

# Introduction

**Monique Skidmore and Trevor Wilson**

In the early years of the millennium, Burma/Myanmar endured several major crises that only aggravated the overall stress and the trying circumstances in which the country and the people found themselves. First, a banking crisis in 2002–03 brought the cash economy close to the point of collapse, from which it has still not fully recovered. Second, in May 2003 there was a serious political challenge to the military regime by the leader of the democratic opposition, Aung San Suu Kyi, to which the regime responded with characteristic ruthlessness in what has become known as the Depayin Massacre. Third, in late 2005, the regime peremptorily changed the official capital and uprooted the government and civil service from Rangoon to the new, isolated and still unfinished site of Naypyitaw.

Since the dramatic October 2004 leadership changes in Burma/Myanmar, there has been little movement in the political situation. The government has essentially been on the defensive, nominally adhering to previous policies, while pursuing its purge against the military intelligence apparatus headed by ousted Prime Minister General Khin Nyunt. The National Convention that had reconvened in May 2004 resumed in February 2005 and has continued since then, as promised by the government before its adjournment on 29 December 2006 but

still without representatives from the National League for Democracy (whose leaders remain in detention), from the second largest opposition party, the Shan Nationalities League for Democracy (whose leaders have been charged with high treason), or from the Karen National Union (with whom a cease-fire agreement has never been finalised and whom the government is fighting more vigorously than ever on the battlefield).

Meanwhile, the economy remains moribund, with investment and tourism staggering along at low levels. Western sanctions and informal campaigns against foreign investment have made small economic inroads, and living standards and disposable incomes have declined as prices climb and the value of the domestic currency falls. Evidence of any readiness to embrace economic reforms, even of the kinds adopted successfully by China or Vietnam, is lacking, and the prospects for effective engagement with the government about the options for changes in economic policy seem to be more remote than ever.

The education and health sectors continue to suffer from lack of government funding, and international assistance is insufficient to make up the difference. Standards of public health and education have declined disastrously. Meanwhile, the rule of law is honoured mainly in the breach, and widespread human rights abuses continue to be reported, but with less access than ever for independent outside monitoring of the human rights situation (especially with the refusal to allow the International Committee of the Red Cross to continue the full range of its operations independently).

The military regime managed to retain its tight grip on the country through these crises, but only by strengthening many of its repressive controls over the people, society and the economy. While the outside observer might be amazed that this could be so, for close observers and for the people of Myanmar themselves, it unfortunately comes as little surprise. Although the regime seems oblivious to international opinion and any criticism of its actions, it is struggling to make adjustments to its political rule through its so-called 'road-map' towards national reconciliation, and through its opaque attempts to develop and privatise the economy.

The contributions to this book were presented at the seventh Myanmar/Burma Update conference held in Singapore in July 2006

under the joint sponsorship of the Australian National University in Canberra and the Institute of Southeast Asian Studies (ISEAS) in Singapore. Along with Dr Tin Maung Maung Than of the ISEAS, the editors of this publication were co-conveners of the conference. The chapters represent an attempt by some of the world's most knowledgeable scholars of Myanmar/Burma to assess the political, economic, social and military situations as they stood in mid 2006.

In a new initiative, this conference also set out to examine some of the consequences of such a long period of authoritarian rule in Myanmar/Burma, this time looking at the impact on the natural and physical environment. Concerns are increasingly being expressed about the cumulative effect of years of neglect of Myanmar's natural resource endowment and its natural environment. The endangerment of Burma's mangrove ecosystem, the environmental, economic and social effects of logging, natural resource and wildlife depletion, and energy and pollution issues are examples of serious national problems that will have significant and lasting consequences for Myanmar/Burma in the twenty-first century. The contributors to the current volume are well aware of these issues and, after a broad consideration of the challenges for environmental governance, the contributions include some interesting case studies, all based on extensive in-country research into the reality of environmental management in Myanmar/Burma. While they do not necessarily seek to prescribe solutions, they illustrate dramatically why far greater attention needs to be paid to environmental protection and the sustainable aspects of development by the authorities as well as international donors.

The editors are grateful to the authors for their contributions, to Dr Tin Maung Maung Than and his colleagues in Singapore, who started the process of compiling the papers from the July 2006 conference, and to Asia Pacific Press for its support in publishing this collection.

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Canberra  
January 2007