EE361

Challenges in Agricultural Developments in Myanmar after Economic Reforms in 1987

GROUP 10

Background

• In 1987, Myanmar implemented economic reforms to address its economic crisis, which included devaluation of the Burmese currency, liberalization of the economy, and allowing private businesses to operate in the country.

• The reform stabilized the economy and attracted foreign investment, creating jobs and improving the standard of living.

Background

- The reform had a significant impact on the agricultural sector, with the GDP share of the agricultural sector increasing from 40% in 1985/1986 to nearly 54% 10 years later.

- However, there were issues with the implementation of the reform, such as lack of access to adequate credit for farmers, wrong focus of development strategies, and poor government management overall.

Key Issues

The growth rate of the agricultural sector improved but failed to sustain in a long run

Scrambling for Food from Farmer

Whether there was conflict between scrambling for food from farmers or the agriculture sector in a compulsory manner and the need to give enough beneficial incentives to farmers as well

- the procurement price of paddy is at a fixed rate in the long term

Isolation from Global Economy

Chronic underdevelopment and isolation from the global economy

Myanmar unable to unleash its full potential as one of the biggest rice producers in SouthEast Asia

The country faced trade sanctions from Western countries

Key Issues

Needs for Providing Adequate Incentives for Farmers

- conflict between mandating food from the agricultural sector and the need to provide adequate incentives to farmers
- the compulsory purchase system has not prevented paddy cultivators from increasing their output year after year
- MAPT

Developing new lands rather than more yields

- strategy of developing new agricultural land rather than increasing yields
- the growth rate increase rapidly in the initial period because new land expanding dramatically increased the quantity of the products and output.
- yield has not improved makes the growth unsustainable

Key Issues

Deforestation

- the agricultural encroachment, commercial logging, and cutting of fuelwood
- Deforestation will lead to lower quality of soil and its erosion
- the agricultural lands are more vulnerable to natural disasters

Corruption

- the government had to address the issue of corruption and cronyism
- involved introducing new laws and regulations to improve transparency and accountability
- working to change the culture of corruption that had become ingrained in the country's economic and political systems.

GOVERNMENT POLICY

To solve insufficient infrastructure

- Increased investment in infrastructure
- Prioritization of infrastructure development
- Regional cooperation
- Public-private partnerships
- Legislative reforms

To solve political unrest and poor economic management

- Economic liberalization
- Prioritization of infrastructure development
- Increase integration with the ASEAN region
- Attract foreign investment
- Transition to a civilian government in 2011
- Hold free and fair elections in 2015

To solve economic sanctions

- Liberalization of its economy
- Broaden the range of its business partners
- Improve its business environment
- Promote domestic economic development

To solve limited private sector growth

- Liberalization of its economy
- Establishment of institutions to support the private sector
- Investment in infrastructure and business environment improvements
- Public-private partnerships

To deal with low agricultural yield

- Providing access to credit
- Promoting modern farming practices
- Supporting agricultural research
- Promoting export-oriented agriculture

CONCLUSION

The economic reforms in Myanmar in 1987 marked a significant paradigm shift toward a market-oriented economy, aimed at stabilizing the country's economy and attracting foreign investment. Despite these changes, Myanmar still faces several challenges, including chronic underdevelopment, insufficient infrastructure, economic sanctions, limited private sector, and legacy debt. Additionally, corruption and cronyism remain pervasive issues that need to be addressed. Overall, the economic reform in Myanmar was a complex and challenging process