

Sanctions: An Overview and Application to Myanmar Solidarity

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The Debate about Sanctions on the Left

In the last thirty years sanctions have become a common tool of geopolitics. Hundreds of unilateral and multilateral sanctions have been enacted to punish human rights abuses and violations of international law, or as part of the toolbox of international conflict. While they rarely have demonstrable effects on the behavior of regimes, they are an alternative to armed conflict or intervention, and can express international solidarity with victims of oppression. But they have also been criticized for harming ordinary citizens more than the responsible parties, and for reflecting the priorities of imperialist powers. Some suggest that the Left should oppose all sanctions even if we agree that targets of sanctions are egregious criminals.

The word “sanctions” is used to cover a lot of different things, however. In this essay we want to review the different kinds of sanctions, the Left’s support for them in cases like South African apartheid and BDS in Palestine, and the current debate over sanctions on the Myanmar military since their coup. We will propose four criteria for sanctions that are more morally and politically acceptable; that they are (a) multilateral, (b) have local, popular support, (c) that they are targeted, and (d) that they focus on the corporate and economic underpinnings of state behavior. On these grounds we then argue that the Left should support the sanctions proposed by the Coalition against Chevron in Myanmar in condemnation of the Burmese coup.

Unilateral vs Multilateral

Americans are probably most familiar with unilateral U.S. sanctions, designed to further U.S. geopolitical strategies and interests. The Office of Foreign Assets Control (“OFAC”) of the U.S. Department of the Treasury, in charge of enforcing U.S. sanctions, is mandated to administer

economic and trade sanctions based on US foreign policy and national security goals against targeted foreign countries and regimes, terrorists, international narcotics traffickers, those engaged in activities related to the proliferation of weapons of mass destruction, and other threats to the national security, foreign policy or economy of the United States.

Under this national security doctrine, the U.S. government has imposed a series of sanctions against foreign governments or individuals beginning in the early 1960s with the embargo against Cuba. Six decades later Washington continues to impose sanctions on Cuba despite almost unanimous opposition from the U.N. General Assembly.

Over the decades this list has grown to include other countries deemed as hostile to U.S. national interests: notably Iraq, Iran, North Korea and Venezuela. These broad economic sanctions cause serious harm to the populations of these countries without actually serving the interests of the American people or even changing the target's behavior.

But there are also many cases of *multilateral* sanctions such as those imposed on Russia by the European Union and the United States for the annexation of Crimea and invasion of Ukraine. Multilateral sanctions are, of course, more effective than unilateral sanctions imposed by the United States. Multilateral sanctions on Russia have focused on travel bans and freezing foreign assets of the oligarchs close to Putin and companies profiting from Crimea's annexation. After Russian insurgents shot down a Malaysian plane killing 298 civilians, the EU and the United States expanded sanctions to the Russian finance, oil, and defense technology sectors. Although Russia has not withdrawn from the Crimea, these sanctions have imposed significant burdens on the Russian economy and probably convinced Putin not to proceed with a military offensive in the Ukraine.

The United Nations Security Council has also imposed sanctions more than thirty times since 1966, using arms embargoes, travel bans, and restrictions on banking and trade to deter terrorism and dictatorship, protect human rights, and discourage the proliferation of weapons of mass destruction. UN sanctions range from economic sanctions enacted in 1965 to censure the apartheid regime of Rhodesia to bans on Yugoslav teams participating in international events in the 1990s. In a 2016 review Ang and Peksen found these multilateral economic sanctions had been effective about a third of the time.

In short, multilateral sanctions regimes are not only more effective but also more politically defensible than unilateral U.S. sanctions.

Do They Have Local Support, as with Anti-Apartheid and BDS?

Another question around the acceptability of sanctions is whether they have the support of popular movements within the country being targeted. Sanctions can be an expression of international solidarity with movements for basic human rights against racist, oppressive and illegitimate governments. The classic example of such solidaristic sanctions is the campaign to isolate and undermine the apartheid regime in South Africa. That international campaign began in the UK in the early 1960s, and then gathered new momentum in the USA in the late 1980s. Throughout the campaign black South Africans and the African National Congress appealed for divestment from and sanctions on the apartheid regime.

Eventually the accumulated pressure from international economic sanctions resulted in large-scale capital flight from South Africa, a defection of its own business elite, and the dismantling of the apartheid regime. The De Klerk government was forced to recognize the legitimacy of the African National Congress and release Nelson Mandela from his 27-year-long imprisonment on Robben Island. After his release Mandela toured the world, to thank supporters and insist that sanctions not

be lifted before a legitimate multi-racial government was established. This led to the first free multi-racial elections and the establishment of an ANC government under Mandela in 1994.

The success of sanctions in fighting apartheid then directly inspired Palestinian activists. Meeting with anti-apartheid veterans at the 2001 World Conference Against Racism in South Africa, Palestinian activists drafted what would become the Palestinian National Committee's 2005 call for Boycott, Divestment and Sanctions (BDS). BDS calls for sanctions on Israel to force an end to the illegal occupation of Arab lands, ensure the right of return for Palestinian refugees, and protect the rights of Arab citizens of Israel. The BDS movement for sanctions is similar to the anti-apartheid movement in that it is run by Palestinians themselves and broadly supported by the majority of occupied Palestine.

There are circumstances where international sanctions may be defensible even if there is no local, popular movement supporting them. The conditions of repression sometimes make it impossible for victims to organize, and gauging which voices have more local support can be impossible. Usually, however, local movements can be part of the conversation about the role of sanctions in supporting their struggles, and sanction regimes initiated by mass movements in the targeted countries are superior to those without such local support.

Broad vs Targeted: Can we minimize hurting ordinary people?

Many have argued that broad economic sanctions are immoral when they harm civilians. Gordon for instance argued that US sanctions on Iraq, after the invasion of Kuwait and the first Gulf War, violated just war theory by harming civilian noncombatants. In response to criticisms of the devastating impacts of the sanctions on Iraq, the European Union, the UN Security Council and the United States shifted to support more targeted sanctions, such as blocking the travel and foreign bank accounts of specific individuals and companies, or bans on specific goods or arms sales. Since 2012 the Magnitsky Act has authorized U.S. sanctions on specific individuals implicated in the violation of human rights and it has since been applied to more than a hundred political, economic, and military officials, from the killers of Jamal Khashoggi to the Burmese generals responsible for the Rohingya massacres.

While there is a broad consensus that sanctions targeted at specific individuals and companies cause less collateral damage than broader economic sanctions, they are also less effective in changing behavior. Bans on the travel of specific individuals, for instance, have mostly been an inconvenience which can be sidestepped with fake passports, and there is no clear precedent for arresting those found violating a travel ban. Bans on a whole airline, as with the sanctions on Libya for the Lockerbie bombing, have been more successful, but can be sidestepped as happened frequently for instance with the flight ban imposed on UNITA in Angola. Bans on commercial flight also impose significant burdens on ordinary people, preventing the importation of food, and medical and agricultural supplies. The ban on flights to and from Haiti in 1994 prevented hundreds of Haitians from receiving asylum in the United States.

Likewise the more targeted a trade sanction is the less likely it is to impact behavior. Bans on specific items can often be circumvented by disguising their origin, at least without stringent certification procedures like those adopted by the diamond industry to stop conflict diamonds.

Targeting the foreign assets of specific officials or companies is intuitively appealing, but difficult to enforce given banking secrecy. While the sanctions imposed on General Raoul Cedras of Haiti, UNITA officials in Angola, and Serbia's Slobodan Milošević were relatively successful, Washington's dramatic expansion of sanctions on groups and individuals suspected of terror ties after 9/11 were far more controversial, overly broad and difficult to enforce. In the absence of an international

judicial process to handle appeals, targeted sanctions can violate rights of due process.

In sum, sanctions targeted at individuals or companies can often be sidestepped, can be overly broad, and often have a limited effect on the behavior of states. Nonetheless they are clearly superior on humanitarian grounds to broad sanctions.

Do the Sanctions Focus on Corporations and Exploitation?

Broad economic sanctions not only impose unacceptable collateral damage on civilians, they also reinforce the false impression that “the people” of the targeted country are culpable and that their regimes are subject to democratic pressure. Often the regimes being targeted are authoritarian and ruled by wealthy elites, which is why sanctions on powerful individuals are more appealing. Sanctions on individuals, however, can give the opposite impression, that bad state behavior is the result of a few bad apples rather than a predictable result of a system of exploitation. In between these two extremes, punishing “the people” or punishing individuals, a socialist approach might be sanctions targeted at the corporations and industries implicated in supporting dictatorships and oppression. The 1980s anti-apartheid movement, for instance, successfully convinced more than 155 colleges and universities to divest their endowments from South Africa. The EU/US sanctions on Russia were broadened from individual oligarchs to the industries that enrich them.

If the industry benefiting from a regime’s repression or conflict is central to the economic well-being of a country, as with a state dependent on oil revenues, then a successful ban on trade and investment could have unacceptable impacts on civilians. But when corporations directly benefit from trade with repressive regimes, then calling for sanctions targeted at them and their industry can help focus campaigns on the economic underpinnings of power rather than the malfeasance of whole countries or specific officials.

The Call for Sanctions on the Burmese Military

Following a brutal military coup in Myanmar in 1988 members of the Burmese student movement sought military training from the armed ethnic minorities that had fought the Burmese state for 40 years. Mostly unsuited to guerilla warfare, many Burmese ended up in exile in the USA, Europe or neighboring Asian countries. In the diaspora the Burmese democracy movement teamed up with veterans of the anti-apartheid struggle and began calling for boycotts, divestment and sanctions. Broad economic sanctions and arms embargoes were imposed on the dictatorship for the next thirty years, and were strengthened after mass demonstrations in 2007. (Co-author Paul Garver worked alongside future Burmese union leader Maung Maung and Western human rights activists like Simon Billenness in the early 1990s to successfully persuade Western companies like Pepsi to divest from Burma.)

However, no one in Myanmar, or in the Burmese diaspora, now favor the reimposition of broad sanctions that would add to the enormous suffering of the workers and people of Myanmar. Their three decades of sanctions had a dire impact on civilians, while the entrenched military elite was largely able to ignore them. Myanmar has one of the worst poverty rates, and lowest quality healthcare and education systems, in the region. Most of the national budget went into acquiring military equipment and supplies, buying up enterprises for the military and their families to run, or on luxury goods for top officials.

However, the Myanmar military wanted to buy expensive weapons systems from Russia, so it secured international investment to extract and transmit offshore natural gas. The joint venture was controlled and operated by the French-owned Total, together with American-owned Chevron [then Unocal], and the Thai power company PTT, in collaboration with the military-controlled Myanmar Oil

and Gas Enterprise (MOGE). Not only did MOGE receive a 15% share of the profits, but a wealth of taxes and transfer fees began flowing directly into military coffers. Between 2000 and 2009 nearly \$5 billion accrued directly to the military through the natural gas joint venture, but less than 1% of this, some \$30 million, was reported in the national budget. Little of it was spent on health or education or social services for the people, and certainly not for the ethnic minority areas through which the pipeline to Thailand passed. By 2008 the military regime had accumulated over \$3.1 billion in foreign exchange reserves.

After the partial return to civilian government in 2014, government expenditures on health and education increased somewhat, and all international economic sanctions were lifted. But the reelection of the civilian government in November 2020 with an enormous majority of 83% caused the military leadership to panic. One of the first actions of the junta in February 2021 was to restore total control of MOGE into their own hands. This meant securing the largest revenue stream from the formal sector for exclusive military use, allowing it to simultaneously repress the urban insurgencies while waging a wider war against the armed ethnic minorities.

Since the February 2021 military coup in Myanmar, the United States, the E.U., the U.K., and Canada have again enacted sanctions, this time targeted at the generals, their families and associates, and the military-owned firms that enrich them. The United Nations has called for an arms embargo on Myanmar, and the E.U. has forbidden the sale and transfer of weapons to the country.

Notably absent so far are any sanctions on the state-owned MOGE, which is the source of the majority of the junta's foreign exchange revenues. From the beginning the Burmese resistance has been united in the call for an end to the flow of revenues to the military through MOGE and their multinational natural gas pipeline. This is based on a widespread understanding that previous sanctions were ineffectual, precisely because they did not challenge the profit-taking of Total SA and Chevron and their enrichment of the military regime.

The broad Coalition against Chevron in Myanmar is campaigning to cut off that vital stream of revenue to Myanmar's murderous military regime. The hope is to weaken the capacity of the coup leaders to suppress workers' and people's protests in the cities and to escalate their war against the several ethnic minority armies on the frontiers.

In a recent article in *BeyondChron*, one of the authors details the growing support for the demands of the Coalition against Chevron in Myanmar, from Burmese diaspora organizations, from the USW president who represents workers at Chevron refineries in the United States, from the UN Human Rights Council's Special Rapporteur on Myanmar, and even within the U.S. Senate. Forty members of the French parliament have issued a statement supporting the call for Total to suspend payments to the junta. In late May Total and Chevron announced they were suspending payments from the pipeline portion of the joint venture with MOGE. Unfortunately this amounts to less than 10% of the total revenue from the entire natural gas joint venture, about \$40 million out of \$400 million annually.

Under persistent pressure in France, Total has offered a variety of pretexts for rejecting the demand for complete divestment. It claims that it would cause a humanitarian crisis in Burma, since natural gas from the joint venture generates half of the electricity used in the capital city Yangon. However a credible poll recently conducted in Burma with over 11,000 Facebook users revealed that 98% of those responding agreed that sanctions should be imposed on the natural gas joint venture, even if it would result in cuts to electric service.

Chevron has always successfully lobbied to prevent its natural gas joint venture from being included in earlier sanctions against the Burmese military. On this, as on general climate issues, the Biden

administration fears taking on Big Carbon. But, just as Reagan's veto of sanctions against apartheid in South Africa was overridden by the strength of the popular movement, so might we be able to overcome this corrupt alliance with capital.

In late June there was another global wave of protests against Chevron and Total. It remains unlikely that Chevron and Total will voluntarily go beyond their token gestures, unless they are compelled to do so by multilateral sanctions in the USA and EU. According to *Myanmar Now* international sanctions on MOGE seem increasingly likely.

In this particular struggle, the Left can choose to support the demands of a popular movement, for multilateral sanctions, targeted at a key but specific industry, and focused on the role that global fossil-fueled capital plays in supporting an authoritarian regime and their kleptocratic elites. The campaign for a ban on Chevron and Total's ongoing financing for the Matamdaw regime is an ideal case of sanctions that the Left can and should support.