

THE BROOKINGS INSTITUTION
BROOKINGS CAFETERIA PODCAST
BURMA AT A CROSSROADS

Washington, D.C.

Friday, December 13, 2019

PARTICIPANTS:

Host:

FRED DEWS
Managing Editor, Podcasts and Digital Projects
The Brookings Institution

Guests:

JONATHAN STROMSETH
Lee Kuan Yew Chair in Southeast Asian Studies
Senior Fellow, Foreign Policy, Center for East Asia Policy Studies
John L. Thornton China Center

THANT MYINT-U
Writer, Historian, Conservationist, Public Servant

DAVID WESSEL
Senior Fellow
The Brookings Institution

* * * * *

PROCEEDINGS

DEWS: Welcome to the Brookings Cafeteria, the Podcast about ideas and the experts who have them. I'm Fred Dews. I'm joined in the Brookings Podcast Network Studio once again by Senior Fellow Jonathan Stromseth, the Lee Kuan Yew Chair in Southeast Asian Studies here at Brookings.

In today's program Jonathan shares another in a continuing series of his conversations with leading experts on issues related to Southeast Asia.

Also on today's show, Senior Fellow David Wessel talks about the most significant economic developments of the last decade, including interest rates, life expectancy, inequality and health care.

You can follow the Brookings Podcast Network on Twitter @PolicyPodcasts to get information and links to all of our shows.

Jonathan, welcome back to the Brookings Cafeteria.

STROMSETH: Thank you, Fred. I'm very happy to be here again.

DEWS: So, you were on the Brookings Cafeteria recently to talk about your paper in the Global China Series, on China's rise and influence in Southeast Asia, and now we turn to another topic. Can you talk about who you've got for us today?

STROMSETH: Yes. We're very pleased to have had the opportunity to interview Thant Myint-U, who is an award-winning Writer, Historian, Conservationist, and a former Advisor to the President of Myanmar, also known as Burma. He has served also on three United Nations Peace Keeping Operations including in Cambodia in the 1990s, and then in the Balkans. And he has been at the

U.N. Secretariat in New York, where he was Head of Policy Planning, in the Department of Political Affairs.

Thant returned to Burma in 2008, and has been involved in reform-related efforts ever since. He is currently Chairman of the U Thant House, a leading education and discussion center; and the Founder and Chairman of the Yangon Heritage Trust. He's also author of several books on Burma, the most recent of which is the focus of our podcast discussion.

DEWS: Perfect. And how do you know Dr. Thant?

STROMSETH: Well, I had the pleasure of meeting Thant when we both served in a U.N. Peace Keeping Operation called UNTAC in Cambodia in the 1990s, and I've also kept up, and when I was with the State Department I went back, I think shortly after the 2015 Elections in Myanmar, and saw him there at that time as well.

DEWS: Okay. Well, thanks, again, Jonathan for bringing another really interesting and important conversation to our podcast listeners. It's a wide-ranging conversation, and listeners will find it very interesting.

STROMSETH: Great.

DEWS: And now here is Jonathan Stromseth with Thant Myint-U.

STROMSETH: Well, I'm here with Thant Myint-U, and welcome, Thant, to Brookings.

THANT THANT: Thank you.

STROMSETH: Well, we're happy to see you've got a new book out called The History of Burma: Race, Capitalism, and the Crisis of Democracy in the 21st

Century. It seemed you really poured your heart and soul into this book. What is the main message you hope readers will take away?

THANT THANT: I've been working in Burma over the past 10 years in different capacities trying to work on the reform efforts. And when I first thought about this book a couple of years ago, I thought it was going to be a fairly straightforward, political history based in part on my own experience, talking about why the transition away from dictatorship. The initial democratic reforms happened seven or eight years ago.

And try to the real story, the inside story based on interviews with many of the General's an ex-Generals about why they began to move, if they really did, towards a more democratic system of government. But with the Rohingya crisis, and the peace process being stalled, I felt I had to look much more deeply at issues around race and identify. And take a dive into Colonial past, and the way in which Colonial legacies around race still animate a lot of discussions in the country.

But then, finally in writing the book, and especially in talking to a lot of people for the book, I realize that an even deeper current in Burma is this kind of almost hidden, political economy, in which billions of dollars have been made through illicit industries. A type of capitalist economy that's evolved over the past 25 years that's caused an enormous amount of inequality.

And I wanted, in a way, to weave together these three stories of politics, identity, and political economy, and to try to make this accessible to as wide an audience as possible.

STROMSETH: Tell us a little bit about how Burma got here as a country. How did it emerge from colonialism? Let's put it that way. And how did that shape the identity politics that we see today?

THANT THANT: I think what's important to understand from the start is that Burma has a very unique geography. It's both the valley of the Irrawaddy River which stretches over 1000 miles from north to south, and then it's the surrounding mountains.

Over the 19th and early 20th centuries the British ruled Burma as a province of India. The borders of Burma are modern borders. They were created under British Colonial rule, even though there had been Burmese Kingdoms in these areas before. The borders are new, many different people speaking different languages, now professing very different religion faiths as well, live within the borders of Burma.

But it was, as I mentioned before, governed as a province of India, and by the early 20th Century this idea grew up even Colonial circles, a very strong idea, of Burma as being racially distinct and separate from the rest of India. And a Burmese Nationalist Movement formed, which also believed the same thing. And so this kind of identity politics was at the very core and at the very start of modern Burmese politics after the First World War in the 19-teens, the 1920s, this campaign to separate Burma from the rest of India came to fruition in 1937.

And so in the same way that India was partitioned, and Pakistan created on this idea of religious difference, Burma was actually the result of the first partition of India that we have to forget, in 1937, where this new entity was created on the basis

of racial difference.

And after Independence in 1948 the Burmese Nationalist Elite found that they were in a country which included many other peoples as well. And for this also, this Colonial idea of races that belong to the country that were indigenous to the country, versus people who were fundamentally alien country because they were Indian, or Chinese, or European descent, also became very much a part of post-independent nationalist thinking.

STROMSETH: In your book, if I'm characterizing it right, you seem to paint a pretty dark picture of the future. You talk about a war warning signs, and a combustible mix of race and inequality kind of percolating through immature democratic institutions, blind faith in free market, rampant illicit industry and uplands awash in weapons. And, you sort of look at that and say, or at least ask the question: is Burma at risk of being a failed state in the heart of Asia?

How should we view it? Is there a way out of this combustible mix and dangerous situation?

THANT THANT: Burma has had a very difficult past, seven years from independence onwards, where it suffered under three different colonial legacies, one is what we talked about earlier, the legacy of identity-based politics, and race-based thinking, Burma was born in a way that's racial hierarchy under the British.

The second are very, very weak state institutions, so even when the British left in 1948 state institutions were very weak, they barely governed the entire country, or they didn't govern the entire country, the periphery, and after decades of

internal armed conflict, they're that much more limited, and because of years, or decades, or generations now of military dictatorship, these bureaucratic institutions were also extremely frail, so almost no one in Burma pays taxes. The ability of the government to reach out and actually govern the population is very limited.

And for about 40 years, Burma was under different types of socialist governments, and that failure of the left to actually produce a better society, meant that by the 1990s Burma lurched towards the type free market capitalism, but under military rule, in a way that was intimately tied to China's Industrial Revolution next door, intimately tied to illicit industries within the country as well.

And this has created a particular political economy that in a way has generated not just huge differences and inequalities within Burmese society, but is animating many parts of Burmese politics today. And I try to argue in the book that we have all these challenges, I'm not sure we should think about it of failed state, because in a way you have a relatively peaceful country.

I mean, we have the Rohingya violence and exodus, we have fighting in the North. But you go to Rangoon and Mandalay, and nothing looks like a failed state, it's actually relatively peaceful, despite the fact that we have multi-billion-dollar illicit industries, despite the fact that we have dozens of armed groups.

So it is interesting because then, that sort of begs the question of what's really holding the country together. If it's not state institutions what is it? And therefore, I think in a way there's an urgent need to think afresh about how do we think about these kinds of countries, because I think we're missing something in a way, and we

don't have the conceptual framework to really understand the dynamics of a place like Burma right now.

STROMSETH: I see. You have given us a sense of how to understand Burma. Is there a reason for optimism, a way out? What is your prescription for next steps? You've advised the government before. What's your advice today?

THANT THANT: I think if we looked at all of the different issues, whether it's issue of accountability and refugee returning (inaudible), or the situation of IDPs, or peace process that's been stalled, the armed conflicts, or even political progress towards a more democratic constitution. I think a lot of those doors are shut, and it's very hard to be optimistic.

I think the door that's actually open is the door to kind of robust and dynamic, but also fair and much more equal economic development in the country. And Burma is in a way, gifted because it's naturally so rich in resources, it's sitting between two of the largest and fastest-growing world economies, India and China, and on the other side there's ASEAN which also includes many -- much more prosperous and fast-growing economies as well.

If Burma had a good economic agenda I think there's no reason why we wouldn't be able to see the kind of economic growth rates that we've seen elsewhere in the region. The key, though, is to make sure that that economic agenda is also harnessed or tied to an agenda of equality and greater equity as well. And I think if we had that much more inclusive economic growth that reduced income inequality, I think that will gradually open the door to positive change in the political sphere as

well.

Or the reverse, I think, is also the case, where if we don't tackle these political, economy and inequality issues, I think many of these political problems, and identity, and interracial, inter-ethnic problems can only get worse.

STROMSETH: Right. I wanted to ask of a related question to the identity politics, because there's been a lot of reporting about the role of Facebook in Burma today. How has this impacted that particular situation?

THANT: We've had a telecoms revolution in the country since 2013 where the country has gone from 2, 3 percent, mobile phone penetration to now 98 percent, plus smartphone penetration with some of the fastest Internet speeds in the region, and Facebook is pretty much the only platform in the country, so everyone uses that, and so social media and Burma basically means Facebook.

We've seen on Facebook almost since its inception in Burma, a big rise or a very noticeable rise in hate speech, in interethnic, or interreligious hate speech, not just against Rohingya Muslims or from Muslims against non-Muslim groups, but across other ethnic lines as well.

I think it's important though to say that it's not necessarily the cause for the mass violence that we saw in Arakan, ER [*phonetic*] and Rakhine back in 2016/2017, that violence took place in a context of hate speech and heightened feelings based on race and identity, and a desire, and a vilification of Rohingya as a minority population.

But I think if the same situation had existed without Facebook and without

social media where you had this population on the Bangladesh border, and you suddenly had this rise of a particular militant group that attacked some of the Army's positions. You have an Army that's been involved in counterinsurgency, and often brutal counterinsurgency operations for decades.

So it's not very clear to me that they wouldn't have acted in a different way is not the case that Facebook or social media incited racial hate, and suddenly enormous crowds of people then turned on their neighbors. It wasn't that kind of situation.

The violence you saw in Rakhine was a very specific set of circumstances, and the violence was related to this militant group and the Army operation that was used against them, and that led to the deaths of civilians and the exodus of refugees. So there's an indirect link, but I would be hesitant to say there was a direct link.

STROMSETH: Right. So, do you see any remedy, any solution to the Rohingya issue? How many Rohingya are now refugees in Bangladesh for instance? Is that 700,000?

THANT: At least because there were earlier waves of people who've also settled, or in different camps in Bangladesh as well.

STROMSETH: Can you just give us a little bit of the state of play, and where this might go in the next two or three years? Is there any chance for repatriation? What is Aung San Suu Kyi's perspective and the perspective of the government?

THANT: I guess there a few different things that happen. I mean, one is that because of the violence in 2016/2017 you have the 700,000-plus in the refugee

camps in Bangladesh, both governments Bangladesh and Myanmar government have said that they want these refugees to return. Both are blaming the other for the returns not taking place.

It's very difficult for me to see how a significant number of the refugees in Bangladesh would voluntarily return at this stage, given, I think from their side a lack of, or a complete lack of confidence in the government's ability to provide for their security and a reasonable life going ahead. And I think from the government side, there are people who genuinely want to see at least a partial repatriation of refugees happening. And again, we're blaming Bangladesh for not facilitating this partial return from taking place.

Separate are the issues of accountability, so you have in the international criminal court now, this new investigation into possible crimes, war crimes. You have the country of Gambia in Africa now taking up the case of, or allegation of genocide against Burma or Myanmar at the International Court of Justice.

But separate again, is the situation of the hundreds of thousands of Muslims who are left in our Arakan or in Rakhine, some of whom are in IDP camps, and then to add another of complexity is something that very few people on the outside are aware of, which is that the dominant minority group there, and it's not just the Rohingya and the Burmese, there's another minority group, the Arakanese Buddhist or the Rakhine Buddhist, who number of a couple million, who have been wanting a greater say in their own government.

People who have increasingly turned to a new militant outfit, a new

insurgency called the Arakan Army, which has been fighting the Burmese Government, or the Burmese Army in the North of Rakhine, very close to the areas from which the refugees have come. And this has led to more than 100,000 more people displaced over the past 12 months.

So, Burma is -- you know, it's an incredibly complicated place, where I think the difference with some other countries is that from region to region, and place to place, even township to township, you have very different local dynamics, local politics, local identities, local economies, and that's why it's very hard to generalize, or to even begin to conceive of overall solutions as well.

STROMSETH: Let me just have one follow up on the Rohingya issue. You've referred to the ICC and the ICJ cases that are coming up. This is sort of symptomatic of the broader international concern and reaction and some pushbacks or efforts to address it. How does this play in Burma? Will this kind of pressure, if it emerges in that way, have some impact on government policy?

THANT: It's possible, but I think it's extremely unlikely. I mean, this is a country that withstood the toughest possible sanctions regime both in the 1990s and the 2000s, both the U.S. and the U.K. led sanctions that basically cut off almost all the international aid to the country, as well as cut off Burma from the international banking system in global markets, and yet the Army regime at the time didn't bend.

And so I think in Burma, in government circles, in (inaudible), there's a lot of experience in ignoring that kind of international pressure. It's hard to say, because it is a different environment, a more open environment, it's a government that wants to

prove its democratic credentials that says it wants to do the right thing. And so this kind of international pressure may have slightly different impact.

But I think if we're thinking about anything about anything that will urgently improve the situation of refugees, or IDPs, or minorities, or vulnerable people left in Rakhine, I'm not sure that these measures towards accountability, however important they may be in themselves, will actually make a difference.

STROMSETH: Mm-hmm. Well, one name that has come up here in our discussion, and that always comes up when talking about Burma, is Aung San Suu Kyi. And she's been such a compelling figure for decades really. She's won the Nobel Peace Prize. I was wondering if you can situate her for us in the context of Burmese politics. There's a sense maybe there was excessive optimism, especially in 2015 when the NLD won the historic election. And perhaps, maybe there's excessive pessimism now.

Her reputation has certainly taken a hit over the last few years, and I'm just wondering: How do you evaluate her? How do you see her in the broader context of what's going on in Burma today?

THANT: I think the problem is that she was always judged, for obvious reasons, in the West against a kind of standard of her being an icon of human rights and liberal democracy, so in the 1990s and 2000s when she was the leader of the Opposition against the military dictatorship, it was very easy to see her exclusively in that light.

I think for the Burmese majority, she was always seen in a very different

way, as a popular leader, as a nationalist leader against the military regime that was increasingly and extremely unpopular.

So she was always a nationalist leader, and that nationalist sentiment wasn't necessarily a liberal nationalist sentiment. It was the idea of the people of the country, or at least the majority ethnic group, the majority people of the country going against and finally being able to overturn not just an unjust Military regime, but a whole slew of different forces in people that people felt were exploiting them, or were threats to them.

And so whether it was a fear of Islam, whether it was a fear of Muslims within the country, or whether it was a fear of the Chinese coming across the border, whether it was a fear or dislike of cronies and corrupt businessmen, and army generals, all of this was kind of in the same populist rhetoric around the kind of need to restore popular sovereignty and reassert the rights and the position of the majority.

And so I think that's the framing within which people see her. And she has, over the past few years, very much adopted that kind of framework as this nationalist leader that is working for this particular ethnic community of people.

STROMSETH: I see. So, as someone who was previously in government around the time of that 2015 Election, I'm really curious to get your take on kind of the broader arc of U.S. policy toward Burma, in this period of the opening up, the move toward elections, and efforts to try to consolidate to the democratic turn subsequently.

The U.S. obviously was using sanctions as a tool early on, eventually lifted.

There were also efforts to support more foreign assistance to help consolidate the democracy and support for the election, in the run up to the election. Give us your evaluation of U.S. policy. It was really a central tenet of the Obama Rebalanced Strategy, Burma always came up. So I think there's a kind of looking back now, "How did we do," a little bit of concern about how things have turned?

THANT: Yeah, I think, on the one hand it was successful. On the other hand, I think he could have done much more. On the one hand, I think if the Obama administration hadn't embraced the reform process at an early stage in 2011, the energy, and the political capital, domestically for that reform process have evaporated much more quickly. So I think if Washington remains distinct or skeptical of that process, the generals or the ex-generals who are leading those reforms may have not had the wherewithal, and the local, political clout to keep it going.

So I think that risky move to say that something important is happening, and significant, in the right direction the visits of Secretary of State Clinton, and later President Obama, I think, were extremely important in locking in place those initial reforms.

I think a problem, though, was that there wasn't enough of an understanding of what the drivers of change were, and there was a feeling that if only free and fair elections were held, and if the NLD and Aung San Suu Kyi came to power, all the better, that that would be the right trajectory.

And I think, forgetting in a way, the parts of the ex-Army or the Military

establishment that had begun those reforms, there wasn't enough effort to see how important it was to keep that going, at least up to a point. So, meaning that what happened was that by 2015/2016 when the NLD won the elections, those ex-Generals who had initiated the reforms, lost out completely, and so what we're left with is just the NLD in office and the army shorn of its reformist wing in a way.

I think there's also China, which is that China very much felt it was in a weak position, on a back foot by 2011, 2012. They were not sure exactly how to approach him.

They saw the Burmese Government embracing every Western Government with a band, and moving towards rapprochement with Washington much faster, and much more enthusiastically than I think they would have thought possible.

I think that was exactly the time when China should have been engaged in terms of cooperation in Myanmar going forward, whereas now China is in a much stronger position five, six, seven years forward, where I think it will be very difficult to engage China on any of the issues, where perhaps a regional, or global, or even bilateral between the U.S. and China approach to some of Myanmar's problems might be useful.

STROMSETH: I'd love to come back to the China question in a minute. But before we get off U.S. policy, we've talked a little bit already about the policy of the Obama Administration during this period of moving toward reform, holding elections, and so on. What is your outlook now, or your suggestions for us policy today?

THANT: I think it's very hard to know how the U.S. on its own can resolve any of these incredibly urgent pressing challenges that Burma is facing. I think the number one thing is just to appreciate the depth and the complexity of the challenges that Burma is facing.

It is not the case that this is a stalled democracy transition, a stalled peace process where you've had extreme violence against the Rohingya, and then that's it, and it's about pressuring the government into adjusting its course.

Instead, I think we have to see this a country, which is almost miraculously being held together, despite the fact that it has these dozens of different armed groups, hundreds of militia, multi-billion-dollar illicit industries, weak or failing state institutions. And we have to be extremely careful that what we do isn't going to tip the situation over into something much worse, in a country where, because of telecom, social media, everything else, you have people mobilizing around tribal, racial, ethnic, religious identity on an unprecedented scale.

And you have decades of increasing wealth inequality, and I think economic anxiety, it's not going to take very much, necessarily, for things to tip over into a much worse situation. So, I think one, is just to understand the scale and the nature of the problem.

The second I think is that the focus cannot be as it has been for 25 years, just Burma, as a democracy project, or now democracy projects have gone awry. I think the issues of political economy, the way in which money is made, is being made, economic issues, inequality issues, really have to be front and center of any kind of

engagement going forward... If it's going to have traction on the one hand, and it's actually going to open the door to possible solutions, or the whole range of issues on the other.

STROMSETH: How much of the problem is just the continuing, prominent role, which is constitutionally enshrined, of the military in politics? We saw this in Indonesia for instance, and it took a long time to sort of reform the Indonesian Military out of formal participation and political institutions.

But what does the Constitution now give, for instance, the Military in terms of seats in parliament? And also I think oversight or ministers in three or four ministries?

THANT: It's actually, in terms of day-to-day government, in some ways it's relatively limited. So, for instance the Army has 25 percent of the seats in Parliament, but because the National League for Democracy, the ruling party has well over 50 percent of the total, it can actually push through any legislation, and it controls the budget completely.

The only thing that the Military with 25 percent can block is any change to the Constitution. What the Military also has through the Constitution is control of three ministries, Defense, Border Affairs, and Home Affairs which controls the police. Until earlier this year, Home Affairs also control the General Organization Department, which is sort of the local administration department.

But that has now been handed over to the civilian side of the government. So I think the problem is not so much the Military through the Constitution itself,

though I think most people agree that amendments to the Constitution are needed. I think that the problem is that there isn't a shared vision or agenda around where the economy should go otherwise.

And I think a deep problem in Burma is that like in many other countries, and this is a way in which I think Burma is not unique. The complete separation of politics from economics, so on the one hand politics is seen around identity issues and democracy as conceived through constitutions and constitutional reform.

On the other hand, economics is seen as the realm of technical experts, and advisors flying in from outside, and bureaucrats. Yet, these big issues about what kind of country should Burma be in the future? What kind of economy? How should people live? What kind of growth does it want? How does it want to handle big issues like tourism? What is the balance in terms of wealth and equality that people in Burma want? Are they okay with the very unequal but free society? Or do they want something with a much stronger government role, and one that reduces inequality?

These issues are not debated at all. And so I think that is missing discourse that is preventing this. So, I think if you had the right discourse on it, the right discussion, I'm not sure that the Army would actually stand in the way.

I think if you frame it narrowly around: Why don't you change this Constitution that took you 25 years to write, and that's made you comfortable with taking a big step away from government? They'll resist it. But I think if you engage the Army in some of these broader issues, I'm not sure that the same resistance

would be there.

STROMSETH: But we were talking earlier today, and if I heard you right I think you, like me, I believe see probably the too big issues in the world today is the rise of China and climate change. And I know that both of these issues loom large in your book as well.

So, let's look at China today. You talked a little bit about China's role six or seven years ago. Today we hear a lot about the Belt and Road Initiative, and other sort of ways in which China is exercising, especially economic influence, which in many parts of Southeast Asia, especially Mainland Southeast Asia, it's translating into strategic and political influence as well. So just give us a sense of the changing role of China in Burma.

THANT: It's a long-standing process, so the border between Berman China was opened at exactly the same time that Burma transitioned from its old socialist system to a capitalist system in 1989. So, it's a 30-year process of increasing economic integration with China. You now have hundreds of thousands of Chinese who've migrated to Burma, who have businesses, thousands of small firms that operate across the border.

China is by far Burma's biggest trading partner, in one direction, from Burma to China would go, hundreds of trucks every day, mainly with primary commodities, agricultural commodities, but also natural resources. From the other direction, from China comes the vast bulk of Burma's consumer goods market. So everything from bicycles, to car parts, to televisions, to smart phones, to furniture, to clothing.

And if you look at the relationship, the economic relationship today, at the top level you have the proposed China and Myanmar Economic Corridor under China's BRI, as part of China's BRI, and that would include huge infrastructure projects that would basically link Southwestern China through Burma, to the Indian Ocean. That would include major development projects all along the way.

That would include big, energy hydropower and other projects, and it would include the port as well, on the Bay of Bengal, and the proposed new city opposite the River in Rangoon in the south of the country as well. So this is the big plan on the table, but even though the plan has been approved in principle, none of these projects have actually moved forward.

STROMSETH: You mean approved by the Burmese Government?

THANT: The Burmese Government had said that they approved the China and Myanmar Economic Corridor, they haven't in detail approved the projects in terms of financing arrangements or anything else. But what is happening instead is that around, it's not directly BRI, but it's in many other ways connectivity between China and Burma has increased.

So, for example, we've gone from just a few flights to China a day to over 20 flights from many different Chinese cities, and we have a big rise in Chinese tourism. The rise in just small scale, small to medium-scale Chinese investment has increase I markedly over the past few years. And I think the way in which Burma is perhaps different from other countries in the region, other countries in Southeast Asia is that you have a completely open land border that is not under the control of

the government on this side, meaning on the Burmese side.

So almost up and down the 1,300-mile long border, the border is controlled, to a large extent, by non-state armed groups, some of which are hostile to the Burmese Army. And so, it's a kind of frontier. These groups are to some extent led by elites that are increasingly Sinified as well. So you have this weird area, probably about the size of England altogether, where no one is clearly in charge.

You have non-state armed groups, you have Chinese influence, political as well as economic coming across the border. Where there's occasional fighting, and so you see this kind of rolling out of Chinese influence and perhaps projections of Chinese power, that I think is different than, say, any other border that China has.

STROMSETH: There is I think a growing school of thought among analysts of international relations, that we kind of have rival systems developing in the world today, where the U.S. represents the old liberal order, democracy and so on, and China is promoting something else. Perhaps even at the domestic governance level, a kind of model of authoritarian state-led development.

There is also a question, especially in Southeast Asia, about whether the Chinese model is influencing domestic politics of different countries, in Cambodia, or elsewhere, either directly, perhaps, or indirectly in other ways. Do you see that playing out politically in Burma today?

THANT: Not so far. It could in the future, in the distant future, because now just seven or eight years away from the iron fist of pure military dictatorship, I think people are eager to embrace a much freer and more competitive system of

government. I think what's key is, or what's really important is to make sure that these new democratic processes are connected to discussions and efforts aimed at actually improving the lives and livelihoods of ordinary people.

Otherwise, if it's a content-free democracy, where, the economic system which has been incredibly predatory and exploitative, continues as it is, and the democratic processes are just about constitutional change, then I think a lot of people will, at the very least become disappointed and just turn away.

And then I think you open to the door, perhaps, 10, 15, 20 years in the future, where people have forgotten about the bad aspects of authoritarianism, opens the door to a new king of authoritarian future.

STROMSETH: I see. Well, let's close by talking about climate. Because this is an issue, and I mentioned, you raised in your book. When I travel to Southeast Asia I hear so much about this, whether it's the city state of Singapore, or the Mekong Delta in Vietnam, everybody is very concerned, it's a maritime region that's increasingly affected by storms, and hurricanes, and other things. What is the problem in the challenge of this issue in Burma in particular?

THANT: If what scientists are saying is going to happen in 20, 30 years if the world warms 2 or 3-degrees the impact on Burma will be absolutely catastrophic, because we will see not only rising sea levels, and the possible inundation of parts of the coastline which is very low-lying, including places in and around Rangoon as well, a city of 5 million people.

We will almost certainly see more extreme weather events, so this is country

where Cyclone Nargis in 2008 killed 140,000 people in a single night, we may see similar events, not just every 20, 30, 40 years, but every year in the future. We're already seeing unpredictable rainfall patterns in a country that's been for thousands of years, since the dawn of agriculture in Burma, maybe 3- 4,000 years ago, depending on the monsoons being very regular.

We're already seeing hundreds of thousands of migrants leaving the dry zone because of extreme heat and drought. So if this was a very rich country it might be one thing, but as extremely poor country that simply will not have the wherewithal to adapt to these things very easily. I think the results could be absolutely catastrophic.

STROMSETH: Well, thank you, Thant. This has really been interesting. We've taken a wide tour of Burma from history to the political situation, the economic challenges, some opportunities, and also the challenge of climate change.

I wish you the best. And come back soon.

THANT: Thank you very much.

WESSEL: I'm David Wessel. And this is my economic update.

As the decade comes to a close, one of our colleagues asked several of us in the Economic Studies at Brookings, a simple question. With the modicum of hindsight we have today, what was the most significant economic development of the 2010s?

Here are a few of the answers. One, interest rates, how low they are. At the beginning of the decade the Congressional Budget Office forecast that the yield on 10-year treasury bonds would average around 5 percent during the 2010s. Today

those rates are well below 2 percent, and CBO projects they'll hover around 3 percent for the next decade.

This reflects a far-reaching change in the U.S., and indeed the global economy. There's been a steady sustained decline in what's sometimes called the natural rate of interest. The one expected to prevail when the economy is healthy and everything is normal.

This low rate of interest makes it possible, for instance, for the U.S. Government to shoulder a larger Federal debt, reduces the cost of borrowing for everything from home mortgages to public investments. But it also makes the Federal Reserve jobs tougher. With interest rates so much closer to zero than it's been the case in the past, the Fed has less room to cut rates to fight the next recession.

Two, life expectancy: after increasing steadily for decades, life expectancy at birth, last estimated at 78 years and 7 months, began falling in the U.S. in 2014, fueled by increases in drug overdoses, alcoholism and suicides among working age Americans.

This urgent drug overdose says it's at least partly attributable to the introduction of widespread adoption of prescription opioids in the late 1990s, but many experts believe these "depths of despair" they're called, reflect increasing stress and lack of opportunity for many Americans. And the gap in life expectancy between rich folks and poor folks is widening, with those at the top gaining many more years of life than those at the bottom.

Three, inequality: as the U.S. economy slowly recovered from the devastating great recession of 2007, 2009, the gap between winners and losers in our economy widened. Even after taking account of taxes and government benefits incomes at the top 20 percent of the population grew much faster than incomes for everyone else.

And the very best of Americans are claiming a large and growing share of wealth, of assets. The top 1 percent, those with the net worth of more than \$11 million had nearly 40 percent of all the wealth in the U.S., according to the Federal Reserve. That set levels we haven't seen since the 1920s.

Four, health care: since the Affordable Care Act became law in 2010, the fraction of Americans without health insurance has fallen by more than 40 percent. That decline is almost entirely due to subsidies the government is giving for people who buy coverage on their own, and to the expansion of the State, Federation Medicaid program that covers a lot of low-income families.

Interestingly, at the same time we were expanding coverage, there was a slowdown in the pace at which overall health care spending rose. Between 2010 and 2018, health care spending went from 17.3 percent of GDP to 17.7 percent of GDP. The typical eight-year period over the preceding half century, saw an increase five times larger than that in health care spending.

For a longer list of significant economic developments of the 2010s, check our website at www://Brookings.edu.

DEWS: The Brookings Cafeteria Podcast is the product of an amazing theme

of colleagues, starting with Audio Engineer, Gaston Reboredo; and Producer, Chris McKenna. Bill Finan, Director of The Brookings Institution Press, does many of our book interviews, and Lisette Baylor and Eric Abalahin provide design and web support; finally, my thanks to Camilo Ramirez and Emily Horne for their guidance and support.

The Brookings Cafeteria is brought to you by the Brookings Podcast Network, which also produces Dollar & Sense, the Current and our Events Podcasts.

Email your questions and comments to me at BCP@Brookings.edu. If you have a question for a scholar, include an audio file and I'll play it and the answer on the air. Follow us on Twitter @PolicyPodcasts. You can listen to The Brookings Cafeteria in all the usual places.

Visit us online at Brookings.edu.

Until next time, I'm Fred Dews.

* * * * *

CERTIFICATE OF NOTARY PUBLIC

I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

Carleton J. Anderson, III

(Signature and Seal on File)

Notary Public in and for the Commonwealth of Virginia

Commission No. 351998

Expires: November 30, 2020