From Elections to Ceasefire in Myanmar's Rakhine State

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What's new? Following vote cancellations in conflict-affected areas of Rakhine state during the 8 November general election, Japan has helped broker an informal ceasefire between Myanmar's military and the Arakan Army in order to hold supplementary elections. Both sides say they are in favour, but the civilian government is reluctant.

Why does it matter? The initiative has halted almost two years of intense fighting and enabled dialogue to resume for the first time since December 2019. Negotiations over elections could be a stepping stone to a formal ceasefire, but the process remains fragile, particularly without civilian government buy-in.

What should be done? The Arakan Army should release three National League for Democracy candidates it has detained. The civilian government should support elections and – if the Arakan Army lets the captives go – drop its designation as a terrorist organisation. The Tatmadaw should stop insisting that the Arakan Army leave Rakhine under a ceasefire.

I. Overview

Negotiations between Myanmar's military and the Arakan Army in the wake of the 8 November general election have created the best opportunity in two years to scale back fighting in Rakhine state. The Japan-brokered talks, which are aimed at holding supplementary elections by late January 2021 in Rakhine constituencies where the electoral commission cancelled voting on security grounds, have temporarily halted fighting, enabled tens of thousands of displaced people to return home and brought the sides back to the negotiating table. Holding elections within such a limited timeframe will be a major challenge, however, requiring political will from not only the military and Arakan Army, but also the National League for Democracy (NLD) government, which has so far been reluctant. But elections should not be seen as make or break: even if voting cannot happen in January, there is an opportunity to build on dialogue and reach a formal ceasefire in Myanmar's worst conflict in decades. To seize it, all three of the military, government and Arakan Army will need to make significant concessions.

The general election delivered a landslide victory for the NLD, which now has an even stronger parliamentary majority for its second term. In war-torn Rakhine state,

however, close to three quarters of voters did not get to cast their ballots after the Union Election Commission (a government-appointed body) cancelled voting in many townships on security grounds. In the days after the election, Japan's special envoy to Myanmar, Yohei Sasakawa, engineered a surprise diplomatic breakthrough, with the Arakan Army and the military issuing choreographed statements within hours of each other calling for elections to be held in areas where they had been cancelled. Most importantly, these statements marked the beginning of a de facto ceasefire between the two groups that has held since.

Both the Myanmar military, known as the Tatmadaw, and the Arakan Army, an armed group formed in 2009 that is made up predominantly of Rakhine Buddhists, have reasons to pause their combat. After two years of intense fighting, the ceasefire offers welcome respite for their forces. But both also have political goals: a few months away from retirement, Tatmadaw Commander-in-Chief Min Aung Hlaing has his eyes on his political future, while the Arakan Army leadership wants to enhance its legitimacy and consolidate its gains through negotiations.

The elections have thus been a useful device for resuming talks – a prospect that previously seemed out of reach due to the government's designation of the Arakan Army as a terrorist organisation in March and the insurgents' abduction of three NLD candidates in October. Yet organising elections by the end of January will prove extremely challenging, both logistically and politically. The main obstacle is the civilian government, which trusts neither the Tatmadaw nor the Arakan Army and is wary of handing either group what could be perceived as a political victory so soon after its own election win. If elections are to happen in time, the military and the insurgents will have to convince the government that the vote is in its interests, too.

Regardless of whether voting goes ahead, the present situation has created a vital space for dialogue. The face-to-face meeting between the Tatmadaw and Arakan Army in early December was an important symbolic step, especially given the group's terrorist designation. Fortuitously, this step comes at a time when the freshly re-elected NLD government is looking to reinvigorate the national peace process after a disappointing first term in which it made little progress. In the election's aftermath, it has floated the idea of a national unity government and begun to engage with the Tatmadaw's newly formed peace process negotiating team. Given the Arakan Army's alliances with armed groups that are not party to the Nationwide Ceasefire Agreement, and the fact that the conflict in Rakhine is by far the country's deadliest, the trajectory of the entire peace process hinges largely on whether the military and the government can reach a bilateral ceasefire with this particular armed group.

The present opening remains fragile and fraught with risk. The personal enmity between State Counsellor Aung San Suu Kyi and Min Aung Hlaing is likely to make progress difficult, particularly given the uncertainty over the commander's political future. The NLD's landslide win in the November election also complicates negotiations, as some on the party's Central Executive Committee believe their emphatic victory means there is little need to make concessions to either the military or ethnic minorities like the Rakhine.

To make the most of this opportunity and pull Rakhine state back from the brink:

- The Arakan Army and Tatmadaw should be realistic in their demands around the holding of elections – it seems overly ambitious, for example, to push for the vote to be held in all nine townships in their entirety.
- The NLD government should put aside political considerations and help ensure that elections take place in at least some locations – provided they can be held safely – in order to improve prospects for a ceasefire. It should also continue its initial coordination with the new military negotiating team on the future of the peace process, particularly regarding talks with the Arakan Army.
- To build trust with the civilian government, the Tatmadaw should drop its investigation into the integrity of the November election and stop publicly criticising the Union Election Commission.
- As a show of good-will and to give greater credibility to its commitment to support the polls, the Arakan Army should release the three NLD candidates it abducted in mid-October. The government and military could reciprocate by removing the group from its list of terrorist organisations, in order to support peace negotiations with both the Arakan Army and other ethnic armed groups.
- As negotiations progress, the Tatmadaw should relax its previous insistence that the Arakan Army leave Rakhine state under any bilateral ceasefire deal – a demand that would jeopardise any prospects for a peaceful solution.

II. An Election Opening

The conflict between the Tatmadaw and the Arakan Army in Rakhine and southern Chin states is the most violent and intense Myanmar has experienced in decades.[1] Strong support among ethnic Rakhine residents for the group's vision of a highly autonomous "confederal" state has enabled it to fight an effective hit-and-run insurgency, inflicting heavy casualties on the military.[2] Although the Arakan Army has been unable to seize military outposts, it has dismantled government administration in much of central and northern Rakhine, leaving large areas under its nominal con-

[1] For Crisis Group reporting on Rakhine state since the 2015 elections, see Asia Reports N°s 307, *An Avoidable War: Politics and Armed Conflict in Myanmar's Rakhine State*, 9 June 2020; 303, *A Sustainable Policy for Rohingya Refugees in Bangladesh*, 27 December 2019; 296, *The Long Haul Ahead for Myanmar's Rohingya Refugee Crisis*, 16 May 2018; 292, *Myanmar's Rohingya Crisis Enters a Dangerous New Phase*, 7 December 2017; 290, *Buddhism and State Power in Myanmar*, 5 September 2017; and 283, *Myanmar: A New Muslim Insurgency in Rakhine State*, 15 December 2016; Asia Briefings N°s 155, *Building a Better Future for Rohingya Refugees in Bangladesh*, 25 April 2019; 154, *A New Dimension of Violence in Myanmar's Rakhine State*, 24 January 2019; 153, *Bangladesh-Myanmar: The Danger of Forced Rohingya Repatriation*, 12 November 2018; and Richard Horsey, "Myanmar at the International Court of Justice", Crisis Group Commentary, 10 December 2019.

[2] The Myanmar Institute for Peace and Security estimates that between 934 and 1,711 combatants were killed in 2019 alone. See "Annual Peace and Security Review 2020", Myanmar Institute for Peace and Security, 7 July 2020, p. 12.

trol. In response, the Tatmadaw has waged a typically brutal counter-insurgency campaign – with civilian government support – that has resulted in hundreds of civilian deaths, the displacement of an estimated 230,000 people and numerous arrests of civilians on suspicion of links to the Arakan Army.[3]

For most of the past two years, a negotiated solution has seemed out of reach. Throughout 2019, the Myanmar government and military engaged in stop-start bilateral ceasefire talks with the Arakan Army, but the military's insistence that the group abandon Rakhine state and return to its base in northern Myanmar meant that these negotiations were doomed to fail.[4] In March 2020, prospects for dialogue were further diminished when the government formally designated the group a terrorist organisation under the Counter-Terrorism Law. The government took this decision primarily to isolate the Arakan Army from Myanmar's other ethnic armed groups. The Arakan Army was subsequently excluded from the Tatmadaw's unilateral COVID-19 ceasefire and not invited to the Panglong-21 peace conference in August.[5]

A. *Election Cancellations*

Against this backdrop, the practical challenges of holding the 8 November general election in Rakhine state were daunting.[6] The Union Election Commission normally relies on government administrators to organise voting at the local level, but in many areas these posts were now empty. Election commission officials also felt unsafe venturing outside towns, for fear of insurgent attacks. Meanwhile, lockdown measures to combat the spread of COVID-19 and a government-ordered mobile internet blackout made it almost impossible for candidates to campaign.[7]

The Arakan Army's position on the election was also murky. The group has informal links to Rakhine's dominant political party, the Arakan National Party (ANP), but refrained from issuing a clear statement of support ahead of the vote. Then, on 14 October, its members abducted three National League for Democracy candidates in southern Rakhine state's Taungup township. It later described them as "traitors" to the Rakhine cause and demanded the release of Arakan Army supporters in cus-

[3] "Five Rohingya killed in shooting incidents in Myanmar's Rakhine state", Radio Free Asia, 6 October 2020.

[4] The negotiations with the Arakan Army also included its three partners in the Northern Alliance: the Kachin Independence Organisation, the Ta'ang National Liberation Army and the Myanmar National Democratic Alliance Army. This grouping should not be confused with the Brotherhood Alliance, which does not include the Kachin Independence Organisation. For more on the negotiations, see Crisis Group Asia Briefing N°158, *Myanmar: A Violent Push to Shake Up Ceasefire Negotiations*, 24 September 2019.

[5] See Crisis Group Report, *An Avoidable War*, op. cit.; and "What does the Panglong conference mean for the peace process?", *Frontier Myanmar*, 17 August 2020.

[6] For more on Myanmar's 2020 election, see Crisis Group Asia Briefing N°163, *Majority Rules in Myanmar's Second Democratic Election*, 22 October 2020; and Richard Horsey, "Another Landslide Victory for Aung San Suu Kyi's Party in Myanmar – But at What Cost?", Crisis Group Commentary, 12 November 2020.

[7] The government first ordered mobile operators to halt internet service in nine of Rakhine's townships in June 2019. The ban was later partially lifted and then reimposed in February 2020. See "'Having to run with your legs tied': Rakhine parties cry foul over election curbs", *Frontier Myanmar*, 25 September 2020.

tody in exchange for their safe return – something the government has so far refused to consider.[8]

It came as little surprise, then, when the Union Election Commission announced on 16 October that voting would be cancelled in much of central and northern Rakhine on security grounds.[9] The extent of cancellations was unexpected, however: close to three quarters of the state's eligible voters were disenfranchised. The lack of transparency about the decision prompted accusations of bias as the cancellations were concentrated in areas in which the ANP had been expected to perform well. It also added to perceptions that the commission, nominally an independent body, was under the NLD's influence. Domestic and foreign analysts warned that depriving the ANP of a strong voice in parliament would only strengthen support for the insurgency.[10] As the 8 November vote included both national and regional legislatures, the cancellations resulted not only in the NLD mustering an even larger majority in the national parliament, but also in the ANP failing to secure an absolute majority in the Rakhine state assembly.[11]

B. *Japan's Diplomatic Breakthrough*

Four days after the election, the Arakan Army and Tatmadaw both issued surprise statements calling for elections to be held in areas of Rakhine state where voting had been cancelled. The Arakan Army and its political wing, the United League of Arakan, moved first, declaring a "sincere desire" that elections be held by 31 December "in order that the people do not lose their rights" and saying it would work with the government so the vote could go ahead.[12] The Tatmadaw responded within hours, welcoming the group's statement and offering its cooperation in organising the vote.[13] Significantly, neither statement contained the incendiary language that had previously been the norm when referring to the adversary.

More importantly, the statements marked the beginning of an informal or de facto ceasefire that has held through November and up to press time on 21 December – the first month without a single clash since mid-2018; in comparison, 49 clashes were reported in October alone.[14] The lull in fighting has already enabled thousands

[8] "Statement No. 39/2020", United League of Arakan/Arakan Army, 19 October 2020. Available in English at arakanarmy.net. See tweet by the Arakan Army, @Arakanarmy1army, 7:40am, 19 October 2020.

[9] The commission cancelled voting entirely in nine of Rakhine's seventeen townships and confined it mostly to urban areas in three others. Similarly, in southern Chin state's Paletwa township it cancelled voting in nearly all rural areas.

[10] See, for example, "Election cancellations in Rakhine could signal trouble for Myanmar", U.S. Institute of Peace, 5 November 2020; and "In Rakhine, cancellations leave little space for political compromise", *Frontier Myanmar*, 2 November 2020.

[11] In a sign of its growing popularity, the ANP still managed to win several seats previously held by the NLD. "Rakhine parties fall just short of majority in the Rakhine state Hluttaw", *Frontier Myanmar*, 9 November 2020.

[12] "Statement No. 41/2020", United League of Arakan/Arakan Army, 12 November 2020. Available in English at arakanarmy.net. See tweet by the Arakan Army, @Arakanarmy1army, 11:32pm, 12 November 2020.

[13] "Statement on Ceasefire and Eternal Peace", Office of the Commander-in-Chief of the Defence Services, 12 November 2020.

[14] "Annual Peace and Security Review 2020", op. cit., p. 44.

of families displaced by conflict to return home. One civil society organisation that assists displaced people, the Rakhine Ethnics Congress, has put the number of returnees at more than 75,000.[15] This number should however be treated with great caution, not least because many have gone home to harvest their paddy and it is unclear whether they intend to stay.[16]

In late November, it emerged that the Japanese government's special envoy for national reconciliation in Myanmar, Yohei Sasakawa, had been a key intermediary between the military and Arakan Army. He arrived in Myanmar in late October to observe voting in the general election, meeting Commander-in-Chief Min Aung Hlaing, Union Election Commission chief Hla Thein and senior government officials in the days before the vote. On 10 November, he was the first foreign government representative to meet State Counsellor Aung San Suu Kyi following her party's victory; they discussed the peace process. The detente between the Tatmadaw and Arakan Army was arranged in the days before and after the election, leading to the statements of 12 November.[17]

The Japanese embassy in Yangon went public about Sasakawa's role on 21 November, confirming that he had coordinated the release of the Arakan Army and Tatmadaw statements.[18] When the special envoy returned to Myanmar on 25 November, the military arranged a trip to Rakhine state for him, so that he could speak to local stakeholders, including the ANP, and assess the security situation.[19] The Tatmadaw and Arakan Army also held direct talks on 25 November, with a 30-minute online meeting during which they reportedly covered the holding of elections, the potential resumption of ceasefire negotiations and plans for in-person discussions.[20]

C. *Competing Interests*

The trust in Yohei Sasakawa from both sides appears to have been a decisive factor in bringing the Arakan Army and Tatmadaw to the table. The Japanese envoy has had a long relationship with Myanmar's conflict actors: he has engaged with the military for many years through development organisations such as the Sasakawa Peace Foundation and Nippon Foundation, and he has worked with the country's ethnic armed groups – including the Arakan Army – for much of the past decade.[21] As a country, Japan also occupies a unique position in Myanmar, in that it is a major international partner, has no direct interest in the Rakhine state conflict and has also been relatively muted in its criticism of Myanmar following the 2017 Rohingya crisis.

Min Aung Hlaing likely has other reasons for accepting Japan as an intermediary. Given its historical proximity to the Tatmadaw and its influence over many of Myanmar's ethnic armed groups, including the Arakan Army, China would have seemed

[15] Rakhine Ethnics Congress, 3 December 2020. The Congress posted detailed figures on its Facebook page.
[16] Crisis Group interview, researcher on Rakhine State, December 2020.
[17] Crisis Group interviews, diplomats and source involved in the peace process, December 2020.
[18] "No change in our commitment to support Myanmar's economic development: Japanese ambassador", *The Irrawaddy*, 21 November 2020.
[19] Sasakawa documented his visits to Myanmar in October and November 2020 in some detail on his personal blog.
[20] "Statement", United League of Arakan/Arakan Army, 2 December 2020 (Burmese).
[21] Crisis Group interview, political analyst, December 2020.

the natural mediator. But the commander-in-chief is explicit about his discontent with Beijing, whom he accuses of doing little to prevent Chinese weapons from ending up in the Arakan Army's hands.[22] He would know that Beijing would view Japan's role with concern and suspicion. "The Tatmadaw sees Japan as a trusted partner that would be able to mediate the talks. In contrast, it doesn't see China as a neutral player in the conflict", said one researcher on Rakhine state.[23] The Japanese push for talks was also well timed. Whatever the envoy's personal relationships and the commander-in-chief's geopolitical calculations, it is unlikely that either side would have engaged so readily were it not for factors encouraging both to take a more conciliatory approach, though for different reasons. The cancelled elections were an opportunity to surmount the last barriers to dialogue.

For the Arakan Army, a successful vote would be a welcome concrete outcome to present to its supporters after two years of a conflict that has taken a heavy toll on Rakhine civilians. The group has long promoted an #ArakanDream2020 campaign on social media, suggesting that 2020 would be the year for the "liberation and the restoration of Arakan sovereignty". While those prospects remain distant, negotiations with the military, government and Union Election Commission are an expression of its growing power. These talks confer legitimacy on the Arakan Army, boost its image as a political actor in Rakhine state and repair some of the damage to its standing done by the terrorist designation.

From a military perspective, the initiative offered the insurgents a potential pathway to ceasefire negotiations without having to make significant concessions. It also came at a time when momentum on the battlefield was increasingly shifting in the Tatmadaw's favour, due to its superior firepower and COVID-19's impact on Arakan Army operations. The insurgency is by no means facing defeat – it has de facto control over much of central and northern Rakhine, particularly rural areas, and can still depend on strong grassroots support – but it lacks the capacity to dislodge the Tatmadaw.[24] A pause in fighting was an opportunity for the insurgents to regroup and consolidate their territorial gains. There are also practical reasons to push for an informal ceasefire, even if fighting does resume: a halt that allows the Rakhine villagers to harvest crops will alleviate economic hardship, ensuring that the population is better able to support Arakan Army forces in the year ahead.[25]

The de facto ceasefire offers welcome respite for the Tatmadaw as well. Although it increasingly appears to have the upper hand on the battlefield, many of its soldiers have been stationed in the Rakhine conflict zone for more than a year; the ceasefire offers a chance for rotations and regrouping of depleted battalions.[26] The war has also been mentally taxing for security personnel: targeted killings of soldiers, police and government officials make them wary of leaving base, even for routine patrols,

[22] For a more detailed account, see Crisis Group Asia Report N°305, *Commerce and Conflict: Navigating Myanmar's China Relationship*, 30 March 2020. For a recent example, see "Myanmar Armed forces chief allege 'strong forces' behind terrorism in country", *Economic Times*, 1 July 2020.
[23] Crisis Group interview, researcher on Rakhine state, December 2020.
[24] COVID-19 travel restrictions have complicated Arakan Army operations in a range of ways, not least because the group is still headquartered in northern Myanmar, far from Rakhine state. Crisis Group interview, conflict researcher, December 2020.
[25] Crisis Group interview, source close to the Arakan Army, December 2020.
[26] Crisis Group interview, conflict researcher, December 2020.

in some areas.[27] In recent weeks, however, soldiers have once again been spotted in restaurants and beer stations, apparently no longer afraid of attack from insurgents or their supporters.[28]

But the military's willingness to engage with the Arakan Army has less to do with the Tatmadaw's core interests than with its commander-in-chief's political objectives. The NLD's crushing victory in the general election was humiliating for parties associated with the military, and a clear expression of opposition to Tatmadaw proxies returning to power. The military-aligned Union Solidarity and Development Party (USDP) was almost entirely wiped out in the Burman-dominated regions, and it came away with just a few dozen seats in total – mostly in ethnic minority townships where soldiers make up a large proportion of the electorate.[29]

The result was damaging for Min Aung Hlaing personally, not only because of his perceived association with the defeated USDP but also due to his attempts to intervene in the final week of campaigning. In a statement six days before the vote, he criticised the Union Election Commission's management of the poll and claimed the NLD government was responsible, as it appointed the commission's members. In an interview with a friendly media outlet, he cast doubt on whether he would accept the results of the vote.[30] Min Aung Hlaing backtracked from this position on election day, but some political analysts later suggested that public opposition to his comments may have contributed to high turnout and strong NLD performance.[31]

This political blow to the commander-in-chief comes as he faces the prospect of retirement in June 2021, when he will turn 65. Although it is not clear whether he will leave office – he has already granted himself one five-year extension to the age-60 limit – he has been open about his political aspirations and appears determined to use the peace process to rebuild his political capital over the next six months.[32] The day after the vote, for example, he established a new military negotiating team to engage in talks with ethnic armed groups.[33] He has since multiplied good-will gestures to ethnic minorities, from meeting leaders of the influential Kachin Baptist Convention to offering financial and political support for reconstruction of a Shan prince's palace in northern Shan state.[34]

[27] See Crisis Group Report, *An Avoidable War*, op. cit.
[28] Crisis Group interview, Rakhine journalist, December 2020.
[29] Official results are available at the Union Election Commission's website (Burmese).
[30] "Myanmar's NLD draws more criticisms ahead of national poll", *The Diplomat*, 4 November 2020.
[31] "NLD claims huge victory as USDP crashes and ethnic parties struggle", *Frontier Myanmar*, 9 November 2020.
[32] Crisis Group interviews, diplomats and political analyst, December 2020.
[33] "Statement on Ceasefire and Eternal Peace", Office of the Commander-in-Chief of the Defence Services, 9 November 2020. While the Tatmadaw already had such a delegation, unlike its predecessor the mandate of this new Peace Talks Committee appears to include Rakhine state. The previous team was limited to negotiating with groups in Kachin and Shan states, as the Tatmadaw refused to recognise the Arakan Army's presence in Rakhine state. In announcing the new team, Min Aung Hlaing also no longer made reference to his "six peace policies", which armed groups have often objected to. See "Announcement on Ceasefire and Eternal Peace", Office of the Commander-in-Chief of the Defence Services, 21 December 2018; and "The Tatmadaw's six principles for peace remain a challenge for ethnic armed groups", Mon News Agency, 1 February 2020.
[34] See "Groundbreaking and cash donation ceremony to reconstruct grand Haw Palace (Haw Kunshanwi) of Hsenwi Saopha Hkun Sang Ton Hong held", *Myawady*, 5 December 2020; and "Senior

D. *Faltering Hopes for a Vote*

The legal and practical hurdles associated with holding elections by the end of the year mean that they will only be possible with support from all stakeholders, including the civilian government, influential NLD members and the Union Election Commission. So far, however, the push for a vote has run into opposition from several quarters.

On the legal front, Myanmar's election laws state that by-elections cannot take place in the first or last year of the national parliament's term, which would preclude any poll from being held until February 2022 at the earliest. Proponents of the vote, such as the ANP, argue that the Rakhine case should be considered as one of supplementary or additional elections rather than by-elections, pointing to a clause in the same laws that suggests voting in a general election does not have to happen everywhere at the same time.[35] The hard deadline, in this case, would be the end of January, before the incoming deputies are sworn in and begin the process of choosing the president. Both the Arakan Army and the Tatmadaw, however, had used the term "by-election" in their initial statements, providing ammunition for those who do not wish the initiative to go ahead.[36]

The lack of local administrators in various areas will also make it logistically challenging to arrange voting in many parts of the nine townships in question, and there are genuine concerns over safety.[37] Although there have been no reports of fighting between the Tatmadaw and Arakan Army since the election, landmines and improvised explosive devices have continued to kill civilians in Rakhine.[38]

Aung San Suu Kyi, who was positive about the idea when she met the Japanese envoy in early November, is now less enthusiastic.[39] Her personal mistrust of Min Aung Hlaing has contributed to this change of heart, and she likely has concerns about Sasakawa's close relationship with the military and the ethnic armed groups. Although she was aware of his trip to Rakhine state in late November, she was caught off guard by the Tatmadaw flying him by helicopter from the state capital Sittwe to the conflict-hit townships of Kyauktaw and Buthidaung.[40] Her frustration has only grown as a result of Min Aung Hlaing's continued intervention in the electoral process: on 1 December, his office said it was "scrutinising and reviewing the election process" in around two thirds of constituencies as a result of widely discredited complaints from the USDP.[41] To rebuild trust with Aung San Suu Kyi and her party, the Tatmadaw should drop its investigation into the election, as well as its public complaints about the election commission.

General Min Aung Hlaing receives officials of Kachin Baptist Convention (KBC)", *Myawady*, 1 December 2020.

[35] Section 34(a) of the Pyithu Hluttaw Election Law states that the Union Election Commission should hold voting in a general election on the same day "as far as possible".

[36] Crisis Group interview, source involved in the peace process, December 2020.

[37] "Conflict disrupts election plans in Rakhine state", *Frontier Myanmar*, 24 August 2020.

[38] Crisis Group interviews, researcher on Rakhine state and conflict researcher, December 2020.

[39] Crisis Group interviews, diplomat and source involved in the peace process, December 2020.

[40] Crisis Group interview, source involved in the peace process, December 2020.

[41] "Statement on Stance", Office of the Commander-in-Chief of the Defence Services, 1 December 2020.

The state counsellor is also responding to resistance from the NLD's central executive committee. Buoyed by their crushing election victory, party officials do not see why they should – as they see it – hand political gains to Min Aung Hlaing and the Arakan Army. Quite logically, they also point to the Arakan Army's refusal to release the party's three candidates detained in Rakhine state since October. "Some people on the [committee] are more hardline than Aung San Suu Kyi – they are very proud after their election win and don't see why they should negotiate with anyone", said one political analyst close to the NLD. "The way they see it, they have a mandate from the people".[42]

After returning from Rakhine state in late November, Sasakawa met the Union Election Commission and Aung San Suu Kyi again. The meetings did not go well; afterward, the envoy was unusually critical, accusing chairman Hla Thein of backtracking on assurances he apparently gave in a meeting shortly before the election. "In my opinion, I can see that they do not want to hold elections", Sasakawa was quoted as saying, referring to the commission. While he did not criticise Aung San Suu Kyi directly, he told the media that when he expressed his disappointment with the commission in a subsequent meeting with her, she "told me she had nothing to say".[43] Unlike their previous encounter on 10 November, this one was not reported in Myanmar state media or on the state counsellor's Facebook page. In light of his public comments, it seems unlikely that the Japanese envoy will continue to engage directly with Aung San Suu Kyi or the election commission, although he could still facilitate dialogue between the Arakan Army and the Tatmadaw if necessary.

Despite these developments, a window of opportunity remains to hold elections in Rakhine state. A full election in all the nine townships where voting was completely cancelled was never likely to be feasible, due to both safety concerns and lack of administrative capacity. But some of these townships, such as Maungdaw and Pauktaw, have seen little conflict. In others, partial elections – for example, in urban areas – could be arranged at short notice.[44] Although a partial election would still leave most eligible voters disenfranchised, it should still be an acceptable outcome for both the Tatmadaw and the Arakan Army. But even such an arrangement would require much closer dialogue and coordination between the Tatmadaw, the civilian government and the Union Election Commission in order to overcome their mutual distrust.

The proposed elections may not align with the civilian government's narrow political interests, yet there are several reasons why it may still want to facilitate the vote. First, elections offer a potential bargaining chip for securing the release of its three candidates. Secondly, standing in the way of voting will hurt perceptions of the NLD and the government, which will both complicate its talks with minority leaders and hand Min Aung Hlaing a political win. Thirdly, the initiative offers an important opportunity to improve prospects for peace in Rakhine state: failure to attempt to hold elections will only reinforce the belief of many Rakhine people that insurgency – rather than electoral politics – is the only means of fulfilling their political aspirations. Finally, elections in Rakhine could help unlock important opportunities for

[42] Crisis Group interview, political analyst close to the NLD, December 2020.
[43] "'I can see the UEC does not want elections' in Rakhine, Japanese envoy to Myanmar says", *The Irrawaddy*, 4 December 2020.
[44] Crisis Group interview, researcher on Rakhine state, December 2020.

the broader peace process by boosting prospects for a bilateral ceasefire with the Arakan Army.

III. A Platform for a Ceasefire?

Whether elections go ahead or not, the fragile peace in place in Rakhine state offers the best opportunity in the last two years to establish the foundations of sustained dialogue and a durable ceasefire between the Tatmadaw and the Arakan Army. Successful elections in January would provide a boost but are not necessary for continuing negotiations. The real goal should be to translate the dialogue and de facto ceasefire into a more permanent agreement to end the fighting in Rakhine and southern Chin states.

There are reasons for cautious optimism that talks will continue and the ceasefire will hold. Despite the growing reluctance from the election commission and Aung San Suu Kyi to arrange elections, the Tatmadaw and Arakan Army have continued their dialogue. On 9 December, they held a face-to-face meeting in Panghsang, the headquarters of the United Wa State Army, Myanmar's largest ethnic armed group and an ally of the Arakan Army. Although few details have emerged – Arakan Army officials have said the hour-long talks focused on "peace and election affairs and to ensure the bilateral ceasefire" – the symbolic importance of this meeting should not be underestimated, particularly in light of the armed group's terrorist designation.[45] Further talks are reportedly planned later in December, including a meeting between the Arakan Army's commander-in-chief, Twan Mrat Naing, and Lieutenant General Yar Pyae, who heads the new Tatmadaw negotiating team.[46]

At the national level, Aung San Suu Kyi's government is also taking steps to reinvigorate the moribund peace process during its next term. After the election, it immediately reached out to ethnic political parties, inviting them to cooperate in building a federal political system – the ultimate goal of the peace process – and has talked of installing a "government of national unity" when it forms the next administration in March 2021.[47] In early December, it also arranged a coordination meeting between the National Reconciliation and Peace Centre and Yar Pyae.[48] Reaching bilateral ceasefires with members of the Northern Alliance, including the Arakan Army, is a major focus given these groups' military might.

Progress toward a bilateral ceasefire with the Arakan Army could thus give a major boost to Myanmar's peace process as a whole.[49] The process is split between the

[45] "Myanmar military holds meeting with Arakan Army in Wa region", *The Irrawaddy*, 10 December 2020.
[46] "AA C-in-C to meet with top military negotiator", *Narinjara*, 12 December 2020.
[47] "Myanmar's ethnic parties cautiously optimistic about outreach from victorious NLD", *The Irrawaddy*, 25 November 2020.
[48] "Two-day meeting on peacemaking processes concludes", *Global New Light of Myanmar*, 5 December 2020.
[49] For more on the peace process since the 2015 elections, see Crisis Group Asia Reports N°s 308, *Rebooting Myanmar's Stalled Peace Process*, 19 June 2020; and 287, *Building Critical Mass for Peace in Myanmar*, 29 June 2017; and Crisis Group Asia Briefings N°s 161, *Conflict, Health Cooperation and COVID-19 in Myanmar*, 19 May 2020; 151, *Myanmar's Stalled Transition*, 28 August 2018; and 149, *Myanmar's Peace Process: Getting to a Political Dialogue*, 19 October 2016.

ten groups that have signed the Nationwide Ceasefire Agreement and a similar number that have not, including the Arakan Army. Without the participation of these non-signatories, which include some of the country's most powerful armed groups, negotiations with the signatories toward a broader peace accord will remain extremely difficult. But the exclusion of the Arakan Army from the peace process since March on account of its terrorist designation has basically precluded dialogue with non-signatories. In August, for example, the six other members of the Federal Political Negotiation and Consultative Committee, a negotiating bloc led by the United Wa State Army, declined to attend the Panglong-21 peace conference because the Arakan Army had been excluded.[50] Since the election, this grouping has congratulated the NLD on its win and expressed willingness to engage in talks with the next civilian government.[51]

Direct talks between the Arakan Army and the civilian government will be essential for reaching a formal agreement on a ceasefire. Naypyitaw alone has the power to release prisoners, remove the terrorist designation, lift mobile internet restrictions in Rakhine, decide the composition of the incoming Rakhine state government and much more, all of which could be important for securing a bilateral agreement. Further, to enter the formal peace process, the Arakan Army will need to sign a ceasefire with the civilian government, through its National Reconciliation and Peace Centre.

Progress will inevitably require concessions on both sides. As with the Rakhine elections, the NLD's central executive committee remains a potential obstacle to these peace and reconciliation initiatives.[52] To get this committee's buy-in, and by extension the civilian government's, the Arakan Army should release the party's three candidates it took captive in October and refrain from further abductions. As of late November, the group was still insisting on a prisoner swap, demanding that the government release civilians, politicians and relatives of its members arrested under the Unlawful Associations Act, Counter-Terrorism Law and other statutes.[53] The government is unlikely to engage in such negotiations. Naypyitaw should, however, consider lifting the terrorist designation: doing so would not only help build trust, but also make negotiations with the insurgents easier to arrange.

Another major stumbling block for a bilateral ceasefire is the military's demand, articulated during the 2019 round of negotiations, that the Arakan Army leave Rakhine state. In light of the territorial consolidation the group has undertaken since then, a formal ceasefire will be all but impossible if the military sticks to this policy. Informally, it has indicated that it is willing to relax this position, but it remains to be seen whether it will do so, and whether any conditions still attached would be acceptable to the Arakan Army.[54] The ground reality is that the Arakan Army is firmly entrenched in Rakhine, and the Tatmadaw does not have the capacity to dislodge it. Accepting an Arakan Army presence in the state is the only potential pathway to peace.

[50] "What does the Panglong conference mean for the peace process?", op. cit.
[51] "FPNCC open to negotiations with NLD govt, but members need bilateral ceasefire", Network Media Group, 26 November 2020.
[52] Crisis Group interview, source involved in the peace process, December 2020.
[53] "Statement No. 42/2020", United League of Arakan/Arakan Army, 21 November 2020. Available in English at arakanarmy.net. See tweet by the Arakan Army, @Arakanarmy1army, 9:33am, 21 November 2020.
[54] Crisis Group interview, source involved in the peace process, December 2020.

IV. Conclusion

The Japan-brokered temporary truce in Rakhine state to hold supplementary elections offers the best opportunity in two years to scale back conflict in Rakhine and southern Chin states between Myanmar's military and the Arakan Army. Given the heavy fighting and the many obstacles to dialogue – not least the Arakan Army's terrorist designation – Tokyo's intervention is a significant achievement.

Elections in Rakhine state in January 2021 would be a positive step, but if they are to go ahead the Tatmadaw and Arakan Army will both need to take further steps to convince the civilian government, particularly Aung San Suu Kyi. The Tatmadaw should drop its complaints about the election's integrity and cease its public criticisms of the Union Election Commission. It should then try to open a three-way dialogue with the commission and the government. For its part, the Arakan Army should release the three NLD candidates abducted in October. The government should reciprocate by removing the group from its list of terrorist organisations, which would also serve its purpose in moving the peace process forward.

Whether elections take place on time or not, the present dialogue has created an opening for renewed talks toward a bilateral ceasefire. There are significant obstacles to reaching such an agreement – particularly the Tatmadaw's insistence that the Arakan Army leave Rakhine state, which it should drop during these new negotiations – but the alternative is bleak. Not only would it likely mean resumption of the bloodiest conflict Myanmar has seen in decades, but it would also undermine chances of progress in the country's broader peace process in the years ahead.

Yangon/Brussels, 23 December 2020

Appendix A: Reports and Briefings on Asia since 2017

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Counter-terrorism Pitfalls: What the U.S. Fight against ISIS and al-Qaeda Should Avoid, Special Report N°3, 22 March 2017.

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