



Burma's economy could go in one of two very different directions: onward and upward, or further down the same old spiral.

Peering into the crystal ball on Burma's economy is a hazardous activity, but the risk might be mitigated by dividing the task into two: one part to speculate upon what we *hope* might happen in 2010, and the other—alas, more depressing—task, to predict what experience tells us is all too likely to happen.

But starting with the audacity of hope, what positive developments *could* take place in Burma in 2010? Well, naturally much will depend on the election, which, in the best of circumstances, might bring about a new government in Burma. Such a government, if it truly aimed to restore economic security to Burma's people, would engage upon a reform program that would turn the country's fortunes around.

Beginning with a frank disclosure of Burma's gas export revenues, a reform government would use this money to inject much-needed capital into the rural economy. It would reduce spending on the military and security apparatus and use the savings to lift spending on health, education and critical infrastructure.

The new government would, by these and other actions and commitments, encourage confidence that property rights would be respected and that something resembling the rule of

law might prevail in Burma. The latter virtues would have the side benefit of fortifying the foundations for democracy and allaying the fears of Burma's ethnic minorities that they are open to exploitation.

International investors, heartened by such moves and in the enthusiasm that would greet a new Burma, would invest in the country—yes, to access natural resources, but also to employ competitively priced Burmese labor and to develop what would be a tourist hotspot of long promise.

But if none of this happens, where might Burma's economy go in 2010? The answer is, unhappily, more or less in the same downward trajectory that it has been traveling for the past 50 years.

Burma's aforementioned gas revenues grossly flatter the country's GDP performance and disguise a situation in which economic conditions are probably worse now than at any time since the end of World War II. For all their boast of being the defenders of national sovereignty, the economic vision that Burma's leaders have for the country will likely continue to amount to little more than that of a giant quarry, mine and gas field.

Thus laid open to the exploitation of Burma's energy-hungry neighbors, Burma in 2010 will bob about upon the tempestuous seas of the volatile global commodity cycle: rudderless, directionless and not the master of its own destiny.

*Sean Turnell is associate professor of economics at Australia's Macquarie University and a widely published writer on economic issues.*