4. POPULATION, SETTLEMENTS AND URBANISATION

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The 2014 nationwide census in Myanmar – the first since 1983 – enabled the key socio-economic data required for planning and development purposes to be updated. Regional population figures are the essential basis for all socio-economic analyses, while the figures for Myanmar’s 330 townships are a very good starting point for spatially differentiated comparisons (Kraas/Spohner 2015). The total population figure of 51,486,253 includes estimated figures of 1.09 million in Rakhine State, 69,753 in Kayin State and 46,600 in Kachin State (census findings 2014; MoIP 2015b). The slight gender imbalance (24,821,176 males (48.2%) compared with 26,598,244 females (51.8%)) reflects the fact that more men than women are labour migrants living in neighbouring countries.

The most populous areas are Yangon Region (7,360,703 inhabitants; 14.3% of the population), Ayeyarwady Region (6,184,829 inhabitants; 12.0%), Mandalay Region (6,165,723 inhabitants; 12.0%), Shan State (5,815,384 inhabitants), Sagaing Region (5,320,299 inhabitants) and Bago Region (4,863,455 inhabitants), followed by Magway Region (3,912,711 inhabitants), Rakhine State (3,188,963 inhabitants), Mon State (2,050,282 inhabitants), Kachin State (1,689,654 inhabitants), Kayin State (1,572,657 inhabitants), Tanintharyi Region (1,406,434 inhabitants) and Nay Pyi Taw Capital Region (1,158,367 inhabitants; 2.3% of the population). Chin State (478,690 inhabitants; 0.9%) and Kayah State (286,627 inhabitants; 0.6%) have the lowest population figures (all figures: MoIP 2015a: 3).

Three areas of population concentration stand out on the map of the total population distribution: the area around Yangon, until 2005 capital of Myanmar in the south, close to the sea, Mandalay, the last capital of the Myanmar kings before the arrival of the British colonial powers, and Nay Pyi Taw, the country’s new capital. While Yangon officially has 5,211,431 inhabitants – which makes Yangon, according to international urban standards (Kraas 2007), an emerging megacity – Mandalay follows with 1,489,271 and Nay Pyi Taw with 1,160,242 inhabitants (MoIP 2015b).

**POPULATION DISTRIBUTION AS A HISTORICAL LEGACY**

This bipolarity mirrors the country’s history: during the era of the Burmese kingdoms, the centre of political power, population and the economy lay inland in the dry zone, the region to the north of present-day Pyay that extends across Bagan and Mandalay to Shwebo. Accordingly, most of the historical capitals were located in Central Myanmar. The Mon empire in the south in the area around present-day Mawlamyine, Thaton and Bago was, by comparison, a sparsely populated region until the early 19th century. According to different historic sources, Burma’s population in pre-British time was estimated roughly at 3-3.6 million to 17 million (as carefully analysed by Richell 2006: 8-15). Three of the sources (Burney 1795 (to be corrected: Burney 1842), Yule 1826 and Alves 1855, quoted after Richell 2006: 9) have produced similar estimates – ranging from 3 million to 4.2 million inhabitants in ‘Burma Proper’, i.e. with the exception of the Mergui Peninsula, Arakan and the Upper Chindwin – which were ‘all largely drawn from the sit- tan records assembled by the Burmese kings in 1783 and 1826’ (Richell 2006: 9).

This concentration of the population in the centre of the country radically changed when the British colonial powers gradually seized control of what was then Burma in the three Anglo-Burmese Wars (1824-1826, 1852-1853...
and 1885). Burma thus came under the rule of the British Raj as a province of India. Much of the population shifted towards the coast or migrated to the new and up-and-coming economic region being developed under British rule along the coast. A second new population centre also emerged: after the British moved their capital from Moulmein (now Mawlamyine; capital city from 1826-1852), the port of Rangoon was massively expanded. Within a few decades, the British had developed the Ayeyarwady delta and transformed it into the ‘rice bowl’ of Asia. By the 1930s, 40,500 km² of land had been cleared and integrated into the colonial economy with a new transport network, irrigation systems, settlements and trade centres (Kraas 2016b). The railway line between Henzada and Bassein was completed by 1915; from here, rice from the western delta was shipped to Rangoon (Nishizawa 1991: 21). Employment, investment and consumption opportunities sprang up in abundance (Furnivall 1957, Nishizawa 1991: 11-13), and as rice exports from the delta boomed, Burma became the world’s largest rice exporter.

Territorial development and the processing industries were extremely costly and labour-intensive and required a very large workforce. This led to a massive population shift from central Burma to the delta region: by 1901, around 10% of Burma’s four million people had migrated to the Ayeyarwady Delta (Adas 1974). The British also brought in hundreds of thousands of workers from India and Malaya. By 1901, 297,000 Indians had arrived, with around 70% initially concentrated in Rangoon, which became the British Burmese capital in 1852 (Kraas/Yin May/Zin Nwe Myint 2010). Indians thus made up more than 51% of the urban population. Between 1852 and 1937, around 2.6 million Indians migrated to Burma, partly on a seasonal basis during the winter months at first. However, from the 1880s, growing numbers moved into the new settlements and cities in the Ayeyarwady Delta, where they became farmers and land owners and steadily established themselves in urban trade (Cheng 1968: 124-130, Aung-Thwin/ Aung-Thwin 2012: 207).

THE CENTRE-PERIPHERY DIVIDE AND BIPOLAR POPULATION DISTRIBUTION IN THE CENTRAL LOWLANDS

With an overall average population density of 76 inhabitants/km², the population of Myanmar today is concentrated in the historic ‘heartland’ of central Myanmar and the Mandalay agglomeration as well as in the Yangon agglomeration and the Ayeyarwady Delta (MoIP 2015a: 3). At the level of the states and regions, Yangon Region (716 persons/km²), Mandalay Region (206 persons/km²), Ayeyarwady Region (176 persons/km²) and Mon State (167 persons/km²), Nay Pyi Taw Capital Region (164 persons/km²) and Bago Region (123 persons/km²) have the highest population densities, followed by Magway Region (87 persons/km²), Rakhine State (87 persons/km²), Sagaing Region (56 persons/km²), Kayin State (52 persons/km²), Shan State (38 persons/km²) and Tanintharyi Region (32 persons/km²). Kayah State (24 persons/km²), Kachin State (19 persons/km²) and Chin State (13 persons/km²; MoIP 2015b) have the lowest population densities.

Looking at the population densities based on the land area of the 330 townships, the divide is striking. In the extensive central lowlands of the Ayeyarwady River and Sittaung River, the Ayeyarwady Delta and intermittently along the coast, densities generally range from 100 to 500 persons/km². The figures are substantially lower in townships in the mountain regions of Chin State, the north-western Sagaing Region, Kachin State, southern and eastern Shan State, Kayah State, northern Kayin State and in Tanintharyi Region, with fewer than 10 persons/km². In contrast to other countries in Asia, the inhabitants in the more densely populated central Myanmar are – apart from the two largest urban agglomerations of Yangon and Mandalay – distributed fairly evenly, mainly due to the fact that most people are farmers and thus living mostly in rural villages.

The highest densities are reached in the townships in urban areas, particularly Yangon and Mandalay, with values ranging from more than 5,000 to a maximum of 49,377 persons/
The areas around Mawlamyine and Sittwe along the coast and around Nay Pyi Taw, Bago, Monywa, Pyay, Hinthada, Taunggyi, Kalay and Mogok inland also stand out. In a comparison of density values for the (extensive) administrative units with those obtained from the LandScan calculation, which is based on analysis of data from high-resolution satellite imagery (LandScan 2013TM, Landsat 8 Data Archive), the population centres stand out to an even greater extent. The map based on satellite imagery clearly shows Myanmar’s bipolar settlement structure, with two main population centres – one in Central Myanmar in the quadrant to the west and south of Mandalay, and the other extending from the Yangon agglomeration with the adjacent Ayeyarwady Delta to the northwest, west and southwest. Two settlement ribbons running along a north-south axis and linking these two population centres are also clearly discernible. The western ribbon is broad and extends along both banks of the Ayeyarwady River, while the narrower but more densely populated eastern ribbon mainly runs to the west of the Sittaung River. The map also clearly shows the extent to which the north-south Bago Yoma forms a barrier between the two ribbons, which do not converge until they reach Bago in the south and Nay Pyi Taw in the north. It is easy to spot the settlement areas around Sittwe and Mawlamyine, which extend from the coast far inland, and the narrow settlement belts which mainly run north to south along the upper Ayeyarwady River, across the basin at Puta-O and Machanbaw, around Kalay, from Hopin to Myitkyina, from Pyin Oo Lwin to Muse, from Kyatpyin to Mogok, from Loikaw to Kalaw and Taunggyi, south of Mawlamyine to Thanbyuzayat and Ye and around Dawei. The small settlement areas or isolated towns occasionally found on the peripheries, such as Hakha, Kengtung and Ann, also stand out. And finally, the map clearly shows the vast scale of the uninhabited areas where there are no significant human settlements or development.

Frauke Kraas, Aye Aye Myint and Than Than Thwe

<table>
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<tr>
<th>UNION OF MYANMAR</th>
<th>POPULATION</th>
<th>URBAN POPULATION</th>
<th>RURAL POPULATION</th>
<th>URBAN POPULATION (%)</th>
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Population by urban/rural setting and sex; sex ratio and percent of urban population (MoIP 2015a)
The 2014 census in Myanmar provided statistical data for townships across the country, enabling more detailed conclusions to be drawn about the current distribution of the rural and urban population. The 2014 census figures are thus a good starting point for more in-depth population analyses based on the 330 townships.

The 15 regions and states have highly diverse urbanisation rates. Nationally, the urban population averages 29.6% of the total population. As is to be expected, however, the percentage is very much higher in Yangon (70.1%) and Mandalay (34.8%) Regions, and in Nay Pyi Taw Union Territory (32.3%). In Kachin State, too, there is a high population concentration in urban centres, due to the security situation. The rural population figures, as a percentage of the total population, are highest in Ayeyarwady Region (85.9%), Magway Region (85%) and Sagaing Region (82.9%).

The rural-urban gender ratio is broadly similar across the country. There is a slight gender imbalance, with females predominating in both urban and rural areas, reflecting the fact that more men are labour migrants (in some cases seasonal or temporary) in neighbouring countries (Grundy-Warr/Yin 2002, Myat Mon 2010, Pearson/Kusakabe 2012). By contrast, Kachin State stands out for its noticeable surplus of males, amounting to more than 13%, mainly in rural areas, and 1% in urban areas. This is caused by selective labour in-migration by men in the mining sector (e.g. in Hpakant or the areas west of Indawgyi Lake; Nyi Nyi 2013). In terms of age structure, there is little difference between the rural and urban populations nationally: 30.6% of the rural population is below 15 years of age, while the figure for urban areas is 28.6%, and 6% of the urban population is over 65 years of age, compared with 5.7% of the rural population (MNPED 2015: 16).

A far more nuanced picture emerges from analysis of the townships: alongside a small number of areas of urban population concentration of more than 75% in several townships in Yangon and Mandalay and one township in Myitkyina, there are some townships – all of them, without exception, located in regional and in some cases border cities around the country – with an urban population concentration above 50%. Nationwide, however, townships with a rural population concentration above 75% predominate. Most of them are located in the main settlement area in the lowlands, from Central Myanmar to the Ayeyarwady Delta, and along the coasts, and have much higher absolute population numbers than the mountain areas, the majority of which also have a predominantly rural population. Unlike many other developing countries, then, Myanmar still has a very even population distribution with low urban polarisation at present.

Frauke Kraas, Nilar Aung and Zin Nwe Myint
URBANISATION PROCESSES AND THE URBAN SYSTEM

EARLY URBANISATION

Cities and urban development have a long history in Myanmar – if, that is, the comparatively large settlements in question may be classed as cities, particularly in a European sense, in that they were characterised by, for instance, some degree of centrality, functional differentiation and social diversity and had a reasonably efficient transport system. There is a body of physical evidence to suggest that they may indeed be classed as such, specifically the extensive areas of palaces, pagodas and urban settlements dating back to pre-colonial times, which were the embodiment in stone of the cosmogonic principles underpinning the Hindu-Buddhist high cultures of continental Southeast Asia under their godkings. Notable examples are the cultural systems, empires and cities of the Pyu, in and around Pyay, Mandalay and Bagan, the Mon empire in the area around present-day Mawlamyine, the landlocked cities along the state and territorial borders, most of which have remained remarkably stable for centuries, and the ports and trading centres along the coast of Rakhine, the Ayeyarwady Delta, Mon and Tanintharyi (for Sri Ksetra: Hudson/Lustig 2008, Su Su/Win Kyaing 2016, for Bagan: Kan Hla 1977, Hudson/Nyein Lwin/Win Maung 2001). Various studies on these early (pre-colonial) settlements explore the consolidation of their influence based on their religious and cultural (Dumarcay/Smithies 1995, Frasch 1996) or political and economic significance (Frasch 2002, Moore/San Win 2007) and provide evidence that in their heyday, they were centres of both sacred and secular power (Taylor 2009). Many walled sites and particularly the water management in the towns have been investigated (Moore 2004, Moore/Swe Than 2006, Moore/San Win 2007, Moore/San Win/Pyiet Phyoe Kyaw 2016).

Under British colonial rule, which commenced in the coastal regions in 1826 and, after the three Anglo-Burmese Wars, was then consolidated across the entire territory of present-day Myanmar from 1886, an urban-based administrative and trading network was established. However, outside Yangon, the capital in those days and a major port (Pearn 1939), an extensive economic and social reshaping of existing settlements – in other words, urbanisation in a European sense – did not occur, for until 1937, the colony of British Burma was, to a large extent, ruled by the British Raj as an eastern province of India. Burma was regarded simply as an annex – an additional space of primary interest as a source of natural resources, until it was finally granted at least administrative autonomy, lasting only a few years. Nonetheless, two development trends could be observed during the British colonial era: firstly, the cities gained in significance with the expansion of resource extraction (mining, timber extraction), accompanied by a modest flowering of industry (Storz 1967: 237-277) and an increase in population numbers (in this context, individual urbanisation processes during the colonial era would be a worthy subject of study), and secondly, the existing system – if it can be described as such – of settlements and cities was reorganised, with a shift of economic focus southwards towards the metropolitan area of Yangon. There are numerous individual depictions of cities, dating back to the British colonial era and the early years of independence, in documents of a statistical and descriptive nature, most of them in encyclopaedic format (see, in particular, O’Connor 1907, Anderson 1876, for example).
With independence in 1948, the beginnings of industrialisation and, particularly in the 1950s, the influx of rural refugees due to political instability, insurrection and rebel attacks in the countryside, the country’s few cities – viewed as safe havens – briefly experienced a massive population increase (for Yangon, see Kraas/Yin May/Zin Nwe Myint 2010, Thomson 1995). In subsequent years, this influx generated further momentum towards urbanisation, primarily in Yangon and Mandalay, but to some extent also in Pathein, Mawlamyine and Myitkyina. After 1962 and the proclamation of a ‘Burmese Way to Socialism’, an ideology which was to a large extent distinctly anti-urban (or at least pro-rural) determined the direction of the country’s regional development for decades. Only in the capital Yangon were there several phases in which ‘new towns’ were constructed. Despite the name, however, they cannot be compared with British new towns from this period; in terms of their phenotype, they were more akin to rural settlements, albeit located on the outskirts of Yangon. Nonetheless, this led to some limited urban expansion (Aung Win 2006, Zin Nwe Myint 1998, Kraas/Yin May/Zin Nwe Myint 2010, Yin May 1962, 1999 and 2006).

With the start of Myanmar’s transition and the introduction of a market economy in 1988/90, urbanisation picked up pace, initially and most visibly in the then capital Yangon (Leonard 1985, Mya Than/Rajah 1996, Naing Oo 1989, Seekins 2005, Than Than Nwe 1998, Zin Nwe Myint 2006a) and in Mandalay, the largest city in central Myanmar. From the mid to late 1990s, visible signs of urban transformation could be observed in other larger cities (Mawlamyine, Bago, Monywa, Pathein, Meiktila and Sittwe) as well as in some settlements close to the border (Lashio, Myitkyina, Dawai and Kengtung), where transregional trade strengthened markets and transport hubs. The extent to which these trends – no longer isolated cases by then – can be described as a system or network of cities/settlements merits further discussion.

After the end of British colonial rule (and the first systematic nationwide censuses were conducted), the urban population as a percentage of the total population fluctuated considerably, falling from 12.3% (947,000 persons, 1891) to 9.3% (991,000, 1901), 9.3% (1.13 million, 1911) and 9.8% (1.3 million, 1921) and then rising to 10.4% (1.52 million, 1931). It should be noted that improvements in the agricultural economy had a dampening effect on migration and...
that more efficient census data gathering in rural areas is also likely to be reflected in the statistics (Hla Tun Aung 2003: 204-205). Since independence, the urban population has risen from 13.5% (2.58 million, 1953), 23.6% (6.8 million, 1973) and 24% (8.5 million, 1983) to 28.8% (13.1 million, 1996) (Hla Tun Aung 2003: 205).

DEVELOPMENT OF MYANMAR’S URBAN SYSTEM

A small number of studies conducted to date explore the development of individual cities, at least indirectly, with a focus on particular historical periods (Frasch 2002, Kraas/Gaege/Mi Mi Kyi 2006, Rivet 2000, Singer 1995). Currently, however, no publication deals specifically with the urban system in Myanmar (or Burma, as it was known until 1989).

In the era of the pre-colonial empires, specifically those of the Pyu and Mon, and within and among the territories in the Shan Hills, around Mrauk-U/Sittwe (Zin Nwe Myint 2016, Zin Nwe Myint et al. 2016) and Myeik, trade relations undoubtedly existed over longer distances, later extending across major regions, e.g. via the Burma Road and the Assam-Bhamo-Yunnan Route (Thant Myint U 2011). However, a more elaborate network which consisted of more than linear connections was slow to emerge and generally existed only in sub-regions under certain territorial rulers (Hla Tun Aung 2003: 203-205).

One example is the region around Bagan, an ancient city which, chronicles show, was fortified in or around 850 AD by King Pyinbya (Frasch 1996: 43-44). From the 11th century, Bagan was, for around 250 years, the capital of the Kingdom of Pagan, the first kingdom to unify the regions that would later constitute modern Myanmar. During this period, Bagan became one of the most influential cities in continental Southeast Asia, with a population thought to have exceeded 200,000. Its ascendancy as the world’s largest Buddhist metropolis of its time began in 1057, when King Anawrahta (1044-77) conquered the Mon capital of Thaton and – as was the custom in Southeast Asia after successful military campaigns – brought back captives, among them craftsmen, masons, plasterers, smiths, doctors and scribes. A construction boom began, triggering a wave of settlement and territorial expansion. In its heyday, the Bagan/Pagan Kingdom encompassed large areas of the Ayeyarwady plain, with the exception of Bago and some districts in the Delta; other territories were obliged to pay tribute. Two centuries later, in 1287, a Mongol army led by Kublai Khan invaded, pillaging and burning. In 1299, hostile Shan princes sealed its fate. It is clear that these invasions came after an era of progressive social decline, with a weakening of secular rule and an increase in the power of the monasteries (Frasch 1996: 342). At its height, thousands of buildings were constructed in Bagan; estimates vary between 2,230 and around 5,000 monuments and more than 12,000 individual buildings in all (Dumarcay/Smithies 1995: 9-27, Kraas 2002). Rich stucco ornamentation created from a mixture of sand and limestone, precious murals and elaborate friezes with depictions of demons, mythical creatures, birds, fig leaves and pearls adorned its structures, attesting to a sophisticated culture and advanced artistic skills. Like Angkor, the Bagan Kingdom was built on the wealth generated from rice production, but unlike Angkor, the government and administration were obviously neither ‘hierarchically structured nor rationalised through the allocation of specific tasks to individual officials’ (Frasch 1996: 36). It may thus be assumed (although this requires separate investigation) that in the surrounding area, too, no obviously hierarchical or strategic system of trade – and therefore no single system of settlement/urban development – was in evidence. Beyond its ‘internal’ administration transregional economic and geostrategic factors appear to have been a key factor in the city’s founding on this site, above all its ideal location at the confluence of the Chindwin and the Ayeyarwady, within reach of the fertile rice growing areas around Kyaukse and Minbu and at the intersection of major trade routes linking China with northern Myanmar, Assam and Bengal.
URBANISATION SINCE 1988

Given the still moderate pace of development during Myanmar’s early transition compared with other Southeast Asian countries and the relatively firm control of the process by the administrations, few of the ‘classic’ urbanisation problems affecting other Southeast Asian cities, notably in the context of urban densification and sprawl, can be observed at present. However, developments are now starting to pick up speed.

Since the introduction of a market economy in 1988, the pace of urbanisation has accelerated significantly. For example, the urbanisation rate – in other words, the urban population as a percentage of the total population – in Myanmar has increased from less than 20% (1980) to 31.9% (2007) and 29.6% (2014) (Kraas/Spohner 2015). The urbanisation rates in the states and regions vary considerably: Yangon Region has the highest urban proportion (70.1%), followed by Kachin State (36.1%), Mandalay Region (34.8%), Nay Pyi Taw Capital Region (32.3%), Mon State (27.9%) and Kayah State (25.3%). Less than a quarter of the population is urban in Shan State (24.0%), Tanintharyi Region (24.0%), Bago Region (22.0%), Kayin State (21.9%), Chin State (20.8%), Sagaing Region (17.1%), Rakhine State (16.9%), Magway Region (15.0%) and Ayeyarwady Region (14.1%; MoIP 2015a: 5). Along emerging development corridors (e.g. the Taunggyi west-east axis, the corridor east of Mawlamyine towards Thailand or the link from Mandalay to China, first to the northeast and then switching north), the onset of increasing urbanisation is evident. The same is true of several border towns, e.g. the growing trade centres of Muse, Tachileik or Myawaddy (Kraas 2014c).

With its 367 cities and towns (official figure) and degree of equilibrium in its urban system, Myanmar – still – has the potential to expand its regional and small towns (Kraas/Zin Nwe Myint/Khin Khin Soe 2016) into drivers of relatively well-balanced national development through a policy of decentralised concentration. However, since political liberalisation commenced in 2010, development processes have begun to be concentrated to an ever greater extent on Yangon and Mandalay (Kraas/Yin May/Zin Nwe Myint 2010).

With the construction of the new capital Nay Pyi Taw – Myanmar’s official seat of government since 6 November 2005, located around 350 km north of Yangon (Gärtner 2011a) – key administrative functions and a substantial number of officials employed by the ministries and public authorities have relocated or are commuting regularly to Nay Pyi Taw, with a considerable two-way movement between

Residential quarters in Nay Pyi Taw
home and workplace. This shift north has moved the capital back to the traditional pre-colonial heartland of Upper Myanmar (Kraas 2014b).

The numerous regional towns – each with a population of less than 200,000 and in most cases between 10,000 and 25,000 – are strung out like pearls along the country’s main infrastructure corridors. Yangon and Mandalay are linked by three transport routes, with the western route passing through Pyay and the two eastern corridors – one the old highway, the other the new expressway – running to some extent in parallel through Bago, Nay Pyi Taw and Meiktila. The transport link from Bago via Mawlamyine to the south of Myanmar also passes through numerous settlements.

This has been accompanied by a gain in significance for the urban economy in the national context and by broad differentiation between the formal and the informal sectors, especially in the cities. In view of the still moderate development dynamics and relatively strong municipal administrations in Myanmar, signs of strain on the urban infrastructure – typical of other Southeast Asian countries (Kraas 2017) – are since a few years being observed and include traffic congestion, infrastructural bottlenecks, energy and electricity constraints (leading to high woodfuel consumption; Zin Nwe Myint 2006a), pollution and displacement of social groups. However, urban expansion – the encroachment of the cities into surrounding green and agricultural space – is clearly taking place, along with the emergence of gated communities (self-standing newly constructed settlements for the middle class and elites, with their own security personnel) and structural change in inner cities, with a functional shift away from housing and towards offices at the most sought-after – and now very expensive – locations, especially in downtown Yangon and Mandalay.

STRUCTURAL CHANGE IN INNER CITIES

Since the introduction of the market economy, visible processes of urbanisation have been discernible in almost all of Myanmar’s cities as a consequence of the surge in private sector start-ups, especially in commerce, finance and tourism services. The pace of transformation varies, however, according to local economic conditions and is most dynamic in the seven largest cities – Yangon, Mandalay, Mawlamyine, Bago, Monywa, Meiktila and Pathein.
The most obvious processes are catch-up tertiarisation and city-building and the emergence of real estate markets (land and property). The inner-city market and distribution systems are also evolving dynamically, with supermarkets and shopping malls springing up alongside traditional local markets. The boom in construction by private developers, especially the transition ‘winners’, and the construction of new tower blocks or the addition of storeys to existing buildings are resulting in social polarisation and partly resettlement. As a result of a surge in car ownership and the expansion and upgrading of much of the road network, suburbanisation is occurring in outlying areas. Although still at an early stage, some urban districts are beginning to form separate enclaves in the general cityscape; examples are international shopping malls and complexes with serviced apartments and gated communities. These new features of the urban landscape are planned, constructed, marketed and operated mainly by private developers and management companies and therefore evade strong regulation – evidence of the increasing importance of private capital-driven urban development based on international paradigms. Furthermore, the urban fringe – hitherto used for agricultural purposes – is increasingly being absorbed by new districts (such as Thanyin to the southeast of Yangon) with conceptually integrated and coherent functionality and futuristic architecture. This shows the extent to which the demands of the emerging middle class are encroaching on space and having a visible impact on the urban landscape.

The most obvious change is currently taking place in the old quarters whose design and architecture date back to colonial times – in Yangon, this is the old city between Merchant and Anawrahta Road near the Sule Pagoda (Hlaing Maw Oo 2006, Kraas et al. 2014 and 2015). Here, large swathes of the old city – urban heritage of importance to the city’s identity and citizens’ identification with it (Hlaing Maw Oo 2006, Roberts 2016) – are being demolished to make way for new development (shopping malls, office blocks and apartment buildings, partly financed with foreign capital). With selective upgrading and gentrification, it may still be possible to save the substantial urban heritage in Yangon and other cities (AMA 2012, Kraas/Hlaing Maw Oo/Spohner 2014 and 2015). However, the fact that these downtown neighbourhoods are characterised by colonial-era architecture and stylistic elements can pose problems, as some decision-makers regard their upgrading as undesirable for historical reasons.

Urban heritage and modernisation in Downtown Yangon
In addition, there is a risk that some modernisation projects lack sensitivity, with displacement of lower-income groups and much of the informal sector, with the threat that the vibrant and organic life of these downtown communities will give way to sterile heritage-type development, benefiting tourism at best.

**NAY PYI TAW: THE NEW CAPITAL**

With the construction of the new capital Nay Pyi Taw – the official seat of government since 6 November 2005 – around 350 km north of Yangon, key administrative functions and a substantial number of ministerial employees have relocated to Myanmar’s interior (Gärtner 2011a). The spacious new capital is divided into distinct functional zones – government district, business centres, residential areas, embassies, hotel zones and recreation areas – linked by major transport routes. Notwithstanding all the criticisms of the scale and artificiality of the new city, whose convergence with the old districts of Pyinmana, Leway and Tatkone has scarcely begun, there is no disputing that with its relocation northwards, the capital has moved closer to the country’s population centre and the historic heartland of Upper Myanmar. Moreover, unlike other, mostly congested and burdened Southeast Asian capitals, Nay Pyi Taw is functioning well in terms of urban efficiency without over-congestion and has an excellent quality of life.

**YANGON: FORMER CAPITAL, NOW AN ECONOMIC CENTRE**

There has been a small settlement, Dagon, on the territory of present-day Yangon since at least the 12th century. Its focal point was the famous Shwedagon Pagoda (Golden Pagoda), thought to date back to the 6th century. In its day, the pre-colonial city was located on the periphery of the empires and only gained significance after Myanmar came under British rule, when secure harbour access was required. Having suffered extensive fire damage in 1841 and after being almost entirely destroyed in the war against the British in 1852, Rangoon – as it was then known – was elevated to the status of capital of the British colony in 1885 (Pearn 1939). Planned on the basis of a grid pattern of main roads running from east to west and minor roads running from north to south, the city was designed by the British in accordance with contemporary notions of functionality and style in modern colonial cities. Initially planned for a population of 36,000, the city grew rapidly with the systematic expansion of agriculture in the Ayeyarwady Delta, an ever more extensive urban infrastructure (port, trams, suburbs) and the growth of industry. There was a massive influx of people from the northern regions of the country, with targeted incentives being provided for Indian and (to some extent) Chinese, resulting in an almost threefold increase in the urban population – to 98,100 – by 1872. In 1921, the population reached almost 342,000. In 1951, the arrival of refugees from the post-independence insurgency had pushed the population of the then capital up to 650,000 (Yin May 1962, 1999 and 2006, Kraas/Yin May/Zin Nwe Myint 2010). Today, Yangon officially has a population of almost five million (4,728,520; MoIP 2015b), not taking into account seasonal migration. If smaller towns in outlying areas with close functional links to Yangon are included, the total population of this conurbation is around seven million.

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