



# Redistribution, yes – but through which channels? Observations from Myanmar

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Redistribution was identified by Karl Polanyi (1957) as a "form of integration" of the economy, one that connects members of a group to a larger entity, be it a family, a neighbourhood community, a nation, or beyond. In modern welfare states, a great deal of wealth redistribution happens through taxation. As my colleague Anne-Erita Berta has described for Denmark, taxes may be widely regarded as a justified and necessary means to maintain and expand collective goods for the benefit of all citizens, such as public transportation, child care, and social security. Many citizens of Denmark, according to Berta, are generally content to pay income tax, even if it is as high as 50 percent. Tax deduction is an instituted, automatic process that goes unchallenged or is even enthusiastically welcomed by many of Berta's informants.

I did my research in a country where things work very differently. Myanmar has one of the lowest streams of tax revenue in the world (The Economist, 16. 11. 2017). Many regulations are barely enforced and reports suggest that tax avoidance is widespread. Most of my informants were self-employed. They ran small businesses, with just a few employees or only family labour, or completely on their own. Such units comprise around 43 percent of Myanmar's working population (according to the 2014 census). Stable businesses, such as a shop or stall on the market, require a license. Like routine property taxes, payments for these licenses are often made perfunctorily (Owen & Hay Manh Htun, 2018). However, when it comes to commercial tax or compulsory contributions to a social security scheme, people find ingenious ways to minimise their contributions. They may, for example, register fewer workers than they actually employ to keep social security contributions low. Despite recent attempts to expand coverage, state social security fails to reach large parts of the population. Those who can afford to do so rely on private providers. They would, for instance, send their children to private schools and visit private clinics for health treatments. Generally, people have learned not to rely on the state for protection. Many of my informants also did not see the state as trustworthy enough to handle tax money in a way they would deem appropriate (see also Owen and Hay Manh Htun, 2018; McCarthy, 2016). Some alleged that tax money just

“disappears” and does not benefit anyone except those collecting it.



Traffic and shops in downtown Patheingyi.

(Laura Hornig, 2016)

## The willingness to give

Does this mean there is no concern for others and no willingness to share one's financial resources? Certainly not. Wealth is redistributed and those in need are supported, albeit mainly through non-state channels. Observers have noted impressive structures of charity throughout the country. Willingness and ability to help others become especially visible in major emergencies like that of Cyclone Nargis in 2008, when people on the ground organized a substantial initial response without much help from the government or the outside world. The annual World Giving Index, published by the UK based Charities Aid Foundation, has ranked Myanmar repeatedly as the most generous country in the world (see CAF). This is because many citizens donate regularly, either money, or items, or time and labour power. Many of these donations go to religious institutions, but some support charity projects such as orphanages, elder care centres or health projects, and infrastructural improvements such as road repairs. According to social workers in orphanages in Patheingyi told me that donations to their projects have increased considerably in the past ten years. Many social initiatives are organized through religious institutions, ranging from the pet projects of individual monks to influential Buddhist organizations with branches in many parts of the country. Donations are often public acts that bring a lot of social prestige and admiration for the donor. The act of giving and practicing generosity (*dana*) is believed to directly create merit for an individual. Thus donating entails a clear spiritual benefit for the giver.

While most donations still flow to Buddhist monasteries for maintaining the sangha (Buddhist clergy) and sacred buildings, the idea of *dana* in contexts such as charitable educational initiatives is a good example of how the meanings of a religious concept are never stable or unchangeable. Instead, they are negotiated and adjusted to socio-economic circumstances. With intensifying economic struggles or emergency situations, the idea of *dana* has, for some people at least, changed in so far as the neediness of the recipient has gained in importance, coming to outweigh religious prestige (Jaquet and Walton, 2008). Thus, giving to a poor orphan became increasingly seen as *dana* and a way of making merit, whereas previously

giving to a famous monk attracted more prestige. Both in scholarly discourse and among lay practitioners, ideas of *dana* vary. Many people I met in Pathein display a mixed donation pattern, supporting both well-known monks and social projects. In general, it is expected that those who are better off should share some of their wealth. The concepts of *dana* and merit offer an intelligent coupling of helping others (if a donation is given to a charity) to an individual's own direct spiritual benefit. This does not mean that a degree of redistribution is achieved whereby everyone is protected from hardship and society becomes more equal. Community based social projects provide only marginal aid, and debt and poverty remain serious problems for many. It can even be argued that donation patterns in Buddhist societies play a part in the reproduction of inequalities and, through morally connecting wealthier and poorer groups, function to prevent the poor from rioting (Bowie, 1998).

It remains the case, however, that donations offer support and fill gaps left by the state. They demonstrate that the willingness to help others is definitely there, although it is not the state that mediates redistribution. Quite apart from scepticism concerning the intentions and capabilities of government officials, tax is perceived very differently from donations. Tax payments cannot function as *dana* and they do not promise the same spiritual and social rewards in form of merit and prestige. *Dana* should ideally be given voluntary, with the right intention, and with the giver being detached from the gift. While there is definitely an implicit expectation of giving in many situations, donations uphold at least the impression of voluntariness. Though the sums donated are often publicly displayed for instance on monastery grounds, with the names of the donors, fixed “prices” or concrete financial demands toward lay donors are still rare. People emphasize that the intention with which one donates matters more than the amount given. While, in practice, larger donations will often result in larger fame and admiration from others, constant repetition of the norm reveals how the nature of donations ought to be.



A new well is being built in an orphanage run by Buddhist monks in Pathein.

© Photo: Malcolm Baird, 2017

## The state in charge

A lack of trust in state institutions does not mean that citizens do not acknowledge that, in principle, the state should be in charge of organizing redistribution. Many demand more

investment in the education, health, and the social security system. Now, of course the Myanmar government can hardly launch a campaign to redefine taxes as *dana* to increase tax revenue. However, there is hope that tax revenues can be increased. I found attitudes toward the NLD (National League for Democracy) government which came to power in 2016, after a landslide victory in the country's first national elections after military rule, to be rather positive. Moreover, a survey among urban citizens has found that there is no general unwillingness to pay taxes: respondents said they would welcome a tax system in which the rich pay more than the poor, and in which tax is transparently used for the benefit of the people (Owen & Hay Manh Htun, 2018). Conversations about taxes reveal much about redistribution; they also give insight into how people view the state, how they classify different forms of gifts and other transactions, and how the individual is situated in the wider collective context. A reluctance to pay tax or resistance to tax raises are not automatically a sign of individualist attitudes and little concern for others or for the common good. The example of Myanmar shows that in a country with incredibly low tax revenue, money and labour are readily given to improve conditions for others. It follows that, if the government can convincingly show that higher taxes will lead to improvements for citizens, and if people are able to make enough money to sustain their livelihoods, no principal resistance is to be expected. In fact, the NLD is working on tax reforms to boost tax revenue. Hopefully the present government can become a more reliable service provider for its citizens than any of its predecessors.

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