

Written evidence from Free Myanmar (MYA0007)

Introduction

- 1 [FREE MYANMAR](#) is a collaborative organisation of overseas Burmese professionals, scholars and intellectuals dedicated to the establishment of a free, just and democratic society in Myanmar. We are a cohesive network of Burmese diaspora, pooling our skills and expertise to develop robust evidence base on which effective policies and strategies can be developed. Free Myanmar originated in North America in response to the Myanmar coup of 1 February. We now have chapters in the UK, Europe and the Indo-Pacific, doing research, advocacy and targeted media work.
- 2 We support the Committee Representing the Pyithu Hluttaw (CRPH), and the newly formed National Unity Government (NUG), which represent the legislative and executive branches of the elected government of Myanmar. We provide sanctions-related information, research and advice to like-minded organisations, to engage on these issues internationally.
- 3 We will focus our submission on the economic aspects, especially targeted sanctions, as we believe that they are crucial in denying the military junta the revenue it needs to survive. We will also make comments on the diplomatic context, given the remit of the Committee and the UK's unique roles as an ASEAN dialogue partner and a permanent member of the UN Security Council with penholder role on Myanmar.

ASEAN

- 4 Following an ASEAN leaders' meeting, ASEAN produced a five-point consensus plan. While deplore that the ASEAN's plan was more notable for what was omitted than what was included. The leaders invited the head of the military junta but did not invite the NUG, thus undermining their own call for a 'constructive dialogue among all parties concerned to seek a peaceful solution'. The consensus plan did not call for the results of the 2020 general election to be honoured, did not challenge the military's unfounded allegations of electoral fraud, and did not call for the release of detainees, including Myanmar's elected leaders.
- 5 ASEAN often cites its 'non-interference principle' but this is untenable with regard to Myanmar. Their conspicuous acts of omission (above) were in fact interference. Some ASEAN member states are themselves authoritarian; some have a poor record of human rights violations. Some have extensive links between the military-controlled businesses of Myanmar. ASEAN, along with China, abhors instability and might prefer the perceived stability of the *status quo* in the region even if that involves sustaining military rule. ASEAN is also susceptible to Chinese geopolitical considerations. In short, ASEAN's role as an honest and impartial broker is questionable. This is reflected in the limited faith expressed by the people of Myanmar in ASEAN's role. Even if it was inadvertent, the ASEAN plan bought time for the junta and offered it a fig leaf of respectability. The military has already undermined the ASEAN plan by failing to implement its undertakings.
- 6 ASEAN need not be ineffectual. Singapore can exert significant financial pressure on the junta. Thailand could do more to maintain sanctuary for displaced Myanmar refugees.
- 7 **Recommendation 1:** We advocate that the UK uses its position as ASEAN dialogue partner to facilitate positive change, in particular:
 - a. For Singapore to prevent the junta from accessing hard currency reserves and to restrict transactions involving military-controlled banks ([below](#)).
 - b. For Thailand to stop deporting bona fide refugees and allow greater humanitarian assistance.

UN Security Council

- 8 At the United Nations Security Council (UNSC), the UK has been at the forefront of diplomatic efforts to restore democracy in Myanmar. This is appreciated not just by the Burmese diaspora but also by the NUG and the CRPH. The UNSC's effectiveness, however, may be stymied by its desire to maintain unanimity. Even in the face of egregious brutality on the part of the military, the statements from the UNSC have been limited to expressions of concern and an exhortation for restraint, dialogue and reconciliation. The inevitable price for unanimity is compromise: the UNSC statements have had to avoid even the word 'coup' to keep China and Russia on board. With the threat of Chinese and Russian veto, the prospect of any resolution with enforceable actions against the military junta is remote.
- 9 **Recommendation 2:** We urge the UK to exercise its diplomatic influence at the UN:
 - a. To recognise the NUG under the doctrine of democratic legitimacy,
 - b. To secure NUG's representation in the General Assembly,
 - c. To continue supporting the incumbent permanent representative of Myanmar to the UN, who was appointed by the democratically-elected government,
 - d. To stop the flow of arms, aviation fuel, and dual-use technology,
 - e. To pursue indictment and prosecution of the military leaders for crimes against humanity in the International Criminal Court under the doctrine of universal jurisdiction.

Sanctions

- 10 Sanctions have an important role to resolve the current political, economic and humanitarian crisis in Myanmar. In view of the military's ongoing oppression, swift and effective action is needed. At the time of this submission, 796 people have been killed and 5086 detained, according to the [Assistance Association for Political Prisoners \(Burma\)](#).
- 11 We do not advocate general sanctions.
- 12 The UK has imposed [sanctions](#) against military-owned conglomerates Myanma Economic Corporation (MEC) and Myanma Economic Holdings Limited (MEHL) as well as some members of the State Administration Council ('SAC'), the military junta. The UK has also suspended trade promotions and aid that involves the SAC. We welcome these targeted actions.
- 13 We believe that targeted sanctions are effective in Myanmar context.
- 14 The situation in Myanmar is different to other countries targeted by sanctions.
- 15 Iran and North Korea have been subject to stringent sanctions but they are different to Myanmar in that effective control of their governments are not in question.
- 16 The junta does not enjoy the support of the Myanmar people. More than a hundred days after the coup, the junta have not been able to consolidate their hold. The machinery of government is paralysed. There is an ongoing bank run. They have liquidity problems. This situation is unprecedented.
- 17 The primary objective of the sanctions is to degrade the military junta's revenue stream.
- 18 Since the [coup d'état](#) of 1962, successive military leaders have devised and developed a system of patronage, hierarchy and indoctrination, rewarding loyalty and suppressing dissent, while ensuring its domination for nearly 60 years.

- 19 Since the 1990s, the military ('*Tatmadaw*') has taken measures to strengthen its power through businesses in various economic sectors. It now holds a vast and complex empire that includes mining, beer, tobacco, telecommunications, banking, hotels, property, shipping and transportation. Revenue from these businesses allowed the military to operate like a state within the state, while enriching its leaders.
- 20 Their vast empire is also the point of their vulnerability. The Tatmadaw needs the revenue generated by its businesses to maintain control over the rank and file, and their hold on power. Their vulnerability has increased as their revenue stream comes under pressure through lost business activity, deliberate boycotting by the people, sanctions, and mounting costs of operating a military machine against its own people.
- 21 For reasons cited above (paragraphs 15-20), targeted sanctions should be applied against the military and its supporters.
- 22 **Recommendation 3:** We advocate imposing sanctions on the following additional entities, which have key roles in the military's access to hard currency income and/or domestic finance:
 - a. **Military-controlled banks:** Myanma Foreign Trade Bank (MFTB), Myanma Investment and Commercial Bank (MICB), Myanma Economic Bank (MEB), Myawaddy Bank, Innwa Bank. MFTB in particular receives oil and gas revenues from multinational operators.
 - b. **Myanma Oil and Gas Enterprise (MOGE)**, a state-run corporation that acts as a counterparty to foreign energy companies. MOGE is now a major source of revenue for the junta.
- 23 **Military leaders and families:** Over more than half a century, the military has evolved into a ruling class, subjugating our people into semi-feudal subservience. Individual Tatmadaw leaders and their family members also control private companies, operating with opaque governance and accumulating vast wealth.
- 24 **'Cronies':** Cronies are analogous to Russian oligarchs in that they obtained control of state-run corporations under the nominally socialist military-dominated régime from 1962-88. They did so through complex ties with senior military officers.
- 25 The relationship between the cronies and senior military officers have been toxic and incestuous. Cronies employ family members of the generals in key posts. In return, their businesses are rewarded with lucrative contracts and coveted import licences.
- 26 Under the military régime from 1988-2011, only military conglomerates such as MEHL or MEC and businesses associated with cronies could operate within the profitable sectors in Myanmar such as trading, logistics, property, agrobusinesses, tourism, retail and even arms dealing and drug trafficking.
- 27 Cronies have powerful business empires that dominate the economic landscape of Myanmar. The lack of transparency and corporate governance undermines trust and confidence in the economy. It also engendered corruption and undermined the Myanmar state by depriving it of tax revenues.
- 28 Cronyism plays a crucial role in maintaining the wealth and power of the generals. Cronies enable the generals to launder cash and hide their ill-gotten gains. They also help them evade sanctions. For example, sanctions on three gem-trading entities owned by the MEHL and the state-run Myanma Gems enterprise could be circumvented by channelling the sales through the KBZ group's gem-trading business.

- 29 **‘Cabinet’ members:** Following the coup of 1 February 2021, the military junta installed a [‘cabinet’](#). Members of this cabinet should also be sanctioned for their complicity. These individuals were not coerced into joining, they only joined to seek personal gain.
- 30 Free Myanmar has compiled a [list](#) of individuals and their family members to be designated under the Sanctions and Anti-Money Laundering Act 2018 (‘the Act’). The [list \(Appendices 1-10\)](#) includes identities of individuals and businesses of:
- a. Remaining members of the State Administration Council (SAC)
 - b. Immediate family members of SAC and their private businesses
 - c. All senior members of the military’s chain of command, including Commanders-in-Chief of the Army, Navy and Air Force, Chiefs of Bureaus of Special Operations, regional military commanders, commanders of Light Infantry Divisions and Military Operation Commands
 - d. Cronies
 - e. Current cabinet members
- 31 We vouch for the accuracy of the information in those [Appendices](#) and would welcome the opportunity to submit detailed information, methodology and evidence should the Committee desires it.
- 32 **Recommendation 4:** We advocate the UK government to
- a. To add individuals and entities named in the [Appendices](#) to the UK sanctions list.
 - b. To work with allies and partners such as the United States, Australia, Canada, New Zealand, the Republic of Korea, Japan, the EU, and ASEAN to maintain, update, expand and enforce coordinated sanctions.
- 33 **Recommendation 5:** We advocate the UK government to impose travel restrictions on the individuals in the [Appendices](#) and to freeze their assets in any UK jurisdiction.
- 34 Imposition of sanctions on those individuals would be consistent with the following sections of the Act:
- a. Section 2(f): ‘provide accountability for or be a deterrent to gross violations of human rights’
 - b. Section 2(i): ‘promote respect for democracy, the rule of law and good governance’
- 35 The people of Myanmar are already embarked on a campaign of boycotting goods and services from military businesses. The proposed sanctions:
- a. complement the boycotting campaign of the Myanmar people by further degrading the military’s capability to sustain itself,
 - b. have no direct impact that would bring hardship on the ordinary people of Myanmar, and
 - c. provide a message of support and encouragement to the people of Myanmar, whose yearning for freedom remains unabated more than 100 days after the coup.
- 36 Sanctions are also a means to signal disapproval. The moral decrepitude of the Myanmar military junta is self-evident, as is the case for sanctioning them.

Conclusion

37 The UK has been a steadfast promoter of democracy and human rights in Myanmar. Given historical ties, its links with the ASEAN and its global leadership role, the UK has a vested interest to help bring about a stable, inclusive, peaceful and democratic Myanmar especially as the UK pivots to the Indo-Pacific geopolitically. We are grateful for the UK's unwavering support for the people of Myanmar. We call on the UK government to extend this support further by adopting the recommendations that we put forward in this submission.

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