

## **Practising Futility**

### *Interrogating and Criticizing the Rationales of International Politico-Economic Exclusion and the Case of US Sanctions against Burma*

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On 20 May, 1997, United States President Bill Clinton signed Executive Order 13047, thereby beginning a (still-ongoing) thirteen year prohibition on any “... new investment in Burma by United States persons... any approval or other facilitation by a United States person, wherever located, of a transaction by a foreign person where the transaction would constitute new investment in Burma prohibited by this order if engaged in by a United States person or within the United States; and... any transaction by a United States person or within the United States that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in this order.”<sup>1</sup> Between 1997 and July 29, 2008, these prohibitions were extended to include: a ban on the import of products into the U.S. that had originated in the Southeast Asian state, including textiles and precious stones such as jadeite and rubies (additionally, any financial assistance provided to Burma<sup>2</sup> by international financial institutions was banned in the United States); the freezing of the assets any individuals authoritatively deemed by the United States Treasury Department to be “...responsible for human rights abuses as well as public corruption, and those who provide material and financial backing to these individuals or to the government of Burma;” and finally, the freezing of assets in the United States held by the Myanmar Pearl Enterprise, Myanmar Gem Enterprise, and Myanmar Timber Enterprise (this also included a ban on any business dealings between these corporations and U.S.-based firms).<sup>3</sup>

Ostensibly, these measures were enacted by the United States government as a means of nonviolent coercion that would, supposedly, cause either a change in the behaviour of Than Shwe's junta or a change in the regime itself.<sup>4</sup> Indeed, the official rhetoric of the U.S. government has effectively followed Clinton's executive order, which stated: "... the Government of Burma has committed large-scale repression of the democratic opposition in Burma after September 30, 1996, [I] further determine that the actions and policies of the Government of Burma constitute an unusual and extraordinary threat to the national security and foreign policy of the United States and declare a national emergency to deal with that threat."<sup>5</sup> What is troubling about this rationality<sup>6</sup> is not necessarily the aim of improving the plight of "human rights" within Burma by the United States,<sup>7</sup> but rather, the idea that the exclusion of a particular state from participation in an international political economic order is an effective means of coercing and thus disciplining that state and its government's behaviour.

In choosing the case of Burma as a demonstrative case study, what I ultimately hope to convey is that this case speaks to larger rationales espousing sanctions regimes as effective and almost-benevolent political interventions and means of coercion between states in an international political economy.<sup>8</sup> I believe that this case is an important one, and in fact has the potential to speak to further instances of U.S.-imposed sanctions regimes against other nation states because, as Sue Eckert notes, "Since September 11, 2001, the use of financial instruments to combat international security threats increased dramatically, with a series of new executive orders (EOs) and legal restrictions."<sup>9</sup> I also aim to provoke - through the discussion that I will unpack in greater detail below - a reconsideration of the parsimony that the liberal rationality of sanctions assumes as one that is in fact overly simplistic and ignorant of a multitude of other factors that help to establish the strength and dominance of violent and repressive regimes such as Burma's junta.

I believe that such a parsimonious rationality fails to understand and thus address the complex processes, structures, and historical negotiations that have led to the strength and continued rule of a government such as that seen in Burma, and as such, we must interrogate and deconstruct the political interventions embodied in sanctions regimes against such a government so as to “decenter” economic rationalities as technologies of discipline and governance in any kind of international politico-economic order and reconceptualize the limits and failures of coercion, of any kind, between states. What I argue in this paper is that, in the specific case of Burma, the strength of the junta has not historically been extensively rooted in its economic relations with any actors or economic behaviours in the United States economy; rather, the regime’s power emanates from a multitude of various economic and political structures that are rooted in the *Tatmadaw*’s<sup>10</sup> continued struggles with separatist ethnic groups such as the Karen and insurgent groups such as the American-sponsored Chinese Kuomintang (KMT) militia that occupied the northernmost regions of Burma along Chinese border after that country’s civil war ended in favor of Mao’s communist party.<sup>11</sup> I will demonstrate how these conflicts, and not extensive economic dealings with the United States, have evolved to serve as the economic foundation of the junta’s power. In doing so, I will illustrate the futility of the basic goal-oriented rationality of the United States’ sanctions regimes against Burma, which effectively aim “... to express disapproval of the regime’s objectionable behavior, giving moral support to the democratic opposition (sanctions as a symbolic expression); and to force the regime, through negative reinforcements, to change that behavior (sanctions as behavior modification).”<sup>12</sup>

## The Burmese Case

Burma’s long and tumultuous history as an autonomous, modern nation-state began in the aftermath of the Asian front of World War II, in 1948. The Japanese release of the Southeast Asian territory with the remnants of an all-but-defunct British

colonial administration, allowed a highly heterogeneous front of nationalist movement activists, led by General Aung San to seize control of the country and establish a new, democratic government "... [whose] sovereignty resided 'in the people.'" <sup>13</sup> Despite showing "promise" to outside observers as a burgeoning example of postcolonial democracy, the early government's political infrastructures and credibility began to crumble in the face of a growing number of internal conflicts and fissures, student protests against government corruption, ethnic insurgencies, and a U.S.-backed pocket of Chinese Kuomintang rebels launching attacks on communist China from the Burmese side of the border region. Despite the fact that the military was initially deployed at the behest of the civilian government, the decision to allow the military greater freedom in the capacity as a "state-building" organization ultimately allowed the *Tatmadaw* to entrench itself as and evolve into a powerful political structure independent of the civilian government on its own. <sup>14</sup> These compounding issues culminated in the establishment of what became known as a "military caretaker period," wherein then-Prime Minister U Nu ceded the power of the civilian government to General Ne Win and his *Tatmadaw* from 1958 until 1962, a period that "... provided soldiers the opportunity to assess their capacities against those of a bungling civil administration, and discussions of parliamentary rule's failures circulated within the *Tatmadaw*... By early 1962, frustrated soldiers... perceived that civilian rule.. [did not have] the capacity for efficient, unified policy making... Soldiers probably also knew that the *Tatmadaw* was unrivaled in its institutional reach and capacity." <sup>15</sup>

Thus, what was ultimately internalized by Ne Win and his junta as the rationale for their continued rule after the 1962 coup was not only a powerful structural base throughout the country that allowed to *Tatmadaw* to become a state-building institution whose functions exceeded those of its original, purely militaristic role, but also a deep-seated perception of civilian rule as weak, corrupt, inefficient, and ultimately detrimental to the project of building the

still young nation-state Burma. Herein we can locate the rationality and capacities of the *Tatmadaw's* coup that "... suspended the 1947 constitution, established the Leninist-style Burmese Socialist Program Party (BSPP), and outlawed all other political parties."<sup>16</sup> It is important that we understand that the BSPP was, from its inception, an organization that both valued the strength of its capacities to build and violently repress communities when the *Tatmadaw* deemed such actions appropriate, such that they could be brought into a larger "Burmese" collective imagined as a homogenous nation-state, and also possessed a virulent opposition to the concept of civilian-led governance as it threatened the military's belief in the necessity for unity, stability and efficiency to build a strong nation-state. In other words, "... the outbreak of multiple insurgencies immediately after independence made the civilian government dependent on the army, which came to enjoy considerable autonomy during the 1950s as it took charge of important state building tasks, especially in remote areas of the country. These experiences, coupled with the perceived success of the caretaker government... from 1958 to 1960, set the stage for the 1962 military coup and subsequent attempts to resurrect central state control that continue to this day. Current military ideologists describe the military as the 'father and the mother' of the Burmese people - or in a more political formulation, 'a neutral institution, a sort of UN organisation in its own country.' The military, in other words, is perceived to be "above" popular organizations, including political parties; it is viewed as the overseer and final arbiter of political life, bound by duty to guide the people and regulate their behavior."<sup>17</sup>

Such is the identity that the BSPP (later reconsolidated as the State Law and Order Restoration Council [SLORC] after the political tumult of 1987, which was again renamed the State Peace and Development Council [SPDC] under its new chairman, Than Shwe), has internalized and espoused essentially since 1962. The SPDC's three primary priorities of "... the non-disintegration of the union, the non-disintegration of national solidarity, and the

perpetuation of national sovereignty,”<sup>18</sup> influence the continuation of their repressive policies. However, as has already been mentioned, the sheer materialistic and structural entrenchment of the BSPP/SPDC/*Tatmadaw* as the sole providers of virtually all security, health, economic, educational and transportation services and infrastructures within the country, have allowed the junta to consolidate its strong grip on power throughout the country, even in the notorious “periphery” of the Burmese territory, as “... decades of counterinsurgency operations have resulted in the extensive militarization of Burma’s border regions.”<sup>19</sup> This entrenchment has especially affected the junta’s role in and relationship with Burma’s domestic economy. Most notably, it has allowed it to take an “entrepreneurial turn” away from state-controlled socialist projects toward “... the rapid conversion of previously contested spaces into commodified ones where large-scale resource extraction could openly take place. Although the precise details of the agreements the regime separately negotiated with twenty-two armed groups between 1989 and 1997 have never been made public, it is clear the number of joint ventures extracting gems, precious metals, minerals, tropical hardwoods, and other valuable resources dramatically increased in each of the former conflict zones immediately after a cease-fire was declared. Significantly, most of these joint ventures were not formally registered companies; rather, they were ad hoc entities that opportunistically linked military and commercial interests together in a particular place, though rarely on equal terms. Typically, these entities partnered members of different *Tatmadaw* field battalions, cease-fire groups, state-owned enterprises, and local entrepreneurs, especially those with access to foreign capital via transnational networks.”<sup>20</sup>

It is at this juncture, understanding as we do the manner in which the SPDC has come to cultivate its own identity as well as its structural position in governing Burma, that we begin to see clearly the inherent weaknesses of any kind of rationale for sanctions regimes against the junta imposed by the United States.

While the ban on importing Burmese products; exporting or importing financial holdings between Burma and the U.S; in addition to the freezing of the assets any individuals authoritatively deemed by the United States Treasury Department to be “...responsible for human rights abuses as well as public corruption, and those who provide material and financial backing to these individuals or to the government of Burma,” as well as those held in the U.S. by the Myanmar Pearl Enterprise, Myanmar Gem Enterprise, and Myanmar Timber Enterprise; and finally, the prohibition of any business dealings between American and Burmese corporations,<sup>21</sup> may indeed have put an additional squeeze on a government that, despite its great natural wealth, often finds itself strapped for cash, these sanctions have failed (and continue to do so) at their primary objective of altering the SPDC’s behaviour. Not only do these sanctions demand that the junta adjust its behaviour such that its primary goals are subordinated to norms preferred by the United States (a move many might see as something that directly violates Burma’s desire for “continued sovereignty”), but they also “... have ironically strengthened the regime’s civil and military branches by forcing them to diversify their business interests and to develop new ones more quickly than might have occurred otherwise.”<sup>22</sup>

In other words, exclusion from an international politico-economic relationship with the world’s largest economy, the United States, has only strengthened the very government that the American sanctions have sought to weaken. This is because the rationale behind such regimes fails to address the historically contingent negotiations that have led to the ideological and structural conditions that are the primary driving forces behind the SPDC’s behaviour. Moreover, active exclusion from any kind of economic relationship with the United States has simply required the SPDC and the *Tatmadaw* to broker deals (both internally and externally) that have lessened their need for any kind of trading relationship with the United States. Indeed, despite the United States’ firm call for sanctions against Burma by all nations, the

junta has found willing partners in governments and corporations from China, Japan, India, Australia, Bangladesh, Thailand and Malaysia.<sup>23</sup> In short, not only have the United States' sanctions regimes failed to address any of the issues that are at the foundation of the junta's continued rule, they have also failed to alter its behaviour and instead created a negative space in the international politico-economic order that Burma has actively occupied (with the help of a multitude of internal and external partnerships) that grants the SPDC the autonomy to govern as they see fit without excessive fear of international repercussions. I will now unpack the larger implications of these regimes' failures, and close this essay with a reiteration of what is at stake when considering a case such as that of Burma.

### **Interrogating the Rationale of Sanctions and Why their Failure Matters**

“Aimed at denying targets access to the international financial system, financial measures include requirements for banks to freeze funds, block accounts of designated actors and deny them access to the U.S. financial markets, as well as applying more subtle pressure on the private sector to forego business with these actors. Because the cost of military action has substantially increased in both real and political terms, such nonmilitary measures have become increasingly attractive and, in fact, the policy instrument of choice.”<sup>24</sup> While this statement may seem at first glance redundant, it is important that we understand precisely *how* sanctions as a general technology of political intervention in the international politico-economic realm are designed to function. If Eckert's assertion is to be accepted (and there does not seem to be any compelling reason as to why it should not), sanctions are ostensibly a technology that can be employed by any nation-state in attempts to influence the behaviour of another by denying specific kinds of officially or legally permitted economic interaction between those two states. This may seem a simple enough logic to follow, however, we should necessarily be

prompted to question whether or not the parsimony of such a logic over-privileges economic considerations such as finance, trade, property, and thus fails to address alternative motivations behind state and government behaviours.

As we have seen in the Burmese case, U.S.-imposed sanctions regimes did indeed over-privilege economic considerations and failed to address a multitude of other motivations and foundations of the SPDC's behaviour and continued, unchecked rule. As such, after thirteen years of ever-strengthening political interventions into an international politico-economic realm by the U.S. against Burma, the junta has not, contrary to the United States' desires, collapsed or even attempted to alter its actions or policies. Instead, it has located and actively occupied an alternative space of international politico-economic interaction with governments and corporations from China, Japan, India, Australia, Bangladesh, Thailand and Malaysia.<sup>25</sup>

Some might be compelled to argue that the rationale behind sanctions regimes is not one that seeks to address any historically, culturally, or socially specific problems, but rather, seeks to alter the behaviour of a state's leaders by directly targeting their "pockets," so to speak. However, there remains a fundamental flaw in this contention: that is, the rationale of sanctions regimes is one that actively ignores any further considerations beyond the boundaries of what might be called "the economic." This is a rationale that - as I have argued in this paper -demonstrates in and of itself one of the most fundamental flaws in the rationale behind sanctions regimes to which this paper attempts to draw greater attention and thus critique. Despite arguments such as Gottemoeller's that

... one reason sanctions became so popular in [the 1990's] was their perceived success in bringing about the end of apartheid in South Africa. Pretoria faced comprehensive sanctions extending from a 1977 arms

embargo to restrictions on trade in oil and a wide range of other products as well as, in 1986, financial sanctions. When apartheid came to an end in the early 1990s, sanctions were hailed as an important contributor, but not the only factor. Many observers noted how sanctions would not have worked unless there had been a determined black liberation struggle...<sup>26</sup>

there remains a large collection of instances where comprehensive sanctions regimes imposed on nations by the United States have failed to produce virtually any of their desired results; nations such as Sudan, Iran, and North Korea in addition to this essay's focus, Burma, readily come to mind.

Pro-sanctions scholars, such as Rose Gottemoeller, who assert that “[s]anctions have long been an important stage between the ‘talking therapy’ of diplomacy and the use of military force,”<sup>27</sup> seem to suggest that sanctions as an economic technology of discipline between states should be viewed as a kind of means of violence-without-violence; that is, all of the effectiveness of targeting another state's population without all the messiness of actual military conflict, by privileging economic non-participation over traditional modes of state-legitimized acts of violence. Similar sentiments can be found in the work of Sue Eckert, and indeed the notion that sanctions are almost-benevolent means of resolving international disputes is seemingly widespread. However, what is at issue is not that sanctions are a means of avoiding military conflict, but rather, that economic rationalities are often overprivileged in discourses about the nature of state and government functionality. As Walters says, “... some sort of critical engagement with discourses of the economic is overdue...”<sup>28</sup> and I believe that the discursive rationalities embedded in sanctions regimes (of any kind, to some extent) pose an interesting case in an interrogation of the boundaries of liberal economic rationales and norms. I further believe that the Burmese case, as it has been

presented above, provides a number of examples that rupture the parsimony of the economic rationale that underlies the support for U.S.-imposed sanctions regimes against states that actively pursue policies which are in direct opposition to the ideals of “democracy” and “human rights” (as they are called in Executive Order 13047) that the United States ostensibly seeks to “promote” and “achieve” worldwide.<sup>29</sup>

Ultimately, it is not within the scope, capacity, intent or desire of this paper to prescribe or suggest any kind of alternatives for the bureaucratic, coalitionist, or militaristic forms of Anglo-American norms that are caught up in narratives about what “must be done *for*” Burma, or “what Burma *must do for itself*.”<sup>30</sup> Instead, the aim of this paper has been to *problematize* the economic rationality driving U.S. sanctions regimes against Burma. Before we can address any questions about governing behaviours *either* between or within states, we should attempt to address the material and ideational rationalities that drive these behaviours - be they those of a militarist police state or those of a hyper-neoliberal international hegemon. We must attempt to ask, as Walters does,

... what are the specific mentalities, philosophies and other intellectual machineries that have conditioned the way that the real comes to be posed as a problem for political authorities? What are the technical knowledges and expertises, and the social technologies in terms of which the real can be made an object of calculation and manipulation? What are the programmes and strategies, the social and political alliances which serve as the context for attempts to govern the real?<sup>31</sup>

Finally, I believe it is imperative for us to ask: Who are these authorities? How have they come to operate such as they do? From where do they exercise their power and through what political

interventions? I believe the case of Burma, as it has been presented above, assists in demonstrating the answers to some of these questions, as I believe that it helps us to deconstruct some of the more harmful and exclusive arguments offered up by mainstream scholarship.<sup>32</sup>

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## Notes

- <sup>1</sup> White House, "Executive Order 13047 of May 20, 1997: Prohibiting New Investment in Burma," May 20, 1997.  
<<http://www.burmalibrary.org/reg.burma/archives/199711/msg00025.html>>
- <sup>2</sup> I should note that, though I am aware of the many complex political issues caught up in choosing a name with which one will refer to Burma/Myanmar, my choice to reference the country as 'Burma' comes simply from the evident privileging of that word in scholarship and policy addressing and analyzing the country, not from any particular personal political positions on the matter.
- <sup>3</sup> Larry A. Nicksch and Martin A. Weiss, "Burma: Economic Sanctions," *CRS Report for Congress*, August 27, 2008.
- <sup>4</sup> Donald M. Seekins, "Burma and U.S. Sanctions: Punishing an Authoritarian Regime." *Asian Survey* 45 (2005).
- <sup>5</sup> White House, "Executive Order 13047 of May 20, 1997: Prohibiting New Investment in Burma," May 20, 1997.  
<<http://www.burmalibrary.org/reg.burma/archives/199711/msg00025.html>>
- <sup>6</sup> Here I am speaking of a rationality that involves an active exclusion of one state from participation in an international politico-economic order by that order's largest economy, with the ultimate aim of disciplining the government of the excluded state to such a point that it alters its behaviour to accord more appropriately with the norms and values espoused by the excluding state.
- <sup>7</sup> It should be noted that I in no way am supporting or validating either the United States government's decision to impose sanctions on Burma, nor am I supporting the idea of fundamental, inalienable human rights, which are of course a relic of a particular mode of Western liberal thought from a specific point in time. I cannot emphasize enough, however, that my demonstration of the hypocrisy inherent in the United States' supposed "support" of the normative legal order established by the *Universal Declaration on Human Rights* whilst implementing destructive sanctions regimes that indeed violate a number of these rights should in no way be read as my own belief in, affirmation of, or appeal to the ideas put forth by the *Declaration* itself. Indeed, following Foucault, Derrida, Deleuze, and

others, I profoundly and fundamentally reject any such document, institution, or governance structure that imagines and constructs bodies as objects of knowledge such that they can be invested with a certain kind of knowledge so as to open them up to exercises of certain modes of repressive disciplinary power. Indeed, this is a position taken by Wendy Brown in regard to domestic American political struggles that seek to socially enfranchise traditionally disenfranchised groups with recourse in and appeals to the very juridico-political normative order whose structural function and behaviour is one of the fundamental causes and sources of social disenfranchisement in the first place. As Brown notes, to appeal to the law is to once again confirm and authorize the legitimacy of the very law that is a fundamental part of the problem of social abjection; this is something I in no way wish to do with regard to the *Declaration* on and normative legal order of so-called "human rights." See: Wendy Brown, *States of Injury: Power and Freedom in Late Modernity*, (Princeton, NJ: Princeton UP); Gilles Deleuze and Félix Guattari, *Anti-Oedipus: Capitalism and Schizophrenia*, (New York: Penguin, 1977); Jacques Derrida, *Rogues: Two Essays on Reason*, (Stanford: Stanford UP, 2004). Michel Foucault, *Discipline and Punish: The Birth of the Prison* (New York: Vintage, 1977); UN, *Universal Declaration of Human Rights*, 10 December 1948. However, it is not the intention or place of this particular essay to discuss philosophical questions such as these, and accordingly, no more will be noted on the matter.

<sup>8</sup> See: Rose Gottemoeller, "The Evolution of Sanctions in Practice and Theory," *Survival* 49 (2007); William Walters, "Decentering the Economy," *Economy and Society* 28 (1999).

<sup>9</sup> Sue E. Eckert, "The Use of Financial Measures to Promote Security," *Journal of International Affairs* 62, (Fall/Winter 2008), 104.

<sup>10</sup> The *Tatmadaw* is the nomenclature commonly used to refer to the Burmese military apparatus.

<sup>11</sup> Ken Maclean, "Sovereignty in Burma after the Entrepreneurial Turn: Mosaics of Control, Commodified Spaces, and Regulated Violence in Contemporary Burma," *Taking Southeast Asia to Market: Commodities, Nature and People in the Neoliberal Age*, ed. Joseph Nevins and Nancy Lee Peluso, (Ithaca: Cornell UP, 2008).

<sup>12</sup> Donald M. Seekins, "Burma and U.S. Sanctions: Punishing an Authoritarian Regime." *Asian Survey* 45 (2005), 440.

<sup>13</sup> Mary P. Callahan "Burma: Soldiers as State Builders," *Coercion and Governance: The Declining Role of the Military in Asia*, (Stanford: Stanford UP, 2001) 414.

<sup>14</sup> *Ibid.*

- <sup>15</sup> Vince Boudreau, *Resisting Dictatorship: Repression and Protest in Southeast Asia*, (New York: Cambridge UP, 2004), 49.
- <sup>16</sup> Callahan, *Coercion and Governance: The Declining Role of the Military in Asia*, 422.
- <sup>17</sup> Morten B. Pedersen, *Promoting Human Rights in Burma: A Critique of Western Sanctions Policy*, (New York: Rowman & Littlefield, Inc., 2007), 97.
- <sup>18</sup> Curtis W. Lambrecht, "Oxymoronic Development: The Military as Benefactor in the Border Regions of Burma," *Civilizing the Margins: Southeast Asian Government Policies for the Development of Minorities*, ed. Christopher R. Duncan (Ithaca: Cornell UP, 2006) 153.
- <sup>19</sup> Maclean, "Sovereignty in Burma after the Entrepreneurial Turn: Mosaics of Control, Commodified Spaces, and Regulated Violence in Contemporary Burma," 142.
- <sup>20</sup> *Ibid.*, 142.
- <sup>21</sup> Larry A. Niksch and Martin A. Weiss, "Burma: Economic Sanctions," *CRS Report for Congress*, August 27, 2008.
- <sup>22</sup> Maclean, "Sovereignty in Burma after the Entrepreneurial Turn: Mosaics of Control, Commodified Spaces, and Regulated Violence in Contemporary Burma," 142.
- <sup>23</sup> John H. Badgley, "Strategic Interests in Myanmar." Ed. John H. Badgley. *NBR Analysis - Reconciling Burma/Myanmar: Essays on U.S. Relations with Burma* 15 (2004).
- <sup>24</sup> Eckert, "The Use of Financial Measures to Promote Security," 103.
- <sup>25</sup> Badgley, "Strategic Interests in Myanmar."
- <sup>26</sup> Gottemoeller, "The Evolution of Sanctions in Practice and Theory," 100.
- <sup>27</sup> *Ibid.*
- <sup>28</sup> William Walters, "Decentering the Economy," *Economy and Society* 28 (1999), 312.
- <sup>29</sup> It should go without saying that there remains a good deal of evidence that points to the United States' behaviour being in direct contravention of these rhetorical ideals.
- <sup>30</sup> See: Sang Raw, "The Role of Minorities in the Transitional Process," Ed. John H. Badgley. *NBR Analysis - Reconciling Burma/Myanmar: Essays on U.S. Relations with Burma* 15 (2004); Andrew Selth, "Burma's Saffron Revolution and the Limits of International Influence," *Australian Journal of International Affairs* 62, (2008).
- <sup>31</sup> Walters, "Decentering the Economy," *Economy and Society*, 314.