



Young Myanmar's Scholars Commentary Series

Young Myanmar's Scholars Commentary Series: Youth Perspective on Post-Coup Myanmar is a commentary-based advocacy project providing young Myanmar scholars with the space to share their reflections on the many layers of dynamics in the aftermath of the Myanmar coup that have impacted the livelihoods of their society and generation

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The Impact of Drug and Illicit Economy in Myanmar: Views from the Youth

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Background

Myanmar is a country notorious for its problems with the issue of illicit economies, particularly in the drug trade. For instance, Myanmar is regarded as the world's most **extensive Amphetamine-Type Stimulants (ATS)** manufacturer and the second-largest opium producer in the world after Afghanistan. In the past few years, the volume of trade in ATS type-drugs, locally known as “Ya-ba,” has reportedly increased, unfazed by the outbreak of the COVID-19 pandemic.

Reported data on drug production in the country remains stable, mainly due to the fact that the trade of the raw materials needed to produce these drugs uses land routes, such as through China, which has remained “open” during the pandemic.² Even with the increasing supervision in border areas, particularly at security checkpoints, dealers have been finding alternative routes to smuggle their drugs.³ Although precise data is unavailable, such a claim is supported by how the UN Office on Drugs and Crime has recorded a sharp increase in the number of drugs seized around Myanmar borders. From 2020 to 2021, seizures of methamphetamine pouring out of Myanmar towards Thailand, Malaysia, and Laos went up by 20, 40, and 620 percent, respectively.⁴ Such numbers make a strong case for the 60 billion USD expert estimation of the total value of Myanmar’s drug trade. Factors like extreme poverty, unemployment rate, corruption, the overall weakness and vulnerability of the Myanmar state, and the recurring armed conflicts across its regions have been cited as contributing to the “stability” of domestic production and market.

The drug issue is a crucial issue for Myanmar's youth. This is because the majority of Myanmar’s drug consumers come from its youth population. Meanwhile, even before the 2021 Myanmar Coup, efforts to mitigate the impact of the drug on Myanmar's youth have so far been insufficient. For instance, although there are some rehabilitation camps for drug addicts, their numbers are still low. Following the coup, the chance to reduce the practice of these illicit economies became even bleaker, especially without a proper authority that could administer administrative capability to both support Myanmar's youth and combat drug

² “ကပ်ရောဂါကာလ မူးယစ်ဆေးဝါးရောင်းဝယ်မှု ပုံမှန်အတိုင်းရှိနေ (Drug Trade is normal during the COVID-19 period)”, *RFA Burmese*, 18 May 2022, <https://fb.watch/elX3wkFqQN/>.

³ Ibid.

⁴ Zsombor Peter, “UN: Myanmar’s Militias, Rebel Armies Ramping Up Drug Trade,” *VoA News*, 5 March 2022, <https://www.voanews.com/a/un-myanmar-drug-dealing-militias-rebel-armies-ramping-up/6471711.html>. Most of the supplies notably come from regions like the Shan state, home to a complex network of various sub-national actors, including non-state armed groups, state-affiliated people's militia groups, border guard forces, and private business groups. But the chain of supply and trade route of the illicit economy goes beyond particular regions of Myanmar. In fact, it is transnational, going across regional countries such as Thailand, China, Laos, Bangladesh, India, Malaysia, et cetera.

production and trade. As a result, young addicts have less choice in continuing their lives. This commentary discusses how the coup has affected drug production and trade in Myanmar and advocates why the issue is vital for the country's future and its youth.

How Has the Myanmar Military Coup In 2021 Impacted the Drug and Illicit Economy in the Country?

The 2021 February military coup has worsened the situation with the drug trade in Myanmar. The political instability caused by the coup, particularly, has become a momentum for drug producers and dealers to conduct their business further. Expanding violent clashes with the military have forced urban anti-coup demonstrators into rural lives, with some joining as part of the anti-coup freedom fighters (as part of the People's Defense Forces-PDF). Many of what were previously rather peaceful and stable urban areas in the Myanmar heartland have now turned into battlegrounds characterized by lawlessness and insecurity. The absence of government due to the internal political crisis has created a lawless situation where criminals, including drug dealers, see this as a fresh opportunity to expand their activities.⁵

Drug dealers have also found themselves being able to adapt to the situation surrounding the crisis in Myanmar. When a banking crisis⁶ caused many difficulties in transferring money struck in post-coup Myanmar, drug dealers managed to seek out and use a new money transfer system called the "Hundi system."⁷ Using the system, they can transport a large amount of drug money through brokers across the border.

On the other hand, attempt to mitigate the situation have so far proven to be limited. In some cases, local PDF groups arrested and punished some drug dealers within their areas in various ways. But the amount of deterrence they have produced to counter the entire drug operation schemes around the country has also been limited. On the opposite side, the current policy of the State Administration Council (SAC) toward the drug issue has been very conservative. Their primary solution to the problem seems to be to play a "blame game," to

⁵ According to a UNODC officer for the Asia-Pacific region, the drug production volume in Myanmar increased after the military coup. One reason that has caused this proliferation in drug production volume has been attributed to the policy choices of certain Ethnic Armed Organizations (EAOs), particularly in the Shan State, who tried to take opportunities of chaotic situations to increase their income and territorial control. See Panu Wongcha-um and Tom Allard, "Drug Trafficking Surging in Year since Myanmar Coup," *Reuters*, 1 February 2022, <https://www.reuters.com/world/asia-pacific/drug-trafficking-surging-year-since-myanmar-coup-2022-02-01/>.

⁶ A Bank crisis happened in Myanmar a few days after the coup due to the CDM movement of the bank staff. Generally speaking, it was systematically started from March till September of 2021. But, currently, under the military coup, there are also many problems with the bank system, although it has been reduced.

⁷ The Hundi system is an informal value transfer system used widely by local Myanmar citizens and offshore migrant workers to remit money domestically and internationally.

divert the faults that caused the drug situation towards "their adversaries" (especially the ethnic armed groups)."⁸

As for civil society, CSOs found themselves in a difficult position against the SAC. The military coup has pushed them to put up a hostile place against the SAC, making cooperation between the regime and CSO practically impossible. Their attention and resources are also restricted to the main political issue surrounding the coup. Having less room to move, certain CSOs even found themselves in survival mode, having to escape arrests conducted by the current regime. The CSOs that decided to cooperate with the existing authority are also most likely to be accused of legitimatizing the military regime, risking backlash from the wider community.

Impacts on the Youth

Following the military coup, most Myanmar youths were trapped in the struggles. Many of these young people have been unable to join in the armed struggle and also find difficulty in integrating back into their old life or seeking a stable career path, leading them to the way of unemployment. Such a situation, unfortunately, coincides with the rise in drug trade and economy, primarily through rising availability and declining prices of narcotics, making the youth population susceptible to drug use or even opening them to direct involvement with the industry.⁹

⁸ "မူးယစ်ဆေး လုပ်ငန်းကို လက်နက်ကိုင်များက လုပ်နေသဖြင့် သံသရာလည်နေဟုဆို (Drug Problem is due to the involvement of Ethnic Armed Groups, it is said)", *Mizzima*, 22 May 2020, <https://fb.watch/eWvLQBE53/>. While SAC claims that some sources of the drug problem have indeed come from certain non-state armed actors and other criminal groups, a large volume of drugs were also found and confiscated inside the areas of People's Militia groups and Border Guard Forces, such as the Kaungkha People's Militia Group, whom the SAC has armed for their attempt on territory control. The fact has led to criticism of the Myanmar military, accusing them of being complicit in using drugs to strengthen their power and domination. Reports have found both ex-military and active security officers involved in the drug trade, especially in border areas across the country. See NYEIN NYEIN, "Myanmar Touts \$200M in Drug Seizures in Military-Backed Militia Territory." *The Irrawaddy*, 11 March 2020, <https://www.irrawaddy.com/news/burma/myanmar-touts-200m-drug-seizures-military-backed-militia-territory.html>; "ပူတာအို ဒေသက စစ်ကောင်စီတပ်များ မူးယစ်ဆေး ရောင်းဝယ် သုံးစွဲ (SAC armed forces in Putao sell and use the Drugs)", *Mizzima*, 14 February 2022, <https://fb.watch/eoxo5sHvcw/>.

⁹ The political crisis has caused many young people, ranging from 10 to 25, to be out of school for almost two years. With the proliferation of drug production in post-coup Myanmar, many have become very prone to drug users, especially when they do not have good family supervision and social environment. These younger generations, who suffer from a post-conflict vacuum in education, hopeless and deprived of a concrete work plan, have become new targets for drug sellers and dealers.

What Can be Done to Save the Youth?

As a member of the youth generation in Myanmar, I see that there are many possible ways by which the negative impacts of drug problems on young people can be contained and curtailed. As various factors trigger the current situation, the solution to handle this development should also be to embrace multi-layered actions. These solutions should understand the importance of reconsidering the fate of the education system as a priority amidst the current political struggle.

For that, the role of the international community is crucial. Below are some recommendations directed to them.

First, seeing that the political crisis and opposition to the coup would be a protracted one, **regional countries, as well as the international community, must increase their effort to support educational stakeholders in Myanmar**, such as university teacher associations, primary education teacher associations, or even the student's unions, in providing an alternative school system for these young people.

Between the SAC and the National Unity Government of Myanmar (the opposition government established in resistance to the coup), political competition for the Capital has spilt over to the education sector. Currently, the NUG does not recognize the SAC's educational system, the students who participate, and *vice versa*. In such a situation where we cannot expect cooperation between the SAC and NUG, if we are to take the students' interests as our primary interest, promoting and upholding the policy of neutrality for education between both actors should be the long-term goal. For example, the SAC should lift its restrictions and allow teachers and students inside NUG-controlled areas the right to go to the NUG-led schools and *vice versa*, and the NUG should not hinder students from going to SAC-controlled schools.

Of course, ideally, Myanmar students would benefit from establishing a neutral third-party education system/provider. For example, in collaboration with local education actors, the international community can provide a neutral educational system (outside the ones controlled by SAC or NUG). Such a third-party system that can provide the CDM teachers and students with the chance to work in a neutral and non-political environment that can ensure their safety will be beneficial. This effort should be outside the political crisis and not necessarily give credit to any political actors like NUG or SAC.

Second, there is a need to push for more programs and platforms to raise community-level awareness of the country's drug problem. In the past, many actions and initiatives

were targeted to raise the awareness of communities, ranging from government platforms to CSO activities, especially under the previous two successive democratic governments. However, since most of the energy is now directed toward opposing the military coup, these initiatives have eventually been sidelined.

Third, effective law enforcement targeting drug distributors and suppliers in the community is also necessary. In general, those involved in the drug business can be categorized into two types: the employers/suppliers/executives and the employees/ground dealers. The government often arrested the second group of people labouring as drug traders. But the first type of people is far more of an important target of law enforcement (arrests and punishments) if the supply side of the problem is to be stopped effectively. In the long run, supporting local authorities and law enforcement capacity should be considered part of the priority if the international community would be willing to support Myanmar's drug issue.

Fourth, national CSOs and international governmental and non-governmental organizations should enhance their support for mass mobilizations and social movements against the drug trade in the country. Although the active collaboration with the current SAC regime could be quite challenging, there are also several alternatives for the CSO community to continue their campaigns. This includes the use of online social media movements, the organization of small conferences, and the advocacy of awareness among the communities.

Ultimately, these efforts can build up into an interconnected mass mobilization and social movement campaigns against drug trade and production, which is likely more possible after the resolution of the political situation regarding the Capital. An effective whole-society social movement is extremely necessary to push for accountability from the state and non-state armed actors involved in the drug issue's supply side if we are to change the status quo. Without such mass movement, Myanmar will find difficulty in producing effective policy change and actions on the country's drug issue.

Conclusion

To sum up, the drug problem in Myanmar is a part of the more significant vicious cycle in which conflict, poverty, weak state, unemployment, and corruption are interlinked with each other. The youth suffering from the post-coup situation are critical victims of it. However, this does not mean that the drug issue in Myanmar can only be addressed after the country has resolved its armed conflicts, eradicating poverty and corruption, and firmly established state institutions. Through the ways above, the international community can help support

Myanmar to gradually find ways to contain and protect the residual negative effects of this drug issue on the youth across the regions and states.

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