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## Rekindling Military-to-Military Ties Between the U.S. and Myanmar

By Stanley A. Weiss

YANGON--One of them has helped reforest environmentally threatened regions and donated money to assist children with Down syndrome. A portion of every ticket his airline sells goes to social welfare organizations. And when Cyclone Nargis devastated Myanmar in 2008, his foundation contributed more than \$8 million to rebuild schools, hospitals, and monasteries.

The other has footed the bill for school fees and medical expenses for the families of Myanmar's political prisoners. He is actively recruiting doctors from other nations to improve the health care system here, and oversees the only national institution -- the Myanmar football league -- in which ethnic minorities participate on an equal footing with ethnic Burmans. And at a time when corruption threatens to derail this country's nascent democracy, he is the highest-profile business leader to have opened his books to an internationally-respected accounting firm and then personally presented the full audit to United States Ambassador Derek Mitchell.

Which is not to say that Tay Za and Zaw Zaw, two of the most successful businessmen in Myanmar (formerly known as Burma), are Boy Scouts. Over the past two decades, the head of the Htoo Group and the 46-year-old chairman of the Max Myanmar Group built their vast conglomerates of companies -- stretching from banking to hotels to construction -- by thriving on connections they developed with a regime notorious for human rights abuses. Those contacts landed the two on the U.S. government's Myanmar sanctions list, which bans American individuals and companies from doing business with any friends of the old regime.

But when the generals traded their uniforms for civilian clothes in 2010, the U.S. government lifted sanctions on many military leaders -- but kept the blacklist in place for people like Tay Za and Zaw Zaw. It's a little like letting Al Capone go scot-free while continuing to punish his accountant.

This is the farce that U.S. sanctions on Myanmar have become. Zaw Zaw, a man who has created jobs for more than 11,000 people--and, in journalist Erika Kinetz's estimation, is "widely regarded as among the cleanest of the bunch"--is on the list, along with Tay Za and about 100 other business leaders. But as Kinetz and reporter Matthew Pennington have written, "the list is full of gaps." It leaves off, among others: a top minister's son and suspected arms dealer who supplied weapons to North Korea; the wife, children and grandson of brutal former military leader Than Shwe, and the sons of a former hardline leader accused of attacking opposition leader Aung San Suu Kyi, killing a number of her supporters; and sons of top leaders who

have amassed tens of millions of dollars in the illegal timber trade.

Meanwhile, Tay Za--considered Burma's first billionaire, despite the sanctions--notes that while the U.S. continues to punish local business leaders, they've taken "no action... against Chevron and Total, the two prominent Western energy companies that are making billions of dollars annually from their natural gas project in Myanmar." Indeed, Chevron and Total were just offered concessions to explore off the coast of Myanmar.

A sanctions list that punishes cronies but removes thugs makes no sense, morally or economically. It perpetuates a false standard and begs the question: what does the U.S. really want to achieve in Myanmar? If the answer is, "to cut off our nose to spite our face," then mission accomplished.

All it does is put U.S. businesses at a significant disadvantage, while driving investment to other countries. The E.U. and Australia--which together had over a thousand individuals and companies on their sanctions lists--lifted their sanctions between 2012 and 2013. Asia has no restrictions on or qualms about working with anyone in Myanmar. Meanwhile, U.S. businesses are barred from working with some of the very people who are most central to the success of the Myanmar economy.

"The American Chambers of Commerce here is asking why these sanctions are being kept in place," a local venture capitalist tells me. "They want clarification. They raise this issue with every State Department visitor that comes to Myanmar. The E.U. has no list and Accor Hotels has partnered with Zaw Zaw."

A major reason, as usual, is Congress. "The U.S. is a prisoner of a congressional prison," a European ambassador says to me. A senior local businessman adds, "The Obama administration had to fight the rear guard of people supporting sanctions in the U.S. and couldn't just turn on the switch so they said 'We are open for business but not with the bad guys. Let's not give up our American principles.'"

One anonymous senior State Department official quoted by the AP last year offers a less encouraging rationale. "The sanction list doesn't allow for redemption," he said. "It is designed to hold people accountable for past wrongs, regardless of whatever good work they may be doing now." While it's true that accountability is important, a sanctions list that leaks like a sieve and offers scattershot accountability is no way for the U.S. to encourage a democratic and prosperous Myanmar.

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A U.N. official explains exactly how this selectively punitive blacklist impedes such good work. "The U.S. came to me to work on a trafficking project and needed a proposal," he tells me. "They liked it, but once their lawyers reviewed it they rejected it and said you can't train cronies and military. I said, 'think about what you're saying. They are key to stopping trafficking. They came back and said, 'O.K. for the training but we can't pay for their lunches.' Now, I don't call it training, I call it 'seminars' and they allow that."

It's time for the U.S. to follow the E.U.'s lead and lift its sanctions on Myanmar -- and move people like Tay Za and Zaw Zaw from a blacklist to the top of the list of people we work with. As a businessman friend tells me, "The cronies here are doing some good things and the country needs them."

The U.S. should also reconsider its policy of punishing the children of sanctioned individuals by refusing to let them travel to or study in America. Why push the next generation to study in China and Russia? Instead, we should be giving them a chance to learn about free markets in a free country.

Above all, the U.S., a nation built by slaveholders and robber barons, should stop preening. There are no angels in countries with Myanmar's history. Even those with shady pasts can still help Myanmar walk out into the bright sunlight of a new day.