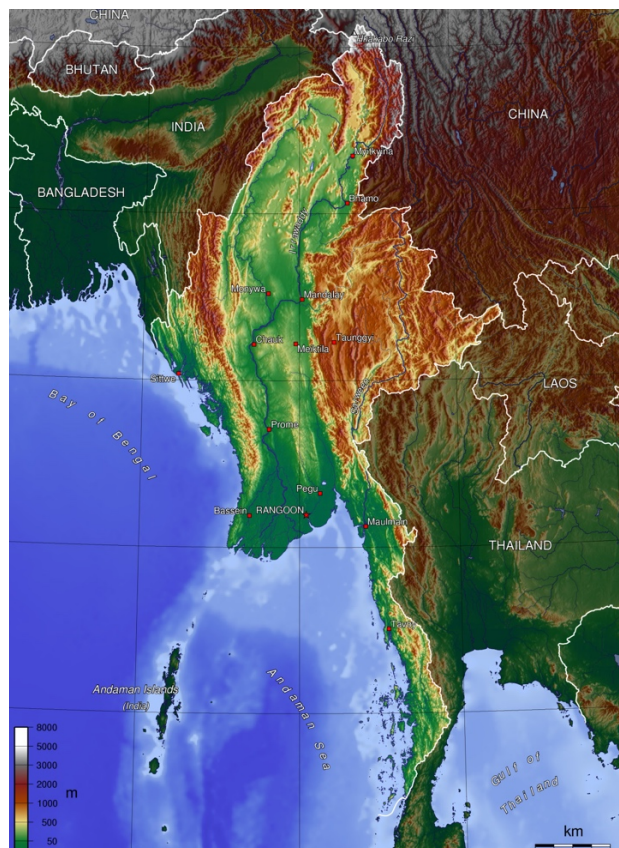


Concise Essay on the Kingdom of Pagan in Burma (10th-13th centuries)

**Scott Pearson
Professor Emeritus
Stanford University**

The Kingdom of Pagan in Burma (10th-13th centuries)

Origins. How did the Kingdom of Pagan originate? Burma has had 22 centuries of recorded history. Twelve of those centuries had passed by before Pagan consolidated its power. Pagan ruled for about three centuries (from the 990s to the 1290s), and Burma had a succession of Burman dynasties, British colonial rule, and independent governments during the past seven centuries.



Source: Wikimedia Commons, available at
<https://commons.wikimedia.org/wiki/File:Burma_topo_en.jpg>

Geographical Features of Burma/Myanmar

Most rulers took advantage of Burma's attractive physical environment to base their power largely on earnings from rice agriculture. The country has great agricultural potential because of its tropical climate, ample water resources (from natural rainfall and diversion of rivers), and water-retentive soils that receive natural fertilization (from river silt).

There is no evidence, however, of agriculture arising independently in Burma or in any other part of Southeast Asia. Rice agriculture spread into Burma at least 2,500 years ago from its initial point of origin in the coastal regions of southern China. The heartland of the Pyu and all Burman kingdoms was upper Burma in the rich floodplain of the Irrawaddy River and its tributaries. The large rice surpluses came from four key regions – Kyaukse, Minbu, Shwebo (Mu Valley), and Tonplon (Mandalay) – that could produce more than twice the amount of rice that was needed for subsistence. The rulers appropriated much of the agricultural surplus through taxes and used the transferred wealth

to create religious monuments, underpin military forces, buy elite support, and fund governing bureaucracies.

Archaeological digs provide evidence of a Bronze Age culture, called Hoabinhian after a similar culture in Vietnam, which inhabited parts of Burma during the 2nd millennium BCE. But the archaeological record for Burma is largely blank for much of the 1st millennium BCE. By the 3rd century BCE, a group of Sino-Tibetan speakers, who have come to be called the Pyu people, had moved into upper Burma from Tibet and southern China. For the first millennium of Burma's recorded history (2nd century BCE to 9th century CE), the Pyu kings ruled upper Burma. Pyu culture was heavily influenced by links with India. Indic cultural influences were reflected in the Pyu design of large, fortified cities, located near the main rice-producing regions. Although the primary source of wealth in the Pyu kingdom was wet-rice agriculture, international trade provided a supplementary bolster for Pyu rulers. Pyu merchants traded within the Southeast Asian region and participated in the trade between India and China.

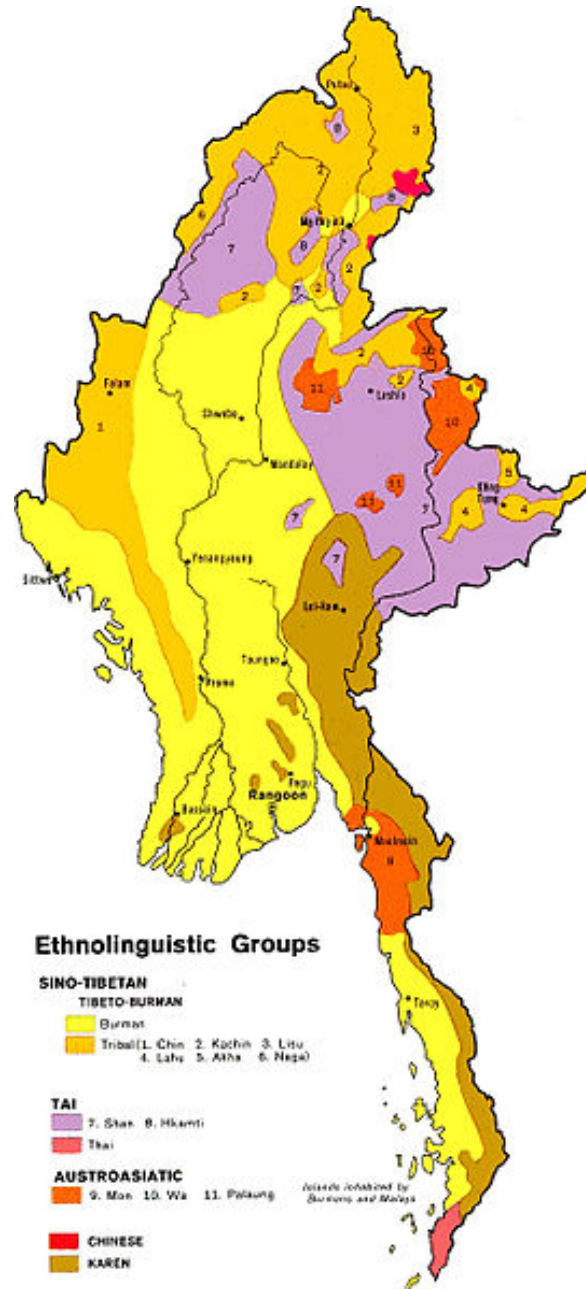


Source: Wikimedia Commons, available at
<https://commons.wikimedia.org/wiki/File:Pyu_Realm.png>

Pyu City-states (Pagan Was Not Contemporary), 3rd-9th centuries

The Pyu kingdom was invaded by the Nanchao kingdom of Yunnan (in contemporary southern China) in the 830s and thereafter went into a permanent decline. All subsequent Burman

kingdoms, including Pagan, evolved from the cultural, political, and economic traditions established by the Pyus.



Source: Wikimedia Commons, available at
<<https://commons.wikimedia.org/wiki/File:MyanmarEthnolinguisticMap1972.jpg>>

Ethnic-Linguistic Groups in Burma: Burman – yellow (68%); Karen – brown (8%); Shan – purple (7%); Mon – orange (2%)

Starting about 800 CE, the Burman people left southeastern Tibet, moved down the Irrawaddy River, and settled first around Kyaukse, a rich agricultural region in upper Burma. The Burmans expanded throughout upper Burma, gradually absorbing the Pyus. In the 9th and 10th centuries, Burman armies overran their Pyu opponents and gradually gained control of Minbu and the Mu Valley – the other rich irrigated rice areas in the Irrawaddy River floodplain of upper Burma. The Burmans moved downriver in the late 10th century and established a new fortified capital city at Pagan, a former Pyu village. Pagan remained a relatively small, religious and administrative center, located apart from but near enough to all three major rice-growing regions.



Source: Wikimedia Commons, available at
 <https://commons.wikimedia.org/wiki/File:Pagan_Empire_--_1044.PNG>

Kingdom of Pagan, c. 1044

Wealth. What were Pagan's main sources of wealth and power – agriculture, foreign trade, and foreign conquest? Wet-rice agriculture was the principal source of wealth in the Kingdom of

Pagan. The Burman officials expanded rice output by increasing productivity and extending the area cultivated. They improved irrigation networks to support flood retreat farming – the use of small dams to divert river water after the annual floods. Most rice planted in the Pagan era was of *Japonica* varieties, until higher yielding *Indica* varieties were introduced from India. Two crops of rice were grown annually in the irrigated perimeters, and the best-watered areas could support three crops of rice per year.

Pagan kings made impressive increases in irrigated rice area and had nearly 500,000 acres under production in the mid-13th century.

Agricultural labor was scarce and was bonded but paid (usually in rice or silver) not enslaved. Laborers were bonded to individual landowners, the church, or the state. Farmers paid a tax of 10 percent of their agricultural produce to the state and an additional head tax, but were not forced to provide labor services to the state (corvée). The system of individual-, state-, and church-owned land, bonded but paid labor, and state-sponsored irrigation

development produced sufficiently large rice surpluses to underpin the wealth of Pagan.

Before Pagan expanded southward to the coast in the mid-11th century, it was an inward-looking, land-locked kingdom. Once it gained control of the ports on the Bay of Bengal, Pagan engaged in regional trade with India, Sri Lanka, and Malaya. By the late 11th century, Pagan benefited when the commercial route linking India with China shifted northward creating regular stops at Burmese ports that supplied entrepôt services. Pagan exported mostly raw materials (rice and wood) and imported luxury goods (silk and porcelain). The standard rate of taxation on international trade transactions was 10 percent. Trade taxes provided a supplemental source of wealth for Pagan's kings.



Source: Wikimedia Commons, available at
https://commons.wikimedia.org/wiki/File:Southeast_Asia_trade_route_map_XIIcentury.jpg

Pagan's 12th-century Southeast Asian Trading Partners – Khmer, Champa, Srivijaya, and Kediri

The Kingdom of Pagan attempted foreign conquest mainly in one direction, southward. In the mid-11th century, King Anawrahta conquered lower Burma, gained control of its ports, and transferred Mon, Indian, and other manpower to upper Burma. The added labor permitted Pagan to expand rice production. Under King Narapatisithu's rule (1173-1210), the Kingdom of

Pagan reached its largest extent and stretched along the Irrawaddy River Valley from Bhamo on the China border in the north to the Tenassarim Peninsula on the Indian Ocean in the south. During its peak period (mid-11th to early 13th centuries), Pagan lost no territory in wars with its neighbors.



Source: Wikimedia Commons, available at
<https://commons.wikimedia.org/wiki/File:Pagan_Empire_-_Sithu_II.PNG>

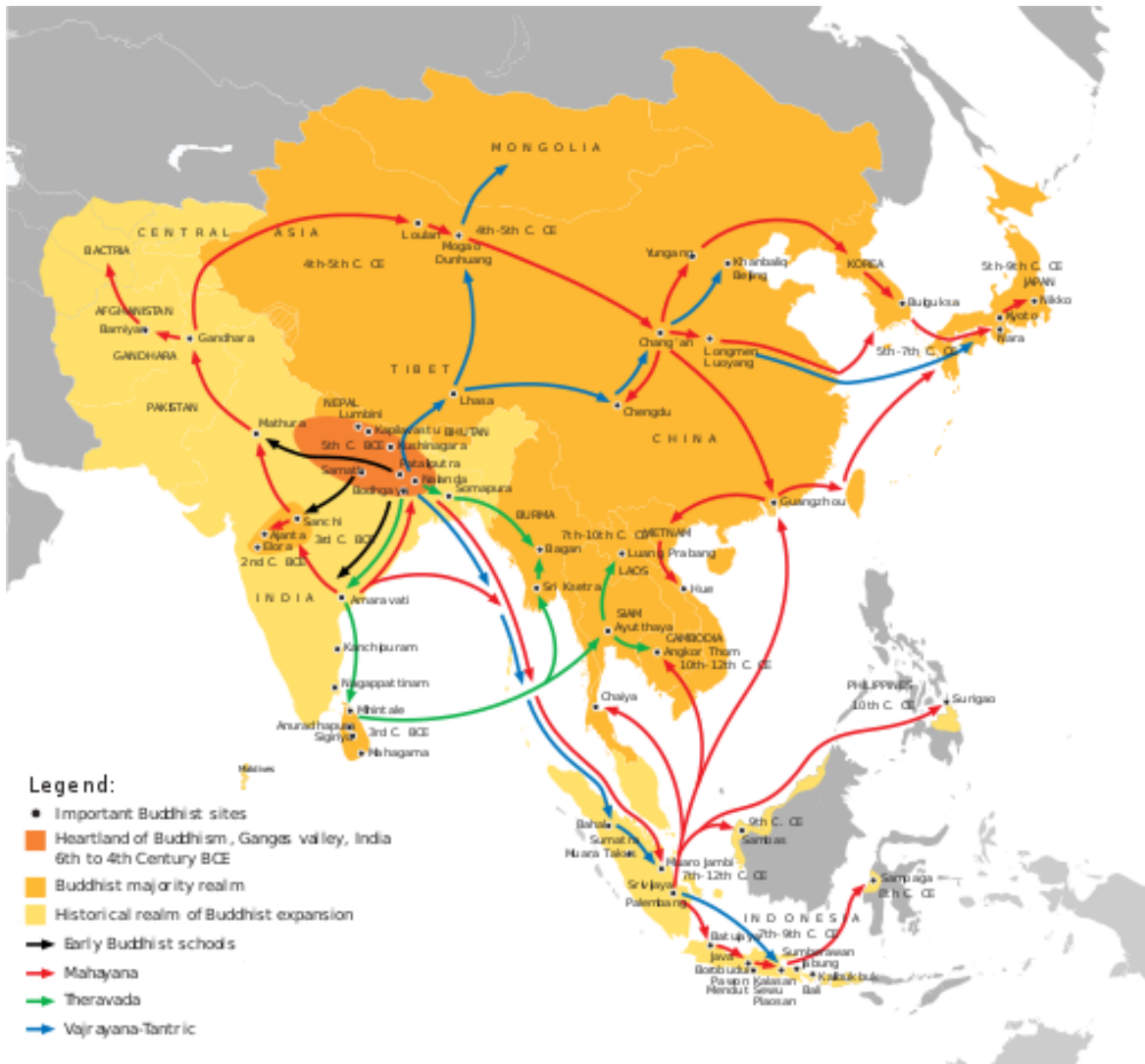
Pagan At Its Largest Territorial Extent, c. 1200

The foreign conquest of lower Burma permitted the Pagan rulers to gain more agricultural labor and land and to expand foreign trade through access to Indian Ocean seaports.

Control. What forms of political organization, economic sanction, military coercion, and religious persuasion did the rulers in Pagan use to extract wealth for the elite and maintain imperial power? Pagan rose to become a powerful regional kingdom with a peak population estimated at two and one-half million people.

Pagan's great consolidating ruler, King Kyanzittha (ruled 1084-1111), formed a strong, syncretic kingdom based on the assimilation of Pyu cultural traditions, Burman military rule, and Theravada Buddhist spiritualism. Pagan's human resources were diverse and hierarchical. The Burmans, Pyus, Mons, and Shans dominated the Karens, Chins, Kachins, Arakanese, and Indians. The royals and officials ruled over the commoners and controlled them through patron-client ties, based on birth, occupation, and spiritual rank.

Religion was tightly linked to politics in Pagan. King Anawrahta introduced Theravada Buddhism as the state religion in the mid-11th century.



Source: Wikimedia Commons, available at
https://commons.wikimedia.org/wiki/File:Buddhist_Expansion.svg

Spread of Buddhism in Asia – 6th century BCE-11th century CE

The relationship between state and *sangha* (the Buddhist church) in Pagan initially was complementary. The state provided administration, military protection, and irrigation development, and the king earned merit by donating land and bonded laborers to the *sangha*. The *sangha* constructed temples, supported monasteries, and expanded rice agriculture. But as the *sangha* increasingly usurped state revenues, a dilemma appeared. The *sangha* could develop agriculture and generate wealth, but it could not govern and had no military.

All of the major kings of Pagan (Anawrahta, Kyanzittha, and Narapatisithu) carried out purification (*sasana*) to return assets to the state. *Sasana* was justified religiously because kings were required to keep the Theravada Buddhist religion pure and to prevent church leaders from becoming sectarian. But *sasana* was risky politically because the landed gentry supported the *sangha* orders in their regions. Only very strong kings could regain control over the *sangha* and shift the balance of economic power from the church back to the state.

Decline. What combination of bureaucratic decay, internal revolts, and external incursions caused the Kingdom of Pagan to decline and disappear? Pagan reached its peak under King Narapatisithu in the early 13th century, and most of its 4,000 Buddhist temples were completed by 1250. Thereafter, no kings were strong enough to carry out *sasana*, and the revenue drain to the *sangha* became an increasing problem. By the late 13th century, the *sangha* owned two-thirds of all productive land and paid no taxes. The cash-strapped state had to reduce spending on its military, irrigation development, and donations to the *sangha*. That belt-tightening resulted in factionalism at court, because interest groups no longer could be bought off, military weakness, since insufficient funds were available to support the army at full strength, and consequent political instability. The military weakness was reflected in the refusal of tributary regions to pay taxes and losses of some tributary areas.

Foreigners ultimately took advantage of that internal erosion. To the east, a new Thai kingdom, Sukothai, arose in the 13th

century and detached the Chiengmai region from struggling Pagan. The final blow was the Mongol-Chinese invasion of Pagan that began in 1277 and lasted for twenty-four years. The Mongol armies did not reach Pagan city and destroy its temples, but the brutal war ended in the defeat of Pagan and sapped the resources of the vulnerable kingdom. Pagan splintered. The Mons rebelled in 1284, gained their independence, and established a Mon Kingdom, Ramannadesa, in lower Burma.



Source: Wikimedia Commons, available at
<https://commons.wikimedia.org/wiki/File:Yuen_Dynasty_1294_-_Goryeo_as_vassal.png>

Yuan (Mongol) Dynasty of China – Invaded Pagan, 1277-1301

The hill tribes regained their autonomy and stopped paying tribute. The Three Shan Brothers, who were Tai-speakers but had been in the nobility at the Pagan court, rebelled and defeated the last Pagan king in 1298. They abandoned Pagan and relocated their capital nearer two key rice-producing areas – the Mu Valley and Kyaukse. The glorious Kingdom of Pagan was destroyed, and the famed city of Pagan subsequently became a spiritual center, pilgrimage site, and cultural museum rather than a center of political power.



Source: Wikimedia Commons, available at
 <https://commons.wikimedia.org/wiki/File:Burma_c._1310.PNG>

Rise of Small Kingdoms after the Fall of Pagan, c. 1310

Aftermath. After the fall of Pagan, what local or foreign groups succeeded to power in Burma and how successfully did they wield power and extract wealth? Successor dynasties appeared and disappeared according to the religious purification

cycle established in Pagan, and their fundamental sources of wealth – rice agriculture supplemented by foreign trade and conquest – remained unchanged. In the dynastic cycle, a charismatic savior king (*min laung*) formed the dynasty, the Theravada Buddhist church (*sangha*) exercised monastic landlordism, successful kings carried out religious purification (*sasana*), and unsuccessful kings failed in *sasana* and caused the dynasty to fall. That cycle was repeated three times between the 14th and the 19th centuries, as the Ava (1364-1527), Toungoo (1539-1752), and Konbaung (1752-1885) dynasties rose and fell.

In 1364, King Thado Minbya formed the Ava dynasty with its capital at a new city, Ava.



Source: Wikimedia Commons, available at
 <https://commons.wikimedia.org/wiki/File:Burma_in_1450.png>

Kingdom of Ava (Bright Yellow Area), c. 1450

The economic strength of Ava grew out of its control of the three most important rice-producing regions in upper Burma – Kyaukse, Minbu, and the Mu Valley – and its international trade overland with China and overseas across the Bay of Bengal. King Mohnyin Thado successfully purified the *sangha* in 1438 to continue the

Ava dynasty. But in 1527, it disintegrated under weaker leadership and fell to a Shan invasion without re-unifying Burma.

Between 1539 and 1555, King Tabinshwehti, the new *min laung*, reunited Burma from his home base in Toungoo in lower Burma. In upper Burma, he gained the support of the Burman elite of Ava and subdued the rebellious Shan princes in the Shan plateau. In lower Burma, he conquered the Mon Kingdom of Ramannadesa and its capital at Pegu. King Bayinnaung overwhelmed the strong Thai kingdom of Ayudhya on Burma's eastern frontier in 1569, and he moved the Toungoo capital to Pegu in lower Burma to control the Mons and gain access to the trade revenues of lower Burma. Factionalism in the court and the lack of successful purification to re-gain rice land undercut the authority of the king, and the Toungoo dynasty fell to a Mon rebellion in the mid-18th century.



Source: Wikimedia Commons, available at
 <[https://commons.wikimedia.org/wiki/File:Map_of_Taungoo_Empire_\(1580\).png](https://commons.wikimedia.org/wiki/File:Map_of_Taungoo_Empire_(1580).png)>

Kingdom of Toungoo (Dark Green Area), c. 1580

King Alaungpaya reunited the country in 1760, after eight years of successful military campaigns, formed the Konbaung dynasty, and moved the capital back to Ava. His son, King Bodawpaya, successfully carried out a *sasana* purification to curb the economic power of the *sanghas* and ruled Burma for 37 years. Bodawpaya then defeated the Thai kingdom of Ayudhya and

throttled its growing power. He incorporated independent Arakan and Tenasserim into Burma in 1784 and later expanded into India, claiming Manipur and Assam in 1819 and provoking British ire. The Konbaung dynasty ruled shrinking Burma until the final British takeover in 1885.



Source: Wikimedia Commons, available at
<https://commons.wikimedia.org/wiki/File:Konbaung_dynasty.png?uselang=th>

Burmese Kingdom of Konbaung, c. 1820

British imperial goals in Burma were to seek economic gain and to protect Britain's primary imperial interests in India.

Economic motivations – promoting English trade within Asia, transferring Burmese resources to Britain, and expanding markets for English exports – remained central throughout England's 124-year involvement in Burma.

The British conquered Burma in three wars during the 19th century. Britain instigated the First Anglo-Burmese War (1824-1826) to counter Burma's refusal to allow the English East India Company (EEIC) to trade in Burmese ports. But Britain's central goal in that initial altercation was to stop and reverse Burmese expansion along the Burma-India frontier. The Second Anglo-Burmese War (1852-1853) broke out when British traders protested against Burmese actions to restrict British commerce in Burma. With the annexation of Lower Burma, Britain centered its commercial efforts in Rangoon and promoted teak and rice exports.



Source: Wikimedia Commons, available at
https://commons.wikimedia.org/wiki/File:British_India.png

Lower Burma As Part of British India, 1860

Britain also precipitated the Third Anglo-Burmese War (1885-1886). The English hoped to beat France to trading opportunities in Yunnan (interior southern China) and pressured Burma for access. Britain won the trumped-up war in two weeks, overthrew the Burmese monarch, and undercut the political power

of the *sangha*, thereby ending the purification cycles in Burmese history.

The British then colonized all of Burma, placed the colony's administration under British India, and developed the Irrawaddy River trade route into China.



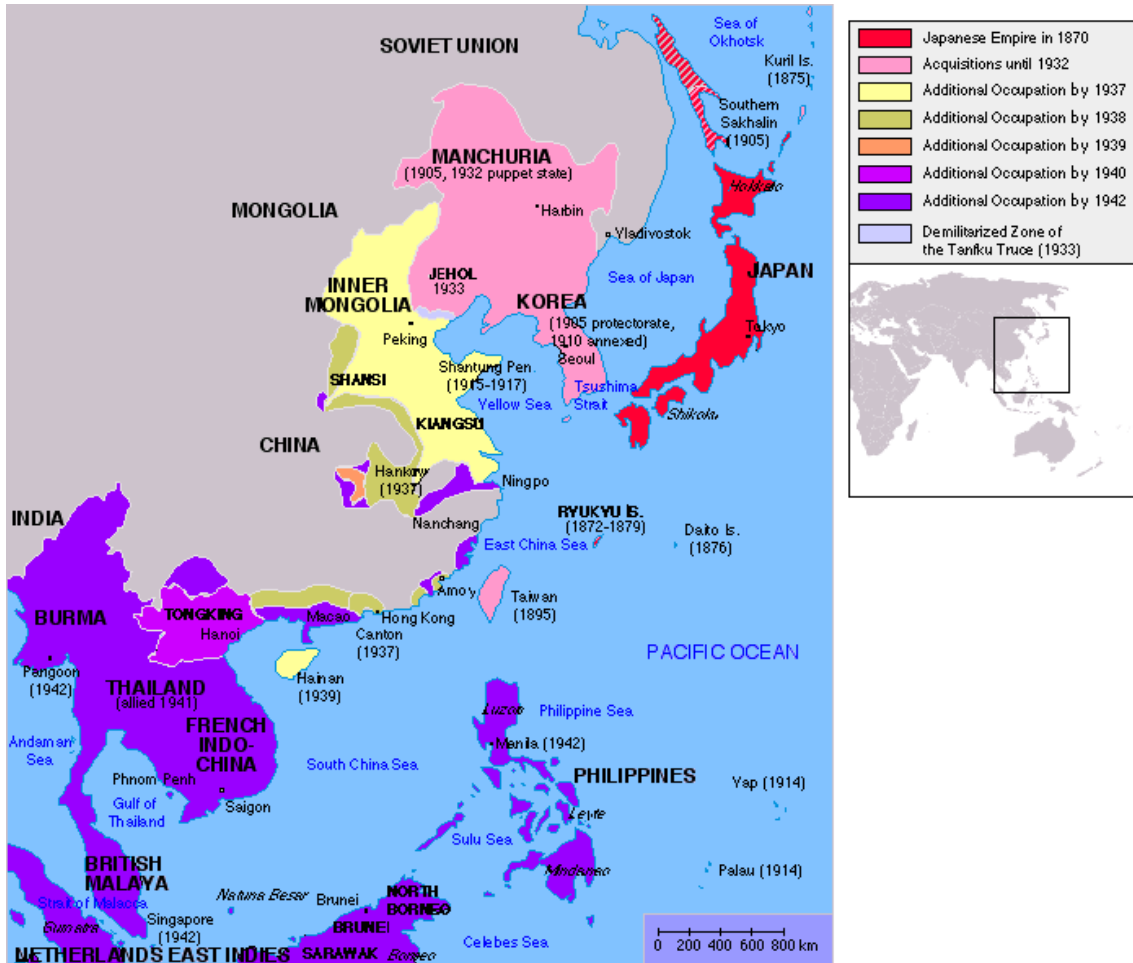
Source: Wikimedia Commons, available at
<https://commons.wikimedia.org/wiki/File:Burma_Province_1931.png>

British Burma, Administrative Divisions, 1931

British colonial officials ran Burma with two main goals – to maintain security and increase exports. Most development efforts focused on expanding rice production in the Irrawaddy River Delta. The British drained the swamps, cleared the forests, expanded river transportation, and built 2,000 miles of railroads by 1920. The area cultivated under rice in the Delta expanded from 0.5 million acres in 1855 to nearly 10 million acres in 1940. Rice exports reached a peak of 3 million tons in 1930, when Burma was the world's leading exporter of rice, and the total value of exports from British Burma increased more than thirty-fold during the six decades before 1930.

Japan invaded Burma in January 1942. The British-Indian army put up only token resistance, because British strategy was to fall back and defend India. The Thirty Comrades, a group of young Burmese nationalists who had been recruited by General Aung San, led a small Burmese liberation army that fought alongside the Japanese. Burmese nationalists at first acclaimed

Japan's victory because it showed that an Asian liberator could defeat a European imperialist.



Source: Wikimedia Commons, available at
<https://commons.wikimedia.org/wiki/File:Japanese_Empire2.png>

Japan's Conquest of Burma – Early 1942

But Japanese fascist rule was far worse than European colonial rule. Burma suffered economic and social disaster – rampant inflation, loss of export markets, forced labor demands,

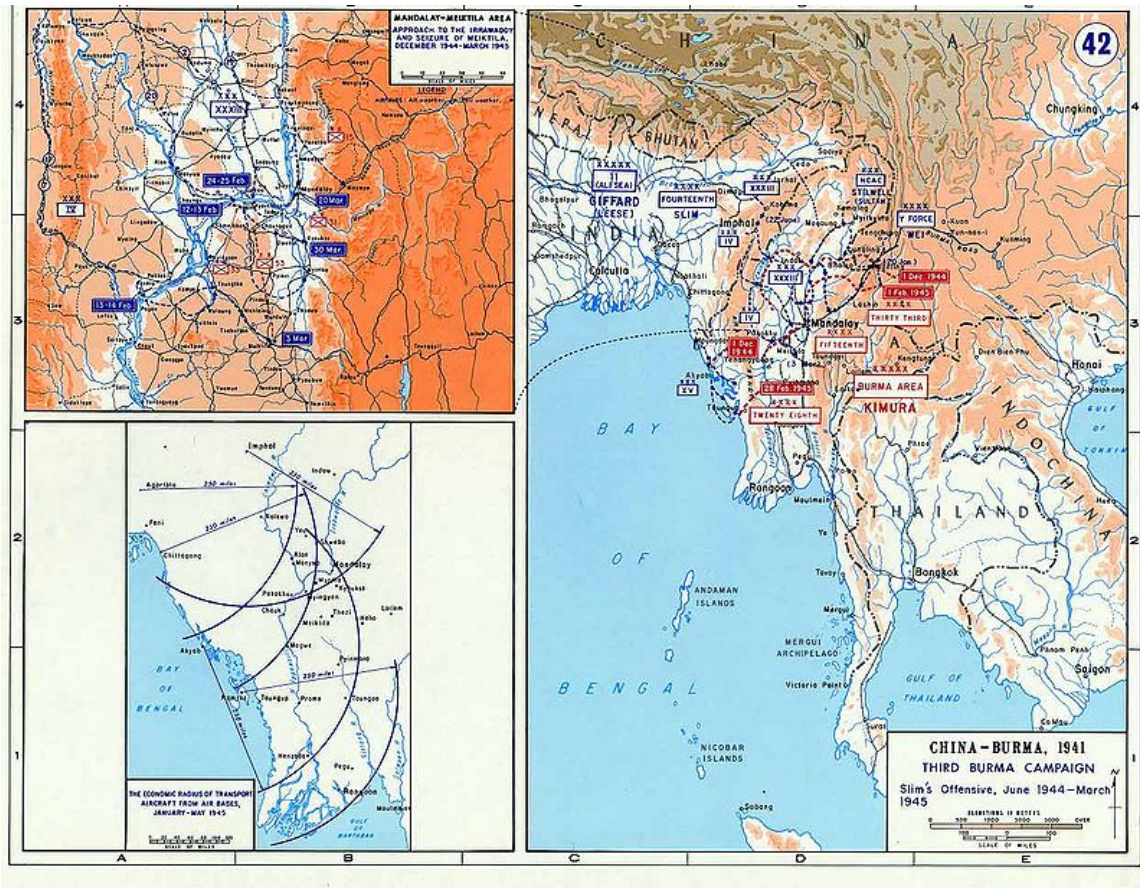
unreasonable rice requisitions, and damaged infrastructure from fighting, sabotage, and bombing.



Source: Wikimedia Commons, available at
<https://commons.wikimedia.org/wiki/File:European_colonisation_of_Southeast_Asia.png>

Japan Claimed to Liberate Southeast Asia from Colonial Rule – British (Red), French (Blue), Dutch (Orange), American (Yellow)

In August 1944, Aung San and other nationalist leaders switched sides, secretly formed the underground Anti-Fascist People's Freedom League (AFPFL), and helped British-Indian troops reconquer Burma in early 1945.



Source: Wikimedia Commons, available at
https://commons.wikimedia.org/wiki/File:Allied_Third_Burma_Campaign_June_1944-May_1945.jpg

The Allied Reconquest of Burma, 1944-1945

When Britain decided to leave Burma quickly after World War II, it failed to guarantee political rights for the ethnic minorities and civilian control over the military. Tragically, in July 1947 Aung San was assassinated during a cabinet meeting. His longtime colleague, Nu, became Burma's first prime minister when the country became independent in January 1948. Nu had

strong nationalist credentials, but he lacked Aung San's leadership ability and charisma.

Nu ruled the country through its first turbulent decade of independence (1948-1958), but his AFPFL government was weak administratively. Two opposition groups – the Communist Party of Burma and ethnic minority organizations – fought civil wars against the AFPFL government. Aung San had forced the Communists out of the AFPFL in 1946, precipitating a bitter rivalry. The hill people wanted greater autonomy and felt wronged by Britain's failure to guarantee that outcome.

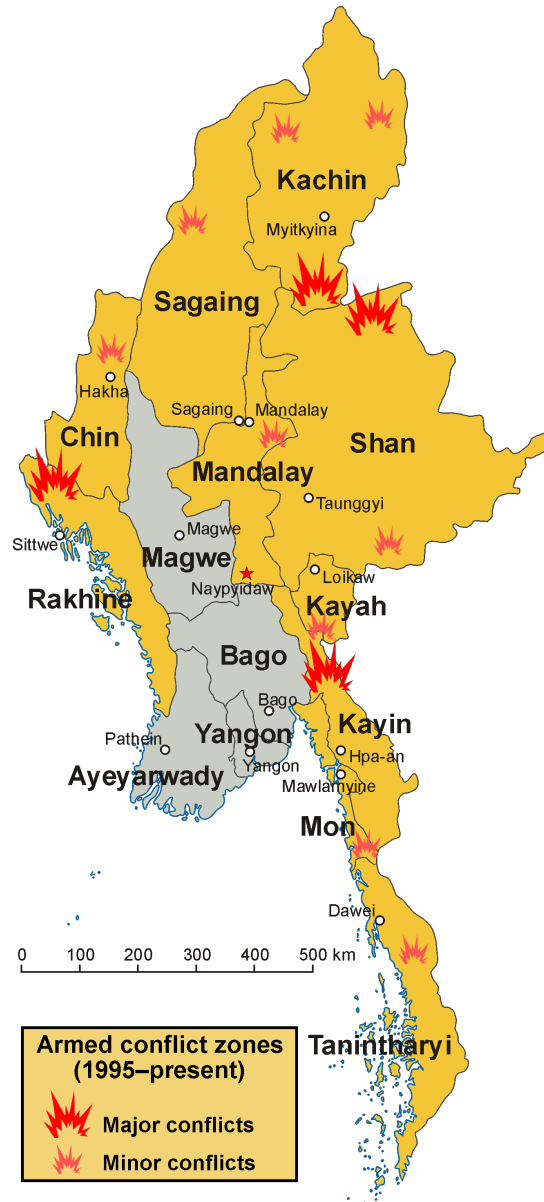
Nu's weak administration, the raging civil wars, political infighting in Rangoon, and a stagnating economy led General Ne Win, the head of the army, to install a caretaker military government in 1958 to prepare for fresh elections in 1960. Nu's personal popularity outweighed his government's poor past record, and he was re-elected in 1960 in a fair election. Continuing political instability and economic stagnation resulted in a military

coup in 1962. Ne Win's second takeover was nonviolent and met with little opposition initially.

Between 1962 and 1988, Ne Win's policies were central economic planning, the nationalization of industry and trade, and military control of economic activity. Its most radical component was self-imposed international isolation to maintain neutrality in the Cold War, avoid conflict with China and India, and ensure Burmese Buddhist purity. Fascist policies coupled with an abysmal human rights record caused Ne Win's Burma to become an international pariah state.

In mid-1988, Ne Win resigned in the face of student-led popular uprisings and instructed his military colleagues to form the State Law and Order Restoration Council (SLORC) to restore order. In hopes of receiving international legitimacy, the SLORC held an election in 1990. Aung San Suu Kyi, Aung San's daughter, led the opposition party, the National League for Democracy (NLD). In a shocking victory, the NLD won 80 percent of the seats in the People's Assembly and the

government's party won only 10 seats. But the SLORC ignored the election results and continued to rule.



Source: Wikimedia Commons, available at
<https://commons.wikimedia.org/wiki/File:Armed_conflict_zones_in_Myanmar.png>

Armed Conflict Zones in Burma, 1995

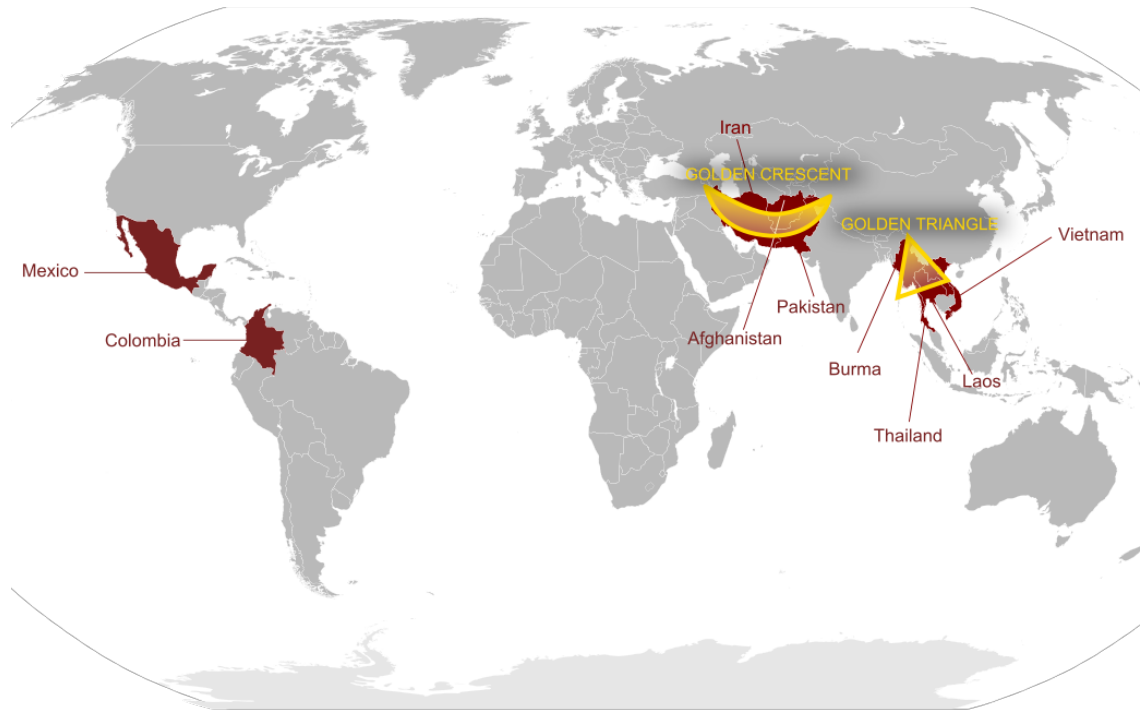
In 1991, Aung San Suu Kyi, a charismatic leader, speaker, and author, won the Nobel Peace Prize. While under house arrest, she was awarded for her courageous opposition to Burma's military junta and unyielding support of democracy and human rights. The military regime held Aung San Suu Kyi under house arrest for all but six years between 1989 and 2010.

In 1997, the SLORC changed its name to the State Peace and Development Council (SPDC), led by Than Shwe (prime minister), Maung Aye (military commander), and Khin Nyunt (director of intelligence). Political analysts regarded Khin Nyunt as the more moderate reformer, Maung Aye as the hardline conservative, and Than Shwe as the deciding force in the middle. That troika ended in 2004 when Khin Nyunt was placed under house arrest, removed from the government, and replaced by General Soe Win.

Following the implosion of the Communist Party of Burma (CPB) in 1989, Burma forged strong military and economic links with China. From China, Burma received more than \$3 billion of military equipment, inexpensive consumer goods, and foreign

investments in northern Burma. In return, China benefited from a nearby market for military and consumer goods, cheap raw materials, access to Indian Ocean ports, creation of a dependent buffer state on its southern border, and support in its border dispute with India.

In 1989, the CPB's 15,000 ground troops divided into four armed remnants. Those groups subsequently made peace with the junta, took over parts of the golden triangle region of northeast Burma, and greatly expanded opium production. Chinese drug lords moved their heroin factories from Thailand to Burma and started manufacturing amphetamines. Burma began exporting drugs worth more than \$500 million annually. The SLORC negotiated ceasefire agreements with the CPB remnant armies and other ethnic insurgent groups. In return for ending the fighting, the ethnic forces could rule in their regions, keep their weapons, and practice their cultures.



Source: Wikimedia Commons, available at
<<https://commons.wikimedia.org/wiki/File:HeroinWorld-en.svg>>

*Principal Producers of Opium/Heroin –
Burma is Part of the Golden Triangle*

For half a century, Burma was a tragic case of economic policy failure. Although the country had diverse natural resources, quite well-developed infrastructure, and a cadre of trained civil servants and entrepreneurs when it became independent in 1948, the level of per capita income stagnated for four decades. The civilian government (1948-1962) experimented with socialism and was sapped by insurgencies. The Ne Win military dictatorship

(1962-1988) nationalized industry and trade, banned foreign investment, but engaged heavily in foreign borrowing to finance military spending. Per capita income was nearly stagnant between 1962 and 1988, growing at the miniscule rate of 0.7 percent per year during that period.

The second military government (1988-present) encouraged foreign investment in joint ventures, expanded cross-border trade with China, and attracted investment from Southeast Asian countries. Those economic reforms led to a very rapid growth of income (GDP per capita measured by the World Bank at Purchasing Power Parity and in constant dollars), which increased at an annual rate of 8.3 percent between 1990 and 2011. But rural Burma's 4.5 million farm households struggled with a standard of living that was little better than their grandparents had when Britain departed in 1948.

The military junta, led by General Than Shwe, rammed through a new constitution in 2008 to ensure continued military rule. The NLD, led by Aung San Suu Kyi, chose not to participate

in the rigged election of November 2010. General Thein Sein was elected president and took office in March 2011. The new Thein Sein government introduced a series of critical reforms. The media was no longer censored, all but about 200 political prisoners were freed, and Aung San Suu Kyi was freed from house arrest.

In November 2015, Aung San Suu Kyi's party, the National League for Democracy (NLD), won 80 percent of the contested parliamentary seats. The new parliament elected Htin Kyaw, a close ally of Aung San Suu Kyi's, as president. He resigned for health reasons in 2018 and was succeeded by Win Myint, another ally. The government created the new position of State Counsellor to permit Aung San Suu Kyi, who was banned from being president, to become *de facto* head of government.

Her NLD government focused on ending the rebellions by disaffected ethnic minorities and concluded a ceasefire in 2015. However, starting in 2016 the new government permitted Burma's military and police to carry out inhumane violence against the Muslim-minority Rohingya people in Rakhine State. One million

Rohingyas fled to exile in refugee camps in Bangladesh. Aung San Suu Kyi and her government have denied US State Department charges of ethnic cleansing and genocide and have refused to permit UN investigators to enter Burma. Her once sterling international reputation has been tarnished as a result.

The growth of per capita income (price-adjusted) in Burma decelerated to a still impressive annual rate of 5.8 percent between 2011 and 2019. Aided by low population growth rates (0.6 percent per year in 2019), per capita income in Burma reached \$5,355 (estimated in Purchasing Power Parity prices) in 2019, 8 percent of the U.S. level. But much remains to be accomplished before Burma's people will benefit substantially from the country's recent political opening.



Source: *Wikimedia Commons*, available at
<https://commons.wikimedia.org/wiki/File:Myanmar1.gif>

Contemporary Burma

Lessons. What lessons for contemporary powers can be drawn from the experiences of the Kingdom of Pagan and of

successor governments in Burma? Three lessons emerge from the rise, rule, and fall of Pagan. Pagan became a powerful regional kingdom largely because the Burman settlers combined astute public investments and administration with military capability. Successful invasion and military takeover are only the first steps in the creation of sustainable kingdoms. Military prowess must be matched with an ability to run the show and produce wealth. Pagan's leaders understood that rice wealth was power. Hence, they had to raise rice yields, increase the number of rice crops that could be harvested each year, and expand the area under rice production. They accomplished those goals by investing in new techniques to irrigate rice fields in the plains of the Irrawaddy River. Sources of wealth need to be nurtured by constant government attention.

A second lesson for success is to have a balanced economic base to create wealth and sustain power. After Pagan was up and running in the 11th century, its Burman rulers realized that rice alone would not be enough to sustain an expanding kingdom.

They sought a balanced economic base through the foreign conquest of lower Burma. Part of the rationale for conquest was chauvinism – to control untrustworthy Mons on the southern flank. But lower Burma also offered two key economic advantages – labor and ports. In upper Burma, good rice land was plentiful but labor was scarce. Conquest of the south brought new bonded laborers to upper Burma's new rice fields.

Expansion further allowed access to and control of southern ports on the Indian Ocean. Pagan took advantage of the location of those newly-acquired ports to become an important player in regional trade with Southeast Asia and in long-distance trade between India and China. Foreign conquest thus was profitable so long as the Mon population could be controlled. Trade taxes supplemented agricultural taxes as sources of revenue for Pagan's royal government, and economic balance was neatly achieved.

The fall of the Kingdom of Pagan in the late 13th century provides a classic example of the importance of maintaining a strong tax base. Throughout most of the 13th century, the kings in

Pagan were powerless to check the expanding economic control of the tax-free Theravada Buddhist church (*sangha*), which thus came into control of two-thirds of the country's productive rice land and bonded laborers. The rulers were too weak to invoke a purification cycle (*sasana*) to transfer much of the rice-growing assets back to state control. The loss of much of its tax base undercut the ability of the royal government to pay its governing bureaucracy, buy off its political opponents in court, police and control its tributary states, and protect its borders from foreign invasion. Pagan fell mainly because the government lost control of its tax base and only secondarily because of the Mongol-Chinese invasion.

Two further lessons for contemporary powers arise from the mistakes of Burma's governments since the country became independent in 1948. The first lesson is the essential need to take care of ethnic minorities. The beleaguered country's two democratically-elected governments (1948-1958 and 1960-1962), both led by Nu, were unfortunate failures. Part of the problem was inadequate leadership and administration. But the Nu

governments' failures grew fundamentally out of the unwillingness to recognize the legitimacy of the demands of Burma's ethnic minorities for regional autonomy. Minority insurgencies destabilized the country politically, bled its human and financial resources, discouraged domestic and foreign investment, and created black markets in drugs, timber, and precious stones. Ultimately, the insurgencies provided an excuse for military takeover of the government. Democratic governments cannot afford to ignore the needs of their ethnic minorities or their under-classes.

The second lesson from independent Burma is the critical influence of government economic policy on the standard of living of the masses. Socialism – government ownership of economic assets and central planning of asset allocation – harms poor people because it debilitates private initiative to save and invest efficiently and it puts an enormous burden on the government to manage the economy effectively. Burma's experiments with socialism were disastrous for its poverty-stricken citizens. The military

governments used socialism as an excuse for military control of the economy in a kleptocratic power-grab. For 40 years after independence, Burma's people were little better off economically than they were in 1948. Moreover, the abject failure of economic policy under the military dictatorship caused it in 1989 to turn to China for military and economic assistance. Burma's economy increasingly became an appendage of China while Burma's people continued to struggle. Starting in the late 1980s, a combination of political and economic openness and natural gas exports improved Burma's economic performance and prospects.