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Systemic Failure: An Integrated Analysis of Sanctions, Divestment, and the Junta’s Adaptation in Post-Coup Myanmar

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Abstract

This study examines the strategic adaptations employed by the Myanmar military junta to sustain its financial lifeline and evaluates the adequacy of international sanctions and corporate withdrawals following the 2021 coup. Focusing on the crucial oil and gas sector, the research addresses two central questions: what strategies did the regime use to circumvent pressure, and to what extent can the responses of sanctioning governments and exiting corporations be considered a satisfactory application of economic and ethical pressure? Guided by integrated theories of sanctions efficacy and corporate accountability, the research employs a qualitative design based on systematic secondary data analysis from NGO reports, news media, and corporate and government statements. The findings reveal a multi-layered adaptive strategy. The junta evaded financial sanctions by shifting transactions to alternative banks and currencies and geopolitically realigned the sector by replacing departing Western firms with state-owned and private entities from Thailand. Consequently, while sanctions and withdrawals triggered a sectoral restructuring, they failed to sever revenue flows; the junta’s financial lifeline was reconfigured rather than cut. The study concludes that the international response was structurally inadequate. Its failure resulted from a reinforcing cycle of three constraints: fragmented sanctions enforcement, a critical accountability gap in corporate disengagement, and the regime’s institutional adaptive capacity. This demonstrates the systemic limitations of current economic coercion tools against resource-rich authoritarian regimes with alternative partners. The research contributes a critical case study for policymakers, underscoring the need for binding exit standards and fully coordinated multilateral action to achieve meaningful pressure.