THE SUSTAINABLE DEVELOPMENT OF YANGON
CHANGING FROM CENTRAL PLANNING TO MARKET ECONOMY,
THE STRATEGIC PLAN APPROACH

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Abstract

This case study presents the findings, analysis and recommendations in charting the future long-term growth and sustainable development of Yangon, the premier and capital city of Myanmar, in line with the vision and aspiration of the Myanmar Government and the Yangon City Development Committee.

A number of key sectors have been studied, in particular highlighting the current issues and the carrying out of technical analysis and projections with a view to formulating a strategic plan that will serve as a planning instrument to guide the future growth and expansion of the city.

A general understanding of the country's socio-economic development, relevant economic indicators at both the national and division levels are imperative. At the regional or city level, the spatial dimension had analysed important parameters such as landuse changes and development trend, urban settlement and hierarchy and linkages.

The existing scenarios of the primary productive sectors, their contribution and challenges have been addressed. These form the economic fundamentals essential for the sustainable growth of Yangon City, which is very much conditioned by the country's economy and socio-political stability. Future infrastructure and utility services also need to be put in place to provide efficient, reliable and safe delivery of essential city services.

In the process, priority project initiatives and policies need to be formulated to complement the various reform measures that have been promulgated by the government. In essence, the economic sustainability of the city can be expected on conditions of a stable macro-economic environment, the implementation of proper policy instrument and market-friendly government intervention. A stable macro-economic environment will provide a conducive setting for business to prosper and to endeavor important matters related to buildings, including sustainable construction.

Keywords: market economy, sustainable city development, macro-economic sustainability, development parameters, priority project initiatives.

1. BACKGROUND

The Yangon Strategic Development Plan study has been undertaken under the auspices of the Economic Planning Unit, Prime Minister's Department, under the Malaysian Technical Cooperation Programme (MTCP). The initiative forms part of the Malaysian Government's Strategy and Commitment to the promotion of technical cooperation among developing countries, the strengthening of Regional Corporation and nurturing collection self-reliance among these countries.

2. UNION OF MYANMAR’S NATIONAL COURSES AND OBJECTIVES

The State Law Order and Restoration Council (SLORC) in September 1988 committed itself to the national causes on non-disintegration of the Union, non-disintegration of national solidarity and consolidation of national sovereignty. SLORC gave priority to the restoration of law and order, the improvement of communications and the uplift of people’s livelihood. It moved away from the centrally planned economy of
the Burma Socialist Programme Party (BSPP) period towards a market-oriented economy, relaxing the former restrictions on private industry and trade and offering incentives to attract foreign investment.

The SLORC in endeavouring the modernization and progress of the Union also embarked on the 12 point political, economic and social objectives as follows:

(a) Political Objectives

i. Stability of the State, Community peace and tranquillity, prevalence of law and order;
ii. National reconsolidation;
iii. Emergence of a new enduring State Constitution; and
iv. Building of a new modern developed nation in accordance with the new State Constitution.

(b) Economic Objectives

i. Development of agriculture as the base and all-round development of other sectors of the economy as well;
ii. Proper evolution of the market-oriented economic system;
iii. Development of the economy inviting participation in terms of technical know-how and investments from sources inside the country and abroad; and
iv. The initiative to shape the national economy must be kept in the hands of the State and the national peoples.

(c) Social Objectives

i. Uplift of the morale and morality of the entire nation;
ii. Uplift of national prestige and integrity and preservation and safe-guarding of cultural heritage and national character;
iii. Uplift of dynamism of patriotic spirit; and
iv. Uplift of health, fitness and education standards of the entire nation.

3. PLAN OBJECTIVES

The objectives of the Yangon Strategic Development Plan are: To serve as a planning instrument to guide the future long term growth and development of Yangon City; to promote private sector participation and investment, local and abroad through the identification of Project Identification Briefs and priority strategic projects that will facilitate the attainment of an accelerated, balanced and sustainable development of the Yangon City Region.
With this in focus, the study comprises the following:

i) Establishing the macro, spatial, sectoral and support services framework, sectoral review, analysis and projection; and

ii) Formulation of the policies and strategies, identification of priority projects, preparation of project identification briefs and recommendation of an implementation framework.

iii) The conceptualisation of the Strategic Development Plan, taking into the sectoral issues, potentials and aspirations of the City of Yangon.

Nett available land for the future development of Yangon City stands at 26,970 hectares (35 per cent of the total Yangon City Area). This non-built-up area includes agricultural and forest land. Most of these lands are found in the Dagon Extension Area, Mingalardon, Hlaingthayar and Dagon Myothit East. Some of these may be constrained where much of the lands are within the water catchment area. In light of the available lands and growth trend, future development within the planned period is likely to focus in the north-east (Dagon), near airport area in the mid-north (Mingalardon), to the west (Hlaingthayar) and in Dala Township to the south.

4. KEY ISSUES

i) Regional Framework

The regional development framework provides an overview of Myanmar in the context of a wider regional perspective, specially within ASEAN. A general understanding of the country’s socio-economic development, relevant economic indicators at both the national and division levels are imperative.

Significant observations:-

- Economic fundamentals have been adversely affected by the US sanctions, disrupting trade and productions, causing inflation and unemployment;

- The Consumer Price Index (CPI) rose by about 20 times between 86/87 and 99/20 financial years. This was the direct and indirect results of the large budget deficits financed by increase in money supply;

- Myanmar maintains a multiple exchange rate policy. There has been a market depreciation of the Kyat in the parallel ‘free market’ while the official rate remains overvalued;

- Declining Foreign Direct Investment, especially after the Asian Financial Crisis and the ban on new US investments;

- The country’s import grows at a rate faster than export; affecting the balance of trade and payments;
The development in manufacturing and the service industries have made little progress due to energy shortages, expensive telecommunication services, and other infrastructural support; and Yangon Division has the highest concentration of urban population. This contributes to the primacy of Yangon city and high in-migration into the city.

ii) **Spatial Framework**

This spatial development framework relates to the spatial dimension of the Development Plan analyzing such parameters as land use changes and development trend, urban settlement hierarchy and linkages. The essence of this sector is to highlight future spatial strategies deemed appropriate for the Development Plan.

The following shortcomings have been identified:

- Land suitable for development within the Inner City Area;
- Clear hierarchy of urban centres;
- Clear definition of town centres with corresponding social facilities within the township;
- Clear hierarchy and structure of roads, especially the east-west links and the ring roads; and
- Clear definition of heritage and conservation zones, protection of nature areas such as wetland and river reserves, and definition of district open spaces and parks.

iii) **Productive Sectors**

The Study primarily highlight the overall existing scenario of the primary Productive Sectors of Myanmar which for this study are confined to agriculture, livestock, fisheries, forestry and mining, its contribution to Myanmar and their future challenges. The study also provides a deeper insight into the manufacturing sector, an important catalyst for the growth of Myanmar.

Major issues in the productive sectors are:-

- Acute water shortages facing paddy farmers;
- Difficulty of water control and management during the main seasons;
- Crop yield, such as, paddy yield is comparatively low;
- Farm income are generally much lower than non-farm income;
- Average farm holdings are small and unorganised;
- Information is often incomplete and inconsistent and the marketing system requires improvement;
- The support infrastructure is lacking;
• Large resource based industries are currently located outside the dedicated industrial zones such as close to the rivers, and relocation is a tedious and difficult exercise;
• Most small and medium size industries especially the food and wood based sectors are fragmented, lacking in support infrastructure, quality product branding, market linkages and effective networking;
• The industrial and manufacturing sectors suffer from inadequate power supply, affecting production.

iv) **Infrastructure and Utilities**

This chapter analyses the existing infrastructure and utility services with a view to providing efficient, reliable and safe delivery of essential city services for the future.

Major issues noted:

• There is a lack of central sewerage treatment facilities in Yangon. Untreated discharge of waste water contributes to pollution;
• Drainage channels in Yangon are left in their natural states and are exposed to erosion during heavy rain. Siltation affects the flow area, resulting in constriction and flooding;
• Most drainage channels are not properly maintained, reducing channel capacity and aggravating channel condition;
• All the 22 channels are under the influence of tidal regime, causing the inflow of water from rivers to flow into drainage channels during high tide. This often causes flooding;
• Squatters and illegal settlements along drainage channels create problems on the channels themselves, and often a cause of flooding;
• Yangon lacks sewerage facilities. Only the CBD area is connected by the main sewer network. The rest are not. Only one sewerage treatment plant was constructed in 2005 to receive discharge from the CBD area (capacity 300,000 PE);
• There is a high rate of leakage in the water mains due to old pipes that are more than 50 or 100 years old, contributing to 50% non-revenue water;
• Demand for electricity exceeds its supply. Currently, there is insufficient power supply to service Yangon City. With the increase in population and land uses, consumption will increase, thus aggravating the problem further; and
• The telecommunication industry is currently under-developed and does not encourage widespread use.
v) Transport

This sector addresses the existing transportation system including urban road network, operational characteristic of traffic, volumetric counts and the urban public transport, ascertains future transportation requirements and develops medium and long-term action plan.

Significant highlights include:-

- Yangon has a fairly comprehensive road network, but lacking in hierarchy and function. The east west connection is not well developed, and ring roads are not a common feature; and
- The public transport serves its purpose well, particularly for the locals. The public transport vehicles particularly the buses, however, are in poor physical conditions. The same can be said of the train’s rolling stock and service characteristics.

5. POLICY AND STRATEGY FORMULATION

Two major closely linked components are necessary, i.e., the economic development strategy incorporating policy directions; and the physical development strategy providing the essential impetus and foundation for guiding the Yangon City development.

The overall policy objective is aimed at developing Yangon as the Premier City of Myanmar through accelerated economic growth and planned physical development besides maintaining its lush greenery and preserving its heritage. In harmony with this overall thrust, the development strategies proposed are directed towards:

(a) Enhancement of the Economic Environment

This can be achieved by ensuring conducive environment for investment as postulated by the Government’s reform policies. The provision of adequate and reliable facilities are essential for production economic activities. Other efforts include promoting the development of commercialized agriculture, livestock and fisheries activities, strengthening of the manufacturing activities and intensifying the tourism industry.

(b) Enhancement of the Quality of Life in the City

The enhancement of the quality of life in the Yangon City will commensurate with the present and future role of the Yangon as the capital and premier city of the Union of Myanmar. Among others, it is imperative to improve and upgrade the transportation system, the quality of public transport, efficient circulation system and adequate and orderly parking facilities especially in the CBD. The upgrading of the city’s infrastructure and utility system including telecommunication services are of paramount importance to meet its future population growth target of 6.8 million by 2020.
(c) **Enhancement of the Quality of Urban Environment**

Besides efficient, adequate and reliable infrastructure, the improvement of other social amenities, enhancement of the city’s image and character are to be given due attention towards creating an aesthetically pleasing environment and identity such as through the preservation and conservation of the heritage precincts and landscaping. Yangon City has a preponderance of water bodies, parks and architecturally significant colonial buildings that provide the basic criteria to create its own unique identity.

(d) **Enhancement of the City’s Physical Growth**

It is also imperative to enhance the city’s physical growth by ensuring orderly development via planned urban programmes. Efforts towards integrating the development of townships outside the City Centre would be desirable with a view to improve the physical and economic linkages.

(e) **Enhancement of Human Resource Skills**

In preparation of manpower for the future progress towards industrialization and market economy, more manpower training is expected in the relevant skills especially in the field of engineering and applied science. There is a need to provide for the development of more technical and skills training facilities. Manpower training in other service sector, such as business and finance is also important as Myanmar integrates further with the global economy.

6. **PRIORITY PROJECT INITIATIVES**

To complement the strategic policy, immediate, short and long term projects and programmes are proposed that will address both the existing citywide issues and harnessing the potentials of the premier city. Such projects are expected to provide the necessary impetus to the city’s future growth and development. These have been specifically identified within the domain of the productive economic sectors, land use and spatial development, transportation, infrastructure and utility services. A summary of the priority projects implementable within the early action plan period are described as follows:

a) **Spatial Development Framework**

Development of New Government Administrative Centre in East Dagon.

- To facilitate the decentralization of city functions to the East of Yangon and providing development impetus to this area.

Upgrading Insein Town Centre with a District Centre.

- One of the two new district centres proposed for YCDC area.
Development of Metropolitan Park in Dagon Myothit Area.

- This is a fast growing suburban district where the development of a Regional /Metropolitan Park will be appropriate and serve to prevent urban encroachment.

Establishment of a Heritage and Conservation Zone in Downtown Area.

- The Downtown area is an important historical area which houses some of the most significant heritage buildings in Yangon.

Redevelopment of Waterfront Promenade along Seikkan Port Area.

- This project complements the establishment of a Heritage and Conservation Zone in Downtown Yangon as the waterfront is considered a public asset.

Feasibility Study on the Application of Land Readjustment in Yangon.

- The land readjustment scheme provides an opportunity to achieve comprehensive urban development without having resort to land acquisition.

Draft City Planning and Development Law.

- An urgent needs to establish a comprehensive city planning and urban development land and its supporting rules and guidelines.

Preparation of a City Urban Development Plan.

- This plan is expected to provide the planning instrument to achieve the proper development of Yangon City to be supplemented by an overall Infrastructure Master Plan.

Capacity Building in Town Planning.

- Capacity building in town planning as part of the overall human resource development is necessary to support a competitive and efficient running of local government and businesses.

b) Productive Economic Sector

Integrated Grading, Packing and Chilling Agriculture Products Centre in Yangon.

- To reduce post harvest losses, improve product sorting and packaging that would assist in the marketing process of agriculture products.

In-situ Breeding Improvement Programme.

- As part of a collaborative venture of the Ministry of Livestock & Fisheries.

Recreational Sports Fisheries, Lake Cruising and Yachting in Lake Inya.

- Is to be developed as part of a greater package of agro-tourism and sports tourism.

Integrated Agro-Health home stay facilities in western and eastern Yangon.

- This is to be developed as part of a greater package of agro-health tourism.

New Industrial Zone for Export Market in North-East Yangon.

- To further expand the utilisation of local resources and promote labour intensive industries.
New Industrial Zone for ship building, ship repairs and services in Thilawa.

- To establish strong ship related industries to compliment and enhance the new port’s activities

MICE facilities in Yangon.

- The national capital as well as being the most important gateway into the Myanmar, the city should also serve as a MICE destination.

Waterfront development along the Strand Road, Yangon.

- To emulate and develop a well-landscaped and beautified riverfront, blended with locally designed architectural walkways and greeneries together with a fishermen’s wharf.

c) **Infrastructure and Utilities**

Upgrading work for Kunitplin Chaung, Nat Chaung, Meomakan Chaung and Aungmingalar Chaung and other related structures.

- Involves upgrading of 10km on existing channels, construct 3 nos. of tidal gates and improving 6 nos. of drainage crossing.

Upgrading work for Yoegyi Chaung, Thamang Chaung, Aungthaikdi Chaung, Padauk Chaung and Kamayut Chaung and other related structures.

- Upgrading 7 km of existing channels from earth section to concrete section, improves 7 nos. of drainage crossings.

Upgrading work for Ywama Chaung, Kathwe Chaung and Pauktaw Chaung and other related structures.

- Upgrading of 2.5km on existing channels from earth section to concrete, constructing 3 nos. of tidal gates and improving 12 nos. of drainage crossing.

Improvement work for Zwenzon Chaung, Shwehle Chaung, Thunandar Chaung and Danityoe Chaung and other related structures.

- Improvement of 8 km an existing channels, Constructing 4 nos. tidal gates, Improving 8 nos. drainage crossing.

Upgrading work for Kyaiksan Chaung, Semyaung Chaung, Yeipauk-Kyi Chaung and other related structures.

- Upgrading of 12.4 km on existing channels, constructing 2 nos. tidal gates, improving 8 nos. drainage crossings.

Construction of Sewage Treatment Plant (300,000 PE) complete with ancillary works.

- Construction of a treatment plant at each township with the following scope of works - Earthworks, Foundation, Structural, Drainage, Road and Fencing, and Mechanical and Electrical Works.
Solid Waste Disposal and Treatment Site Using Sanitary Landfill for Zone ‘A’ (Eastern)

• Construction of landfill civil works and structures, administration and workshop buildings. Provision of adequate machineries including collection vehicles, compactors and lorries.

Solid Waste Disposal and Treatment Site Using Sanitary Landfill for Zone ‘C’ (Northern)

• Construction of landfill civil works and structures, administration and workshop buildings. Provision of adequate machineries including collection vehicles such as compactors and lorries.

Inventory of Plant and Equipment Modernisation Programme.

• Increase in number of collection vehicles. Compactors are to be introduced or increased. Provision of support services. Promotion of recycling habit.

Construction of main raw water pipelines and pumping station from Ngamoeyik Reservoir to Yangon Central Reservoir.

• Involves construction of Pumping Station, 1800 mm diameter pipelines. Mechanical and electrical works inclusive of pumps and accessories.

Hlaing River Intake and Water Treatment Plant and Pipelines.

• Construction of pipelines to the reservoirs, Construction of the treatment plant at Gwendanshe, installation of M&E Services.

Preparation of Water Supply Zoning Master Plan.

• Master Plan Study, Water Reservoir Study, Demand Projection.

Replacement and Relining of Old Water Mains in Yangon.

• Replacement of old leaking pipes at identified locations, relining where appropriate of old pipes and carrying out of associated civil and M&E works.

Increasing the Capacity of Main Intake Sub-Stations.

• Sub-Station Structure, Equipment installation and associated M&E works.

Construction of new Main Intakes in new development areas.

• Main Intake structure and civil works, installation of new plant and equipment and associated M&E works.

Construction of Sub-Stations for Low Voltage Distribution in existing and new areas.

• Sub-Station Structures and Civil Works, Installation of new equipments and associated M&E works.

Fibre Optic Cabling Works in Yangon City.

• Installation of fibre optic cables and associated infrastructure.

Provision of Broadband System for Internet Services.

• Improve and upgrade current internet system with new equipments and cabling.

Installation and Connection of Fixed Lines.

• Review of current fixed lines system, study of revenue and cost of plant, services, etc.
Promoting Use of Natural Gas as Fuel in Public Transport System.

- Natural Gas Stations, Fuelling Equipment, Vehicles to be fitted with gas tanks.

Construction of Gas Fired Power Plants.

- Installation of turbines and related plants, associated civil, building, and M&E works, transmission and distribution network.

7. The Way Forward

The implementation of the Yangon Strategic Development Plan therefore cannot be seen in isolation from the relevant Government’s policy context and national development planning. It must be supported by a policy framework that will enable the various projects and programmes to be implemented. The context of implementation shall be within an overall framework of sound economic condition, a political commitment to realize its objectives and a dynamic institutional framework that will respond to the various challenges and opportunities in the City and its hinterland region.

The adoption of a market oriented policy since 1988 was therefore a significant change in terms of this overall policy framework as the initial starting point for endeavouring these initiatives. The current policy on the participation of foreign countries provided under Myanmar’s Economic Objectives is aptly described as ‘Development of the economy inviting participation in terms of technical know-how and investments from sources inside the country and abroad’.

Foreign Investment Law was introduced to induce and boost foreign direct investment (FDI).

It can be expected that the response of the private sector to the government’s liberalization policies can be further enhanced, and complemented by YCDC’s proactive stance. Such problems that have been entrenched in the economy because of wrong economic policies and strategies and poor governance are to be regarded as matters of the past. Uncertain investment environment and cumbersome administrative procedures will only prevent the inflow of FDI. The right environment is required for focus and efficient markets to work and flourish.

More investments can be expected on conditions of a stable macro-economic environment, implementation of proper policy instrument and market-friendly government intervention. Given the right condition, Myanmar will develop to become ‘a new modern developed nation’. In this process lessons can be learnt from the experiences of the High Performing Asian Economies (HPAEs). In the context of regional cooperation, the current ASEAN’s ‘constructive engagement approach’ to the Myanmar issue is expected to continue to facilitate the process.