

The Opening of Myanmar and Dawei Industrial Estate

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Abstract

The Dawei Industrial Estate is set to be the largest in Southeast Asia and it is intended to become the means by which Myanmar will become a modern nation, one which sweeps away the legacy of the colonial past and carries the people to a new, better and more modern world. What is the meaning of this?

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Although Daw Aung San Suu Kyi's progress around the capitals of the western world seems to be the human face of Myanmar's opening, a perhaps more important aspect is the creation of the Dawei (Tavoy) Industrial Estate in the southern part of the country. This estate is set to be the largest in Southeast Asia and will combine deep sea port facilities with hydrocarbon processing facilities and plenty of space for factories to produce any amount of consumer or business goods. Building the estate is a significant undertaking and principal contractor Italian-Thai Development (ITD) has been selling stakes in other large regional holdings in order to ensure sufficient capital to complete the task (Wiriyapong and Wongruang, 2012).

Special Economic Zones

Theoretical support for the benefits of geographical proximity of industrial activities dates back at least to the work of Alfred Marshall, if not to Adam Smith. Proximity stimulates the creation of positive externalities: people from different and perhaps complementary commercial activities come to know each other, communicate with each other and help to create additional value on a shared basis. The physical proximity also has benefits in terms of reduced transaction costs in transportation, communications and establishing trust. It is not surprising, therefore, that transnational organisations such as the World Bank, the International Monetary Fund and the Asian Development Bank have all demonstrated their support for building and supplying industrial estates and all the related forms of special economic zones. China's spectacular rise, for example, has depended to a significant extent on the creation of such zones and filling them with factories and workers producing goods for export. Just about every country in the world has its own complement of industrial estates, even the remote and closed country of North Korea has recognized their potential in stimulating economic growth and modernization (Park, 2004).

It is important to bear in mind that it is both growth and modernization that takes place within the confines of an industrial estate. This may not be the initial intent of the government officials who set up such schemes or the international bankers who help finance them. After all, building and populating an industrial estate is an undertaking that demonstrates the intent of politicians and bureaucrats, provides a physical and quantifiable measure of progress and the use of funds and helps to promote the interests of domestic and international capitalists, who are known to be close to many government agencies and individuals. Building an estate in Greenfield territory is a particularly attractive undertaking, not just because of the opportunity it provides to realize profits from land deals but because it demonstrates the developmental goals of any government by bringing fresh land into productive use. Putting apparently unused land to industrial production is a potent symbol of becoming modern and has fuelled the poetic imagination from Goethe's Faust to Blake's Dark Satanic Mills and beyond. Building an estate in a Brownfield site may be a much more beneficial option when it comes to dealing with pollution and environmental issues, as well as urban blight and related ailments; however, it is quite literally a messy option and one which means dealing with the legacy of the past, a legacy which can lie like a nightmare on the brains of those deputed to solve its problems.

The Human Factor

The people who will be most affected, of course, will be the workers, those drawn from their previous occupations to take up the new jobs available in the opening factories. They are the ones who will be present when economic development and modernization takes place in a country. In this case, it is Dawei in Myanmar where these changes take place. Workers taking these jobs will almost certainly obtain income beyond anything they could hope to earn in the lives that they leave behind. That income may not seem much in the developed world: the greatly increased minimum daily wage introduced in Thailand this year has been 300 baht per day – less than US\$9. In

Myanmar, workers will be fortunate to earn half that much. Yet this is still a good wage for many millions of people and will offer them the dream of making better lives for themselves and their families.

Yet there are prices to pay: there is the physical cost of migration, moving away from family and community to take up employment in a dormitory community with strangers and to substantiate personal identity through the amount of remittances that can be sent home. The price is also evident in terms of alienation – moving from occupations which are likely to be seasonal and dependent on local wisdom and learning to new occupations which are governed by the factory clock and the manual of operations. There are also many social changes involved in moving from traditional, culturally-rich lifestyles to the modern lifestyles of anonymity, with identities determined by a considerable extent by the ability to contribute to a market economy and to benefit from it, as symbolized by their ability to provide consumer goods for themselves and for their family members. This change very often acts more stressfully on women, since this movement means a very significant reduction in their ability to provide the emotional labour and care for dependents that characterizes so much of women's labour.

The nature of work that people find themselves doing in industrial estates also represents a change from pre-modernity to modernity. Modern work, as evident from the work of Frederick Taylor and the famous film starring Charlie Chaplin, shows workers becoming subservient to the factory-machine, which must be serviced at all times and anyone who fails to keep up with the pace can expect, at best, to be sacked and, at worst, to suffer injury and death as a result of those machines. It is not surprising that the very limited amount of education provided to those destined to feed the factory age is insufficient to equip the workers with the means to cope with the alienation they can face. Some flourish, of course – indeed, the factory age has brought considerably better livelihoods to millions of people across Southeast Asia and beyond – but others do not, as

demonstrated by the Sudden Unexplained Death Syndrome suffered by Thai migrant workers in Singapore and elsewhere (Goh *et al.*, 1993) and the numerous undocumented stories of people facing personal and societal stress.

Dawei Industrial Estate

In the case of the Dawei Industrial Estate, it is expected that many of those who will become workers are migrants currently in Thailand or others who have been or might be migrants. As a result, it can be expected that most such people will have at least some experience of factory living and, consequently, should not be so badly affected by it. Yet an industrial estate of the size of Dawei will, if it really does come into operation on the scale envisaged, will eventually draw in many tens of thousands of workers who have not previously taken part in the factory age. They too will participate in the process of modernization. They will be able to witness at first hand the creative destruction of capitalism. Some will thrive and others will fail. All will face the changes of modernization: the essence of modernization is, as described by Berman (1988), that all bonds are loosened and dissolved, to be replaced by new relationships dominated by the market place. Whether it is kinship or family relationships, culture and customs, even physical appearance, everything must be changed to deal with the new situation and everything that is solid melts into air.

Before the period of military tyranny, Myanmar was known as one of the richest if not the richest countries in Southeast Asia. Yet much of that wealth was the result of resource extraction and commercial activities organized under imperial British control. This control was, understandably, much resented and attempts were made to develop an authentically local approach to economic and social development. That these attempts failed is self-evident. Now the government, with a partial form of democracy that may or may not persist, is seeking to follow its neighbours into the Factory Age and embracing the neoliberal idea of late capitalism. The impact may, if the plan is

brought to fruition, be region-wide. Thousands of workers in Thailand are likely to return home, leaving a vacuum in the labour market to the east. High value jobs, if they are created, may take advantage of the easier migration of skilled workers and professionals under 2015's ASEAN Economic Community. New classes of bourgeois and middle-class Myanmar citizens will be created and will have their opportunity to experience capitalism's creative destruction.

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