Myanmar's Economic Growth Patterns after 1988 Political Crisis

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Abstract

This study examines Myanmar's economic fluctuations and sectoral growth patterns after the 1988 political crisis using input–output (I–O) analysis, specifically the deviation-from-proportional-growth (DPG) approach. OECD I–O data for 1995–2022 are employed. Major political and economic changes make the analysis to divide into three periods: (i) the second military regime (1995–2010), (ii) democratic and economic transaction (2010–2019), and (iii) COVID-19 and the third military regime (2019–2022). Real output displays a remarkable volatility over 1995–2022, contracted by 37.5% in 1995–2010, expanded by 224.3% in 2010–2019, and declined by 18.9% in 2019–2022. During economic downturns, Myanmar's economy is primarily supported by partially resource-based sectors, whereas the transition period is marked by the emergence of the information and communication sector and several manufacturing industries as key growth drivers. From the demand-side perspective, changes in Myanmar's economic performance are driven by fluctuations in final demand, particularly investment and foreign trade. Contractions in these components under military regimes caused economic downturns, whereas their expansion during the democratic transition supported economic growth. These findings underscore Myanmar's economic vulnerability to external shocks arising from political change.

Keywords: Economic Growth; Input-Output Analysis; Political Instability

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