram (10) all the characteristics of appropriate development management capability of government were lacking in Myanmar under military rule (1962-2011) and military backed government (2011- March 2016). This bitter experiences of Myanmar during the period from 1962 to early 2016 provide the hints for important *tasks of Daw Aung San Suu Kyi leads U Htin Kyaw government. It needless to point that new civilian government must have not only “strong characteristics of patriotism and democracy”but also the “appropriate development management capability and effectiveness” in political and economic management.*

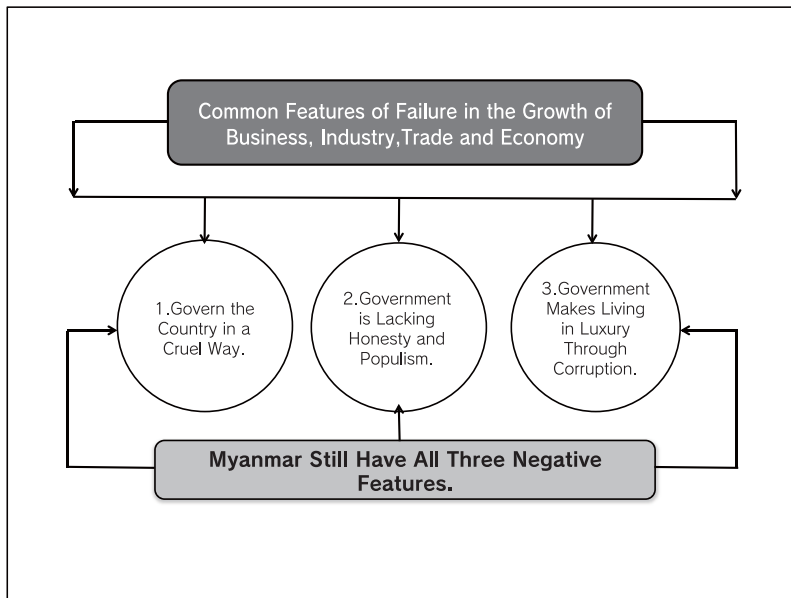
If we examine the appropriate characteristics of development management capability of government (DMCG) in the context of current political economy of Myanmar, the followings should be given priority.

- (1) Having strong spirit of patriotism (Aikokushin) ,
- (2) Having capability of keeping peace and tranquility in a democratic way,
- (3) Having capability of building national unity, democracy and freedom gradually,
- (4) Having capability of eradication of public sector corruption and abuse of political power,
- (5) Having accountability and transparency in political and economic management,
- (6) Having capability of providing free and fair competition in industry and business society,
- (7) Having capability of promoting investment, production, trade, employment and income through the growth of ODA, FDI,
- (8) Having capability of providing general education, training and skill development program, and healthcare opportunities for the working poor of urban and rural areas,
- (9) Having capability of promoting peoples' knowledge, way of thinking, cultural values, and language ability in line with the rapidly changing internationalization and globalization, and
- (10) Having capability of introducing administrative and economic reform measures in line with the changing political and economic environment, domestically and internationally.

*Main Causes of government failure:* The studies on the role of state in economic growth found that excessive government intervention in industries, business and trade as well as abuse of political power and corruption are the main causes of government failure. As depicted in diagram (11), most of the top level government officials in developing countries make their living in luxurious way due to the lacking honesty and populism. Some of them govern the country and manage the economy and business in a cruel and corrupted way.

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Diagram 11. Main causes of government failure



Source: Authors' image diagram.

The main causes of failure in growth of industry, business and trade in the context of Myanmar, from 1962 to early 2016, can be summarized as follows.

1. Lack of integrated policies for investment, production, trade, money & banking, taxation, finance, and exchange rate,
2. Lack of market friendly political and economic environment for the growth of industry, business, trade, employment and income through effective utilization of existing resources, official development assistance (ODA) and foreign direct investment (FDI) ,
3. Lack of transparency and accountability in political and economic management,
4. Lack of free and fair competition in industrial and business society,
5. Lack of administrative and economic reform measures which address the eradication of deep-rooted nationwide public sector corruption as well as smooth running of industry, business and trade activities.

The failure of industrialization and sustainable economic development during the period between 1962 till early 2016 was mainly due to a series of military juntas<sup>10/</sup> who are generally lacking development management capability. According to the World Bank Development



Report (1997), the survey result of 69 countries found that failure of business development was due to lawlessness syndrome covering corruption, unpredictable judiciary and crime as well as due to wasting time especially for negotiation with the government officials.

#### **Section (4) : Suggested government's tasks for achieving political stability and sustainable economic growth.**

This section and conclusion provide a brief political economy of Myanmar in retrospect in order to have clear understanding on suggestions and policies hints for new civilian government of Myanmar.

*Political economy of Myanmar in retrospect:* In January 1948, Myanmar gained her independence from British rule and had the chance to establish the parliamentary democracy system of its own as well as to continue the free market mechanism along with economic nationalism. The "Two-Year Plan" of economic development drawn up under the auspices of General Aung San (father of Aung San Suu Kyi) was announced on 1<sup>st</sup> April 1948<sup>11'</sup>. As this plan advocated a strong socialistic ideas, it stipulated all the basic industries were to be established and developed on a state-owned basis. The development strategy and policy of free market mechanism and economic nationalism were applied during the period between 1948 and 1962. It would be appropriate to label this period as "*Market Economy under Democratic Civilian Rule*", However, unfortunately, there was no political unity among the leaders of the country's ruling party. The lack of political unity, growing ethnic conflict and nationwide insurgency problems, made Myanmar impossible to establish required socioeconomic infrastructure, institutions and basic industries and business for strengthening economic growth. Finally, General Ne Win staged the military coup in March 1962. This was the beginning of Myanmar which became under military rule.

Soon after the military coup "Revolutionary Council" was formed and cabinet post were also distributed among high ranking military officers. Then, military government annulled the parliamentary system and established the socialist economy of one party system, known as "Burma Socialist Program Party" (BSPP) which governed Myanmar from March 1962 to September 1988. It would be relevant to label this period (1962 ~ 1988) as "*Socialist Economy under Military Rule*". Military government followed the "*Inward-looking Self-reliance Policy in Isolation*"

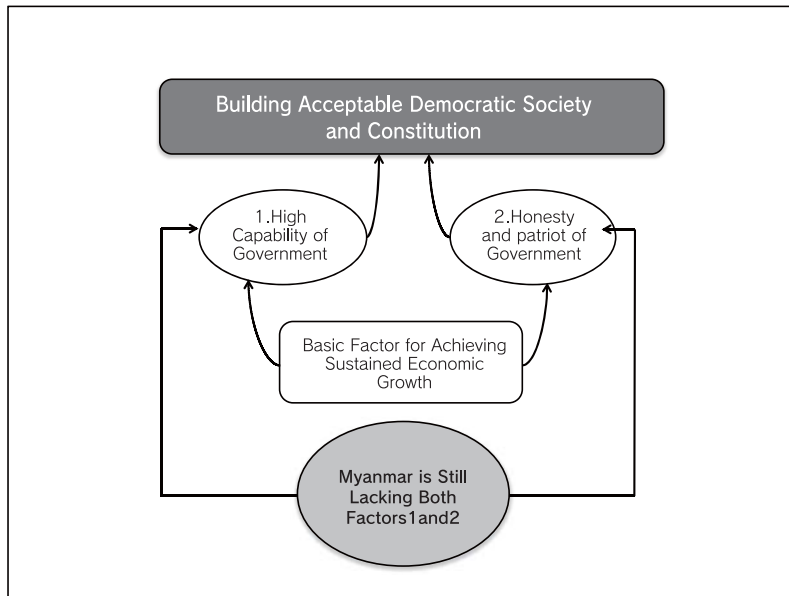
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during this period. All the industries, businesses, domestic and foreign trade, electricity supply, banks, hospitals, schools, transport and communication, mining, forestry, and fishery were also nationalized and kept under the control of army generals and high ranking military officials. Due to the over practicing of bureaucracy and brutal law in economic management and public administration simultaneously with the nationwide corruption during this period, the whole political and economic system became lopsided and unmanageable especially after 1985. Finally, the socialist government formed by ex-military and military officials, label themselves 'socialist heroes', which governed the country nearly three decades, chose the second best solution. That was, transferring the political and economic power to the young obedient military generals and officials in 1988. This new military junta who are loyal to and protect the welfare and wealth of army and ex-army officials, established the "State Law and Order Restoration Council" (SLORC). Then, immediately declared that a market oriented system will be adopted in the place of socialist planned economic system. Therefore it is appropriate to label this period (1988 to 2011) "*Market Economy under Military Rule*". The SLORC (1988-1997) which changed its name to State Peace and Development Council (SPDC, 1998-2011), the second generation of army led by Senior General Than Shwe governed the country more than 20 years. This new military regime also followed the old style of political and economic management which is over practicing of nationwide brutal law and corruption. Mainly due to the unmanageable economic problems under semi-open market economy, power struggle among generals, and remarkable changing world political environment towards democracy and freedom, military backed Thein Sein, a former general, government appeared on political scene. He ruled the countries from 2011 to March 2016 by introducing new style of political and economic management that was more democratic way than ever before. The members of Thein Sein government was a blend of second and third generation of army general and officials. The most distinguishing and respectable action under Thein Sein administration was the allowing free and fair national election of 2015. It would be appropriate to label the period of (2011 to early 2016) as "*Beginning of Market Economy under Semi-democratic Military Backed Government*". But unfortunately, as stated in diagram (11), the cabinet members of civilians and generals under Thein Sein government were also lacking capability of governance, honesty and patriotism.

As a result of landslide victory of National League for Democracy (NLD) party in 8

November 2015 election, the leader Daw Aung San Suu Kyi could take over power in April 2016 and U Htin Kyaw, a civilian, was elected as President of Myanmar. The present political economy of Myanmar, would be appropriate to label as “*Market Economy under democratic Civilian Rule*”. Currently, Aung San Suu Kyi leads Htin Kyaw civilian government is introducing the administrative reform measures as expected by domestic and international societies. But, due to the long lasted political and economic management under military regime, many of the newly assigned civilian ministers and top level authorities are still lacking expertise and knowledge although they are rich in patriotism and honesty. Therefore, the new government has to find the best shortest way to learn and operate the society and economy effectively and timely. This would be also one of the most challenging tasks for the new government.

Diagram 12. Building democratic society under Thein Sein administration



Source: Authors' image diagram.

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As stated in diagram (11), building acceptable democratic society and constitution requires honesty and patriotism of government as well as high capability of government. These factors are also considered as basic for achieving sustained economic growth. But, under the Thein Sein government which govern the country from 2011 to March 2016, almost all the generals and civilians at the ministry level are basically lacking above mentioned import factors and it is really impossible for building democratic society as well as promoting socioeconomic wellbeing of ordinary people. President Thein Sein has noticed very well about the limitations and difficulties of his military backed administration. Probably, this would be the one of the major factors which made President Thein Sein to make decision to transfer the political power to civilian government through the result of November 2015 national election.

We can look back and summarize the important movements of President Thein Sein related to paving way towards transferring political power and building democratic society successfully during his administration. Thein Sein, a retired general of Myanmar army, previously served as Prime Minister from 2007 to 2011 and became the 8<sup>th</sup> President of Myanmar from 2011 to March 2016. He took over political power in March 2011, after the military backed election of November 2010. He is considered as moderate and reformist by domestic and international societies. Because, Thein Sein government freed hundreds of political prisoners, held peace deals with ethnic minority groups, allowed flexible media censorship, released of Aung San Suu Kyi from house arrest and undertook good relationship, and brought NLD party back into the political scene, Myanmar had opportunity to chair ASEAN meeting in 2014, and improved relationship with US. Thein Sein also made the pledge to the UN General Assembly in New York in 2012, saying Myanmar was on a path from which it would not backtrack. All these actions of President Thein Sein during his administration (2011 ~ March 2016) give the impression that he was trying consciously to transfer the power to Daw Aung San Suu Kyi leads civilian government. It would be appropriate to evaluate that President Thein Sein could successfully build a bridge for transfer of military backed political power to democratic civilian government. It needless to point that Daw Aung San Suu Kyi and President U Htin Kyaw are most the responsible persons for the success of building democratic society peacefully and achieving sustainable progress of socioeconomic wellbeing of ordinary people in Myanmar.

Accordingly, this study attempts to provide the following important points and diagram (13)

regarding “What government should do” for building peace, unity, democracy and achieving sustained economic growth.

First: Government should try to maintain law & order restoration as well as peace through democratic way.

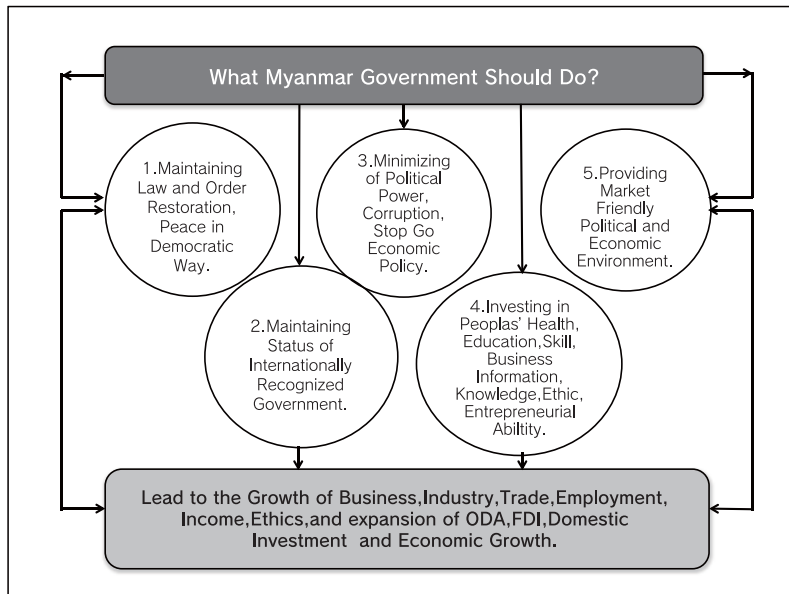
Second: Government should always try to be an internationally recognized and respectable government.

Third: Government should try to minimize the abuse of political power, corruption, stop-go economic policies.

Fourth: Government should provide “market friendly political and economic environment”.

Fifth: Government should give priority to “investing in people” for the progress of peoples’ health, education, knowledge, skill, business ethic, and entrepreneurial ability.

Diagram 13. The tasks of Myanmar government



Source: Authors' image diagram.

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Moreover, basic government's tasks for achieving sustainable economic development in the context of Myanmar can be examined as follows:

1. Building national unity, strength and democratic society as well as maintaining peace and tranquility in all states and divisions,
2. Providing reform measures for fair allocation of resources (financial and human), balancing revenue and expenditure, and decentralization of authorities among all states and divisions,
3. Building development management capability of government timely with the help of domestic and foreign experts,
4. Building appropriate social and economic infrastructures in all states and divisions,
5. Providing market friendly political and economic environment for domestic and international firms,
6. Providing free and fair competition in industrial and business society as well as degree of economic openness towards world market, ODA, FDI, and business information timely,
7. Providing urgent and effective policy measures for agriculture, rural and regional development,
8. Providing macroeconomic stability through money, banking, finance and foreign exchange rate policy measures,
9. Providing education, training and skill development programs for the working poor of rural and urban areas, and
10. Promoting peoples' social & cultural values in line with the rapidly changing internationalization and globalization.

## Conclusion

The constitution of present Myanmar is consciously drafted by former army generals for maintaining military power and to rule the country as long as possible. According to the May 2008 enacting new constitution, the army could retain 25% of the parliamentary seats with unelected military representatives. This is what the generals called "*disciplined democracy*". It makes possible army to hold veto power on constitutional change and keeping key ministerial portfolio related to security and part of administrative power. Moreover, Aung San Suu Kyi

could not become the President of Myanmar, although her political party, National League for Democracy (NLD) won in the national election of 2015. Therefore, constitutional reform has been one of the most challenging tasks for the new civilian government.

Myanmar could learn many things from her lost decades under military rule and military backed government (1962 ~ March 2016), and from the experiences of transition from planned to market in Soviet Union, Central and Eastern Europe, and the Asia during early 1990s as well as from the recent experiences of Arab Spring which broke out in 18 December 2010 in Tunisia and then spread to Egypt, Libya, Yemen, Bahrain, and Syria. The major source of these problems were mainly due to the issues such as dictatorship, absolute monarchy, human rights, public sector corruption and extreme poverty. It is extremely important for Myanmar to overcome the negative outcomes of transition from military to civilian government. Accordingly, this study attempts to examine the *suggested political and economic management strategies* in the context of Myanmar for achieving successful transition and sustained economic growth as follows.

First: *Regular approach strategy*: Civilian government should choose a step by step administrative reform strategy rather than shock treatment approach for building a full blown democratic society and successful constitutional reform.

Second: *Friendship approach strategy*: Civilian government should follow the shake hands governance strategy towards old and new high ranking military officials in order to maintain the peace as well as law and order restoration in all the states and divisions. It is needless to point that cooperation and support of army is very important for building national unity and peace.

Third: *Gentle approach strategy*: Civilian government should choose the well-behaved political and economic management strategy wisely for minimizing the deep rooted abuse of administrative power and public sector corruption. It should be aware that favoritism, nepotism, power abuse and corruption can be found not only within the army society but also in civilians.

Fourth: *DMCG approach strategy*: Civilian government should try to improve its development management capability timely in order to minimize the distorted economic policies and providing market friendly political and economic environment for the progress of industry, business, trade, employment and income through the efficient utilization of existing resources,

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FDI and ODA.

Fifth: *Investing in people approach strategy*: Civilian government should implement timely the effective human resource development strategy for the progress of peoples' health, education, skill, business information, business knowledge, business ethic, and entrepreneurial ability.

As explain above, maintaining peace and tranquility in all the states and divisions of Myanmar would become the hardest job for civilian government, if the army generals do not loyal, cooperate and support enough to the new government and/or if the recent reform measures impact too much on wealth and power of generals and high ranking army officials. Moreover, the most important issue for present Myanmar is that civilian government must have not only the capability of keeping good relationship with army but also the avoiding power struggle with army generals. Peace, stability and prosperity of Myanmar is solely relied not only on political and economic management capability of civilian government but also on the extent of generals' spirit of patriotism, cooperation and support.

Finally, we would like to express again that the role of government and its development management capability will be continued to play as a "*master key*" for achieving sustainable development both in developing and developed countries of this century. And we also strongly hope, this study on "The Role of Government and Its Development Management Capability" could provide a "*fundamental guide lines*" for the present and forthcoming governments of Myanmar.

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**Notes:**

1. Nagamine, H. and Lwin, M.M., the initial members of establishment of Graduate School of International Development (GSID), Nagoya University, Japan, also chiefly used the term Development Management Capability of Government (DMCG) since early 1990s.
2. For the details on transitional economies including Myanmar, please see in Lwin (1996, 2000).
3. Regarding the type of government, please see in Lwin 2007, p. 294, and World Development Report 1997, pp. 19-21.
4. The main differences in characteristics between economic growth and development is briefly discussed in Lwin 2007, pp.292-293.
5. For the importance of shared economic growth, please see the World Bank 1993, Policy



Research Report, pp157-167.

6. Concerning the role of government during the process of development in Japan, Germany, USSR and United States of America, please see in Meier, G.M. and Baldwin, R.E. (1966).

7. Regarding tasks of government, please see in World Bank, World Development Report 1997, and for the changing concept of development and the task of government is referred to Lwin (2007, p.292-297).

8. An explanation on market friendly approach is given in World Bank, World Development Report 1991: pp.6-10.

9. For detail explanation related to Burmese view on democracy and The Buddhist view of "Ten Duties of Kings", please see in Aung San Suu Kyi 1991, pp.170-173.

10. A series of military juntas of Myanmar: General Ne Win (1962-1988), General Saw Maung (SLORC 1988-1992), Senior General Than Swe (SPDC, USDP, 15, September 1993 to 2011), President Thein Sein, former general and military backed government, (2011- march 2016), then Htin Kyaw civilian government leads by Aung San Suu Kyi (April 2016 ~ present), for a chronology of political events in Burma and Myanmar is given in Lwin (2007) and Myint San & Than Than Aung (2014).

11. For details, please see in Two-Year Plan of Economic Development of Burma. Government Press, Rangoon, Burma, 1948.

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