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Electricity in Myanmar

Area of darkness

Oct 18th 2012, 4:35 by T.J. | YANGON

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THE gradual implosion of an autocracy can throw up tricky problems for economists. In the case of Myanmar, one of the puzzles is to work out just how poor people really are, in a country that was walled away for more than half a century.

Myanmar stopped publishing national-accounts data in 1998. And so the level and geographical distribution of the economic activity in a territory roughly the size of France is clouded in mystery.

When the country emerged into independence, along with many others in South and South-East Asia in the aftermath of the second world war, Burma, as it was called then, was seen at the time as having good development prospects (cf. pp 32-34), relative to its contemporaries. Today, however, the IMF estimates income per head in Myanmar at \$824 (in 2011 dollars)—the lowest in South-East Asia.

The straight answer, of course, is that nobody has a clue.

Scholars at the University of Pennsylvania who maintain the World Penn Tables, which provide national-income-accounts data converted to international prices for 189 countries and territories, do not even bother including Myanmar.

Because no one actually measures economic activity in Myanmar, even estimates of the economy's recent performance can neither be verified nor refuted. But that doesn't prevent everyone from guessing. Government-appointed economists say annual GDP grew by an average 12.2% during the decade from 2000 to 2010. The IMF thinks the pace was less than half as brisk as the official estimate. Some private economists put GDP growth at 2-3%.

Comforting then, as the British novelist James Buchan has noted, that "economists, like royal children, are not punished for their errors".

This is where a trio of Japanese researchers take to the stage. Messrs Kumagai, Keola and Kudo of the Institute of Developing Economies (IDE), a think-tank affiliated with Japan's External Trade Organisation, have found a way to sidestep the bog that has mired economists who are still looking for official data to feed their models.

They use the strength and distribution of electrical lighting at night-time to estimate economic activity on the district level in Myanmar. Their groundbreaking paper draws on research aimed at revealing the global distribution of economic activity and map poverty using satellite data.

The satellite image of Myanmar after dark shows the country's economy at night—an area of almost uninterrupted blackness, surrounded by seas of light in India's (relatively poor) state of West Bengal, China's (relatively poor) Yunnan province and the north-west of Thailand.

Among other things, the researchers' satellite-enhanced number-crunching reveals that:

- Three regions of Myanmar—Yangon, Mandalay and Naypyidaw—emit 40% of the country's light at night-time. (Yangon alone accounts for 22% of it.)
• GDP per head in these three areas is more than twice as high as the national average.
• Almost all of the districts that border China have a GDP per head higher than the national average.
• Two out of the 12 districts that border Thailand have income levels that exceed the national average.
• The border districts with India and Bangladesh, by contrast, are pitch-black, and poorer than the national average.

We don't know whether the economic advisers to the president, Thein Sein, read this kind of stuff. They certainly should. At a national address in June Thein Sein declared a new national goal: tripling GDP per head by 2016.

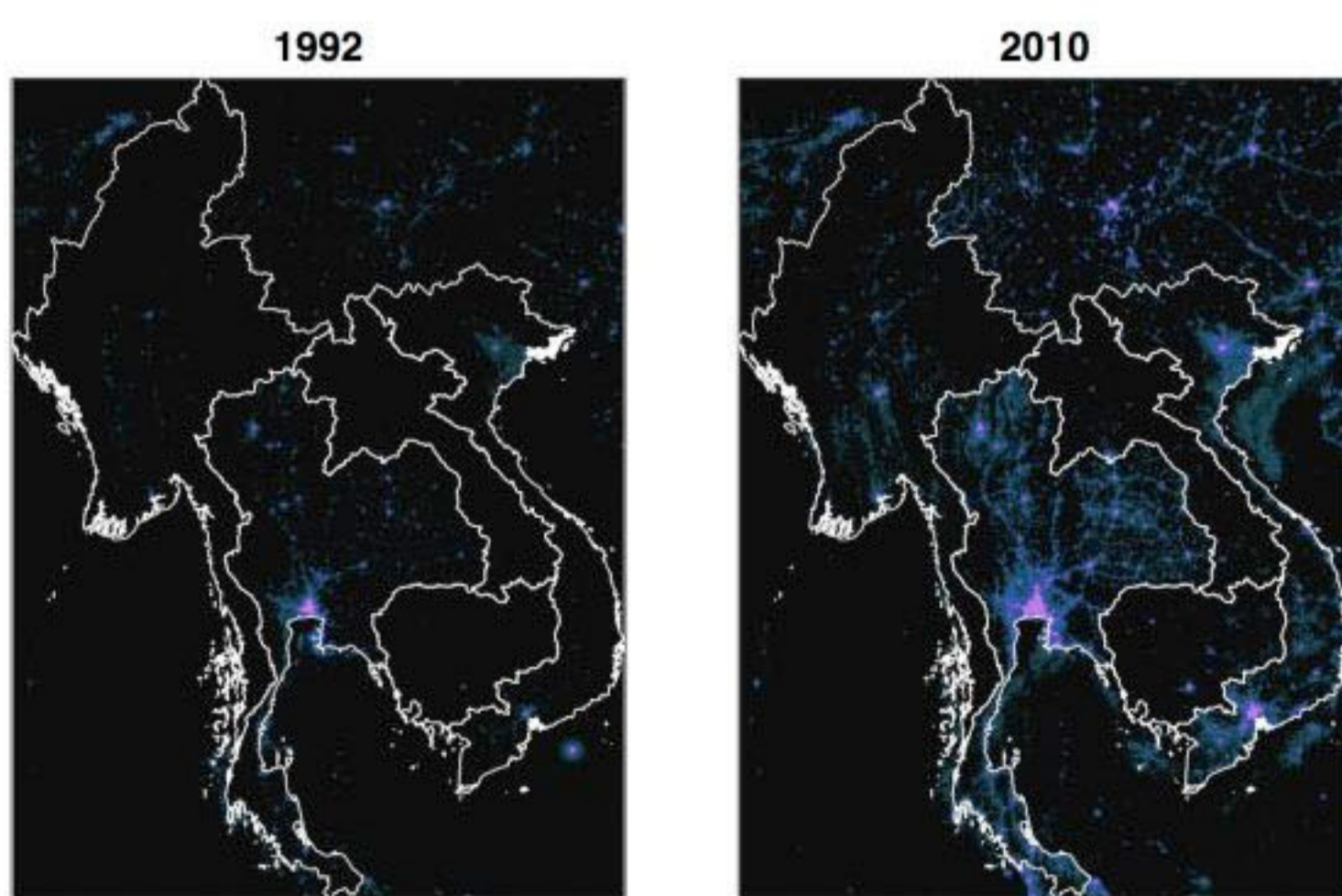
This is a laudable goal, but even if the economy were to grow by an unprecedented annual average of 8% it would still take 18 years (until 2030) for average incomes to triple. At a more realistic average growth of 6% it would take till 2036.

There was no mention in the president's speech of the prospects for widespread electrification, which—given that three out of four people in Myanmar live in the dark—would have lent itself as a good starting point to discuss future development and, actually, democratisation.

According to research on democracy and the importance of artificial light, in the average autocracy 29% of the population lives in the dark. The one that Myanmar's generals preside over keeps 75% of the people in the dark even today.

The electrification of Myanmar will take time: statistically, an increase of \$1,000 in income per head is associated with a 1.1% reduction in the share of people who have to live in the dark.

To speed things up, the government either needs to find or train a new batch of builders and electricians, or to renegotiate its contracts with existing suppliers, in China and Thailand. The first priority should be to build a power infrastructure that benefits voters first, and regional neighbours secondarily.



Picture credit: Forthcoming. Keola et al (2012)

Navigation bar with 'Previous' and 'Next' buttons, and a small image of a monument.

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