

The Scam Economy as a State-Building Strategy: The Myanmar Junta's Border Governance in the Post-Coup Era

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Abstract

Following the 2021 coup, Myanmar's border with Thailand in Karen State has emerged as an epicenter of transnational cyber scam operations. While existing scholarship links this proliferation to the collapse of central authority and collusion with transnational organized crime, few have analyzed the Myanmar junta's state-building strategy through this lens. This article argues that the scamming economy is not merely a byproduct of state weakness, but a deliberate tool of governance. By focusing on the Shwe Kokko Special Economic Zone (SEZ), this article examines how relational dynamics between the military junta and the Karen Border Guard Force (Karen BGF) are renegotiated in relation to scam operations as well as their selective crackdowns. Filling an empirical gap in borderland studies, the research demonstrates how the junta instrumentalizes a previously established "limited access order," adapting it to the emerging scam industry to co-opt and coerce ethnic armed groups. Building on concepts of "frictional sovereignty" and "armed brokerage," this article challenges dominant policy frameworks that view Myanmar's scam industry solely as a manifestation of criminal opportunism. Instead, it argues that these operations are central to a reshaped political economy of state-building. The article concludes by calling for a revised analytical approach that recognizes the symbiotic relationship between transnational crime and authoritarian survival in Southeast Asia's borderlands.