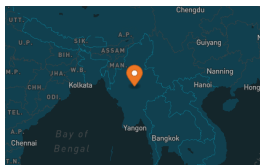


Breaking Away: The Battle for Myanmar's Rakhine State

The Arakan Army, an ethnic Rakhine group, is carving out a proto-state on the Myanmar-Bangladesh border. Fighting with re: taken a heavy toll on civilians, including Rohingya. The Arakan Army, communal leaders and outside powers all have roles to stability.



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What's new? The Arakan Army has seized most of central and northern Rakhine State, on Myanmar's border with Bangladesh, and seems on the verge of expelling the military. Scrambling for a riposte, the junta has conscripted Rohingya Muslims. The Arakan Army's response is widely reported to include serious abuses against Rohingya civilians.

Why does it matter? Rakhine State faces huge humanitarian challenges as the Arakan Army assumes administration of an emerging proto-state. Fighting has displaced hundreds of thousands. A blockade diverts essential goods from civilians. External actors accustomed to working with national governments must determine how to address humanitarian and security issues with a non-state counterpart.

What should be done? The Arakan Army should avoid incendiary rhetoric, protect civilians, support credible investigations of reported abuses and

initiate dialogue with Rohingya leaders. Mindful of risks and legal constraints, Bangladesh should increase engagement with the Arakan Army to stabilise borderlands, and donors should explore ways to expand humanitarian operations throughout Rakhine State.

Executive Summary

After restarting its fight for Rakhine State in late 2023, the Arakan Army is in the process of carving out a proto-state of over a million people on the Myanmar-Bangladesh border. Although the Myanmar military has countered with indiscriminate attacks and a blockade that is causing huge economic distress, the armed group, which draws support mainly from the state's Rakhine Buddhist majority, has pushed on, reaching into northern townships where it is alleged to have attacked Muslim Rohingya civilians. Desperate to retain these areas and control of the border, the military has conscripted and collaborated with Rohingya and orchestrated the destruction of Rakhine homes. When the dust settles, the Arakan Army will likely emerge as Rakhine State's de facto governing authority, and outside actors will have to decide how and whether to engage with it. To foster stability, the Arakan Army should mend relations with the Rohingya, support an independent investigation of alleged abuses, and reach out to Dhaka and donors, which should find ways to work with the group on shared humanitarian and security objectives.

In just a few months, the Arakan Army has created the largest area in Myanmar under the control of a non-state armed group – in terms of both size and population – and is now on the verge of securing almost all of Rakhine. The cost of its success has been high, not least for civilians in the state. Hundreds of thousands from both the Rakhine and Rohingya communities have been displaced. The regime carries out deadly airstrikes on a daily basis, and both it and the Arakan Army are credibly alleged to be committing serious abuses against civilians. In late May, in one of the worst atrocities since the 2021 coup, regime forces were accused of massacring scores of Rakhine civilians in a village on the outskirts of the state capital, Sittwe. More recently, the Arakan Army is widely reported to have been responsible for the deaths of as many as 200 Rohingya civilians while assaulting Maungdaw town in the northern part of the state.

While the Arakan Army is likely to complete its rout of the military, it is less clear whether its political wing, the United League of Arakan, has the resources and capability to govern the territory and people who come under its rule, much less bring stability to the region. Strong support among the majority Rakhine will buy the group time to address difficult living conditions – including the lack of electricity and internet, the loss of essential services and an economy destroyed by conflict – but it is uncertain how long the public's resilience will last.

The Arakan Army faces serious challenges in realising its vision for an autonomous state.

The Arakan Army faces serious challenges in realising its vision for an autonomous state. Rakhine boasts few easily exploited natural resources and has poor trade and transport connections with neighbouring Bangladesh and nearby India, which have been less amenable to engaging with Myanmar's ethnic armed groups than China or Thailand. As a result, the state is heavily reliant on regime-controlled central Myanmar for essential goods and almost

entirely dependent on Naypyitaw for electricity, communications and banking services. At the same time, both China and India are seeking influence in Rakhine for geostrategic reasons, while Bangladesh wants to see the speedy return of up to 1 million Rohingya refugees. Navigating this complex environment will be no small task for the armed group.

The Arakan Army is also struggling to manage difficult ethnic relations within Rakhine, a state that since 1942 has been wracked by recurrent outbreaks of communal violence between the majority Rakhine, who are mainly Buddhist, and the Muslim Rohingya, who are a minority at the state level but dominate northern Rakhine. Since February, the military regime in Naypyitaw has fanned the flames, including by pressing Rohingya into service fighting the Arakan Army and cooperating with Rohingya armed groups that it had previously labelled terrorists. These groups have also forcibly recruited young men and boys from Rohingya refugee camps across the border in Bangladesh, either for their own ranks or to hand over to the military as conscripts.

While many Rohingya have been forced to enlist, some have also volunteered and been implicated in attacks on Rakhine civilians and mass arson campaigns, infuriating the Arakan Army, and prompting incendiary remarks from the group's leaders, which have further fuelled worsening intercommunal tensions. As fighting has intensified in two mainly Rohingya townships in northern Rakhine State, Maungdaw and Buthidaung, Arakan Army forces have been accused of serious human rights abuses against the Rohingya, including the attack on 5 August, for which the group denies responsibility.

Rakhine State remains at a perilous juncture, requiring leaders of both the Rakhine and Rohingya communities to rise above their historical animosity and defuse tensions. They should avoid toxic rhetoric, establish a dialogue aimed at preventing further violence and spurn the regime's efforts to pit them against each other. The Arakan Army, for its part, needs to ensure that its forces protect civilians and respect their human rights. It should also incorporate more Rohingya into its administration and commit to supporting an independent investigation into allegations of abuses against civilians, which should begin as soon as practicable.

For all the challenges it is facing domestically, Bangladesh also has a key role in Rakhine State, as do other outside actors. The emergence on its border of a de facto statelet that aspires to permanent autonomy will require the new interim government in Dhaka to expand the scope of its engagement with the Arakan Army, whatever its views of those ambitions. While strengthening ties with the group, Bangladeshi envoys should emphasise the importance of treating the Rohingya humanely and with dignity. To stabilise the borderlands, and address drivers of irregular migration, Dhaka should also allow for more humanitarian aid to the area and trade across the frontier. Finally, Dhaka should improve security in the refugee camps, reduce the influence of armed groups there and allow a genuine Rohingya civil society movement to emerge. Other foreign governments should explore how they can work with the Arakan Army and neighbouring states to improve humanitarian access and expand assistance for all ethnic communities affected by conflict in central and northern Rakhine State.

For neighbouring states and other outside actors, the emerging situation in Rakhine State creates quandaries – not least the question of how to work with

a de facto authority like the Arakan Army amid an international system that for legal and practical reasons privileges relationships with nation-states. Despite these dilemmas, as Crisis Group has noted elsewhere, neighbours and donors will likely find that the greatest potential for positive humanitarian and security impact lies in working with Rakhine State's de facto administrators toward mutual goals – mindful of human rights, conflict and legal risks and constraints that may present themselves.

The Arakan Army now faces a stiff test. Having made major battlefield gains over the Myanmar military, it needs to show it can bring stability to a neglected corner of the country and govern in the interests of all the people living there.

Dhaka/Brussels, 27 August 2024



Since November 2023, the Arakan Army has taken full control of much of Rakhine and southern Chin states from the Myanmar military, including key infrastructure and the borders with India and Bangladesh. Source: Crisis Group research.

I. Introduction

The Arakan Army's recent military victories in Rakhine are the culmination of a decade-long struggle. [1] Formed in the borderlands of China in 2009, the group initially gained experience fighting alongside the Kachin Independence Army, in Kachin State. [2] It began shifting its forces into Rakhine State in early 2014, and though it has not participated in electoral politics, it has come to dominate the state's political landscape – through charismatic leadership but also a series of missteps by Naypyitaw.

Fighting with the military intensified in late 2018, leading to a brutal two-year war that displaced hundreds of thousands before the two sides agreed to a ceasefire in November 2020. While the Arakan Army managed to dismantle state authority in rural areas it seized, it also suffered several setbacks and came under pressure from ethnic Rakhine to bring the war to a close. By securing de facto control of large swathes of rural Rakhine – something that had previously seemed unimaginable – the group proved to both the military

and Rakhine people that it was a force to be reckoned with.

After the February 2021 coup, the Arakan Army maintained the ceasefire and discouraged Rakhine State residents from joining the anti-regime movement spreading throughout the country. Instead, it focused on building an administrative and justice system under its political wing, the United League of Arakan, and expanding its armed forces. [3] A second round of fighting in 2022 enabled the group to establish greater control of the Bangladesh border region and, with it, the opportunity to establish new supply lines. [4] After clashes erupted in July, the military imposed a blockade, preventing goods and people from either entering Rakhine or moving around within the state. In November 2022, the two sides announced a “humanitarian ceasefire”, after which the military partially lifted the blockade. [5]

The first shots were fired in a third and decisive outbreak of fighting between the Arakan Army and the military in November 2023. Tensions had been building for months as the ethnic armed group sought to expand its sway in central and southern Rakhine, while the military responded by arresting its members and supporters and blocking humanitarian aid. [6] On 27 October 2023, the Arakan Army joined two other ethnic armed groups – the Ta’ang National Liberation Army and Myanmar National Democratic Alliance Army, collectively known as the Three Brotherhood Alliance – in launching a lightning campaign in northern Shan State, on the Chinese border. Dubbed Operation 1027 after the date on which it started, the offensive quickly secured several major border crossings and revealed that the military was weaker than many – including the ethnic armed groups themselves – had believed. [7] China brokered a ceasefire covering northern Shan State on 11 January 2024, which largely brought the fighting there to a halt, but clashes in Rakhine have continued. [8]

[1] Arakan is the historical name for Rakhine, dating back to the existence of an Arakan kingdom. On 10 April, the Arakan Army announced it was changing its name to the Arakha Army, on the grounds that this term represents the region rather than an ethnic group and is therefore more inclusive. In its English-language statements, however, the group continues to refer to itself as the Arakan Army.

[2] For Crisis Group reporting on the Arakan Army’s rise, see Crisis Group Asia Briefings N°154, *A New Dimension of Violence in Myanmar’s Rakhine State*, 24 January 2019; and N°164, *From Elections to Ceasefire in Myanmar’s Rakhine State*, 23 December 2020; as well as Crisis Group Asia Reports N°307, *An Avoidable War: Politics and Armed Conflict in Myanmar’s Rakhine State*, 9 June 2020; and N°325, *Avoiding a Return to War in Myanmar’s Rakhine State*, 1 June 2022. See also Crisis Group Statement, “War in Western Myanmar: Avoiding a Rakhine-Rohingya Conflict”, 10 May 2024.

[3] Crisis Group Report, *Avoiding a Return to War in Myanmar’s Rakhine State*, op. cit.

[4] Crisis Group interviews, October-December 2022.

[5] “Understanding the Arakan Army”, Stimson Center, 21 April 2023.

[6] Restrictions on aid were particularly tight in the wake of Cyclone Mocha, which hit Rakhine State in May 2023. The regime imposed these measures at least partly in an effort to weaken the Arakan Army. Crisis Group interviews, humanitarian officials and analysts, June 2023.

[7] Richard Horsey, “A New Escalation of Armed Conflict in Myanmar”, Crisis Group Commentary, 17 November 2023.

[8] Crisis Group Asia Briefing N°179, *Scam Centres and Ceasefires: China-Myanmar Ties Since the Coup*, 27 March 2024. In late June, the TNLA and MNDAA launched what they call Operation 1027, Part 2, attacking military positions between Mandalay and the city of Lashio in northern Shan State. The military has now ceded control of most of northern Shan State, and its losses include – for the first time – a regional military command. “Min Aung Hlaing admits pressure after Myanmar anti-coup forces claim base”, Al Jazeera, 6 August 2024.

With most of Rakhine now in its grip, the Arakan Army stands on the verge of fulfilling ... a self-governing Arakan region.

With most of Rakhine now in its grip, the Arakan Army stands on the verge of fulfilling what its supporters call the “Arakan Dream” – a self-governing Arakan region – that it began promising almost a decade ago. Its progress toward that objective has been achieved through what the Arakan Army describes as the “Way of Rakhita”: a liberation movement that aims to restore the sovereignty lost when the Burman kingdom conquered the Arakanese capital of Mrauk-U in the late 18th century, nominally bringing Rakhine under the central state’s control for the first time. [1]

The Arakan Army says the “Arakan Dream” is for all people in Rakhine, but it primarily reflects the ambitions of the majority Rakhine. Although the Arakan Army has promised “freedom, democracy, social justice and welfare, and human dignity for all inhabitants in Arakan”, it has also demanded loyalty from other minorities in the state and “a unified fight for freedom”. “No one should live as parasitic existences to reap the rewards only without self-sacrificing spirit”, the group’s leader, Twan Mrat Naing, said in a 2020 speech. [2]

The group’s expectation is that the Rohingya, a mostly Muslim community who have been subjected to state-backed violence and persecution for decades, will also display loyalty to their cause. In 2017, a brutal Myanmar military counter-insurgency campaign, backed by Rakhine vigilante groups, forced almost 750,000 Rohingya to flee to Bangladesh. [3] But an estimated 600,000 still live in Rakhine, most of them in areas now controlled by the Arakan Army. In the current wave of fighting, they have both been recruited to fight on the regime’s behalf and – reportedly – subjected to indiscriminate attacks by all sides in the conflict.

This report examines the road ahead for the Arakan Army now that it has forced the Myanmar military from much of northern and central Rakhine and is emerging as the de facto governing authority across the state. It analyses why western Myanmar is ill suited for an autonomous enclave run by an ethnic armed group, and why managing relations with minorities and foreign powers will be among the Arakan Army's most important tasks. The report is based on field research in northern Thailand and Bangladesh in March-April and June 2024, respectively, as well as more than 50 interviews conducted remotely over a period of six months. Interviewees included Arakan Army leaders, Rakhine and Rohingya activists, civil society leaders and politicians, UN and NGO officials, donors and diplomats from a wide range of countries, Bangladeshi government and security officials, independent experts, and dozens of Rakhine and Rohingya in Myanmar, Bangladesh and Thailand. About 70 per cent of interviewees identified as men, and 30 per cent as women, reflecting the dominance of men in many of the institutions in question.

[1] For more, see "Understanding the Arakan Army", op. cit.

[2] "Speech by Commander-in-Chief at 11th anniversary day of Arakan Army", Arakan Army, 11 April 2020.

[3] For more, see Crisis Group Asia Report N°292, *Myanmar's Rohingya Crisis Enters a Dangerous New Phase*, 7 December 2017.

II. The Arakan Army Takes Over

On 13 November 2023, the Arakan Army attacked the military at several locations in Rakhine State. The group quickly captured dozens of military, police and Border Guard Police outposts across northern Rakhine, but it also suffered setbacks in this initial phase, including having to retreat from the town of Pauktaw shortly after claiming to have taken it over. [1] These early victories were also not what they seemed; the regime had immediately abandoned many of these smaller outposts to consolidate its forces in the most strategically important locations, which meant that many fell with little or no actual combat.

Among the most important initial targets for the Arakan Army were the Tarawaing and Nonebu tactical command posts in southern Chin State's Paletwa Township, which is the gateway to the Indian border and linked to Rakhine geographically by the Kaladan River. Over several weeks of intense fighting, the group suffered heavy casualties before eventually capturing Tarawaing on 4 December and Nonebu on 10 December. [2] These victories paved the way for the fall of Paletwa the following month. The successes also opened up the possibility of securing a new supply route, via India's state of Mizoram, which was of particular importance as the military reimposed its blockade, discussed further below.

The capture of Paletwa, where the military had invested substantial resources, marked the beginning of a string of victories along the Kaladan River corridor into northern and central Rakhine. Taking advantage of flatter terrain, Arakan

Army forces laid siege to battalion bases and other sites where regime forces had holed up. The towns of Kyauktaw, Mrauk-U, Minbya, Myebon, Pauktaw and Ponnagyun fell one after another; on 8 February, the group captured Mrauk-U, the capital of a flourishing Arakan kingdom from the 15th to 18th centuries, a triumph charged with symbolism that further cemented its popularity among Rakhine people. [3] The Arakan Army then went on to secure Rathedaung Township in northern Rakhine and Ramree Township in the state's centre. In the process, it overwhelmed dozens of battalion bases, police stations and other military sites, including Military Operations Command-9 in Kyauktaw. [4] On 18 May, it captured Buthidaung in northern Rakhine State after a months-long campaign.

Further gains are likely in the weeks and months ahead. At the time of writing, the Arakan Army had secured nearly all of Maungdaw, a district that spans much of the border with Bangladesh, and was waging fierce offensives in Ann – home to the military's Western Command – in central Rakhine, as well as in Taungup, Thandwe and Gwa Townships in the south of the state. For months, the group has also been positioned to attack the state capital Sittwe and the island township of Kyaukphyu, which hosts important Chinese energy infrastructure. It has held off from launching attacks until now, but its leaders have warned civilians to leave these areas as "decisive battles" are looming. [5]

[1] "After AA's control over Pauk Taw town, junta forces fire on several locations using helicopter", *Narinjara*, 16 November 2024.

[2] "AA captures Nonebu tactical operation command base in Paletwa, finds soldier-bodies with arms and ammunition", *Narinjara*, 12 December 2023.

[3] Kyaw Hsan Hlaing, "A new era is dawning for the people of Myanmar's Rakhine State", *The Diplomat*, 13 February 2024.

[4] "Nine towns in four months: The AA's war in Rakhine", *The Irrawaddy*, 13 March 2024.

[5] "Arakan Army leader urges locals to leave Sittwe and Kyaukphyu ahead of 'decisive battles'", *Myanmar Now*, 11 April 2024.

[Myanmar's] regime has been on the back foot since fighting erupted in 2023.

The regime has been on the back foot since fighting erupted in 2023. Although the military has been able to deploy its air and naval assets, as well as its artillery firebases, fighting elsewhere in Myanmar has meant it lacks the ground troops to shore up its positions in the face of the armed group's overwhelming numbers. In many areas, the Arakan Army has laid siege to its battalions, confident that the regime will be unable to muster a counterattack to relieve them and that troops will therefore end up fleeing or surrendering. The group has already taken thousands of prisoners, while at least 850 regime personnel have fled into Bangladesh. [1]

The losses in Rakhine, coming after a streak of stunning defeats in northern

Shan State, have further sapped the military's morale. [2] While the speed of the Arakan Army's success has been a surprise, the fact the military had not lost a single town or major base in Rakhine State prior to December 2023 only masked its underlying weakness: outside these areas, the ethnic armed group was already in control, with the regime's ground forces contained to towns whose inhabitants generally despised them.

Unable to stop its adversary, the military has responded by targeting civilians. It regularly carries out airstrikes on areas firmly under Arakan Army control, targeting non-military infrastructure; by one count, more than 200 civilians were killed and nearly 600 wounded in the first six months of fighting, many of them in air raids. [3] The number has only risen since then. In one of the deadliest atrocities since the coup, regime troops reportedly killed more than 50 civilians in the Rakhine village of Byain Phyu on the outskirts of Sittwe in late May. [4] The UN says at least 300,000 people have also been forced to flee their homes across the state and in neighbouring Paletwa, on top of the almost 200,000 who were already displaced prior to the latest battles. In late May, the Arakan Army's humanitarian wing, the Humanitarian and Development Coordination Office (HDCCO), put the number of displaced within Arakan Army-controlled areas alone at 572,300, of whom 61 per cent were women. [5]

The military has also managed to inflict economic pain on civilians in an effort – so far unsuccessful – to undermine support for the group. When fighting erupted, it immediately blockaded all of Rakhine State, which is heavily reliant on central Myanmar for most essential goods, including basic food items, fuel and agricultural inputs. [6] It also banned travel within Rakhine by both road and river, disrupting the flow of goods. The restrictions have sent commodity prices soaring, made access to essential services difficult and forced most large businesses to close. [7] The regime has also cut off electricity, shut down most internet connections and closed public and private banks across the state, causing further hardship.

Rakhine people living in areas now under Arakan Army control told Crisis Group that they were buoyed by the group's successes, but that life was increasingly difficult. One Pauktaw resident who owned a grocery prior to the fighting explained that he and his wife fled the town in November 2023 to live with relatives in a nearby village. When they returned three months later, their shop had been looted and they had no money to restart the business. "The economy is totally broken, and prices are rising day to day. All we think about is how to get enough food to survive", he said. "But we believe in the [Arakan Army] since they understand what we feel and what we want". [8] A Kyaukphyu resident said conditions were little better in regime-controlled areas, particularly due to high food prices. "But we knew we would have to face this war eventually, and we understood that it would bring hardship. We're committed to getting through this difficult period as best we can". [9]

[1] As of mid-July, 752 regime personnel had been repatriated and around 100 remained in Bangladesh's custody.

[2] Crisis Group interviews, sources close to the regime, April 2024. See also Crisis Group Asia Briefing N°180, *Ethnic Autonomy and Its Consequences in Post-coup Myanmar*, 30 May 2024; and Crisis Group Report, *Scam Centres and Ceasefires*, op. cit.

[3] “Myanmar junta forces kill 15 villagers after clashes with Rakhine State insurgents”, RFA Burmese, 15 May 2024.

[4] “Myanmar soldiers cut off tattoos and gave detainees urine to drink, witnesses tell BBC”, BBC, 6 June 2024.

[5] While the overall numbers are similar, there are significant discrepancies between the UN and HDCO figures. While the UN says there are 300,000 new IDPs, the HDCO says 500,000 have been displaced since November. HDCO says its figures are higher because it counts those who have left their homes to live with relatives. See “Myanmar Humanitarian Update No. 39”, UN Office for the Coordination of Humanitarian Affairs, 1 July 2024; and “Humanitarian Report: Arakan”, ULA Humanitarian and Development Coordination Office, 27 May 2024.

[6] “Junta troops block road, water transport amid Arakan Army clashes”, Radio Free Asia, 20 November 2023.

[7] Crisis Group interviews, November 2023-May 2024. Prices for basic commodities not produced locally, such as cooking oil, beans, salt, eggs and onions, doubled or even tripled throughout Rakhine State between October 2023 and March 2024. Rice is also more expensive, but the price increase varies significantly from township to township.

[8] Crisis Group interview, Pauktaw resident, April 2024.

[9] Crisis Group interview, Kyaukphyu resident, May 2024.

III. A Three-Way Conflict Emerges

In contrast to its lightning advances along the Kaladan corridor in central Rakhine State, the Arakan Army has moved more slowly in northern Rakhine’s Maungdaw and Buthidaung Townships. In these areas, it has become embroiled in a complex three-way struggle with the military and the Muslim Rohingya, who still make up over 75 per cent of the region’s population despite 750,000 having fled to Bangladesh in 2017. [1] Desperate to maintain a foothold and slow its adversary’s offensive, the military has sought to take advantage of longstanding divisions between the (Buddhist) Rakhine and (Muslim) Rohingya communities by collaborating with Rohingya armed groups and conscripting Rohingya to fight the Arakan Army. [2] Its decision to arm the Rohingya may have set the stage for further conflict between the two communities. Since 1942, Rakhine State has been wracked by regular outbreaks of deadly violence between the two groups.

[1] For Maungdaw and Buthidaung population data, see the township profiles that the General Administration Department produced in 2019, available on the [Myanmar Information Management Unit](#) website. According to these reports, Buthidaung had a population of 206,000, of which Rohingya were about 78 per cent, while Maungdaw had 112,000 people, about 69 per

cent of whom were Rohingya. These figures should be considered estimates.

[2] For background on these communal tensions, see Crisis Group Asia Reports N°261, *Myanmar: The Politics of Rakhine State*, 22 October 2014; and N°251, *The Dark Side of Transition: Violence Against Muslims in Myanmar*, 1 October 2013.

A. Divide and Rule

Over the past six months, the regime's efforts to enrol Rohingya men in new army-backed militias has added to the complexity of fighting in Maungdaw and Buthidaung and the dangers it poses. On 10 February, junta leader Min Aung Hlaing announced that his regime was activating a dormant military service law to enlist up to 60,000 new troops a year nationwide. The first recruits were selected at the ward or village level in March, and training commenced in early April. Further intakes of 5,000 young conscripts were reported in May, June and August. [1] In Rakhine State, the military began pressing Rohingya into its ranks almost immediately after the 10 February announcement, even though most are not recognised as citizens. [2] There are few ways for Rohingya to avoid conscription – in contrast to the escape routes others in Myanmar have, such as crossing illegally into Thailand – because movement restrictions prevent them from travelling within the country, while Bangladesh and India keep a tight watch on their borders. Some fled to Arakan Army-controlled areas, but thousands have been forced into service.

The regime has also inflamed tensions in other ways. Since mid-March, it has been coercing Rohingya men into staging anti-Arakan Army rallies in Buthidaung and other towns in northern and central Rakhine. [3] Around the same time, it started collaborating with Rohingya armed groups, including the Arakan Rohingya Salvation Army (ARSA) – the group whose attacks on Myanmar police stations led the same military to launch a brutal crackdown on Rohingya civilians in 2017, prompting the mass exodus to Bangladesh. Although it still formally considers ARSA to be a terrorist organisation, the military has provided the group with ammunition, allowed it to collect taxes and let it operate checkpoints in northern Rakhine. [4] It has even reportedly fought alongside ARSA units battling the Arakan Army. [5]

Meanwhile, ARSA and another, lesser-known group, the Arakan Rohingya Army, have forcibly recruited refugees from the camps in Bangladesh and transferred them to the military (see Section IV.A below); once across the border, they have been transported to military camps, such as Border Guard Police Battalion 5 (Myo Thu Gyi) near Maungdaw, for training. [6] In late April, a third group, the Rohingya Solidarity Organisation (RSO), began rounding up large numbers of Rohingya in the camps, handing at least some of them over to the military. [7]

[1] Crisis Group Briefing, *Ethnic Autonomy and Its Consequences*, op. cit.

[2] “Myanmar’s army massacred Rohingyas. Now it wants their help”, BBC, 8 April 2024. On Rohingya’s inability to get citizenship, see Crisis Group Report, *The Dark Side of Transition*, op. cit.

[3] Crisis Group interviews, Rohingya sources, April-May 2024. See also “Myanmar’s junta forces Rohingyas to take part in anti-AA protests”, *Myanmar Now*, 21 March 2024.

[4] Crisis Group interviews, humanitarian official and Rohingya residents in Rakhine State, April-May 2024.

[5] Crisis Group interviews, Rohingya residents in Rakhine State, May-June 2024.

[6] Crisis Group interviews, Rohingya residents in Rakhine State and Rohingya refugees in Bangladesh, May 2024.

[7] Ibid.

The number of volunteers is believed to have increased. .. as ethnic tensions rose and Rohingya grew more fearful of the Arakan Army.

While most Rohingya recruited by the Myanmar military and armed groups appear to have had no choice, some have joined voluntarily. The military has reportedly offered incentives, primarily in the form of remuneration but also, in some cases, the promise of citizenship documents. [1] The number of volunteers is believed to have increased in April and May as ethnic tensions rose and Rohingya grew more fearful of the Arakan Army (see Section III.B below). [2]

The Rohingya community in Rakhine State is not homogeneous. In northern Rakhine, where the Rohingya are a majority, some of them are more hostile to the idea of Arakan Army rule than those in central Rakhine, where the Rohingya are a minority. In Buthidaung, Rohingya community leaders with longstanding ties to the armed forces have supported military recruitment campaigns by portraying the Arakan Army as an existential threat. “They are saying, ‘The [Arakan Army] is our enemy, they have been torturing and persecuting us for a long time. Now we must stand against them and the military will help us with guns and training’ Many young people are joining them”, said a Rohingya researcher. [3] As a result, many Rakhine and other minorities living in the area, including the region’s small Hindu community, fled to Sittwe or areas of central Rakhine under Arakan Army control in early 2024.

Ethnic tensions ratcheted up further in mid-April, when reports emerged that two Rakhine men had been found in Buthidaung with their throats cut. [4] Over subsequent days, at least 1,500 homes in predominantly Rakhine areas of the town were also burned down, reportedly by ARSA members and Rohingya who had joined the military. [5] In Maungdaw, Rohingya militia members also torched dozens of homes and killed a Rakhine woman in two non-Muslim villages on the outskirts of town. [6]

[1] The regime does not appear to have honoured the citizenship promise,

and in at least one case it has backtracked. See “Myanmar’s army massacred Rohingyas”, *op. cit.*

[2] Crisis Group interviews, Rohingya residents in Rakhine State and Rohingya refugees in Bangladesh, May 2024.

[3] Crisis Group interview, Rohingya researcher, April 2024.

[4] “2 Buthidaung men found dead with their throats cut”, *Narinjara*, 13 April 2024.

[5] For the number of homes destroyed in Buthidaung in mid-April, see Facebook [post](#) by Data for Myanmar, 3:03am, 6 May 2024.

[6] “As it loses control of Rakhine, Myanmar junta resorts to stoking religious hatred”, *The Irrawaddy*, 14 May 2024.

B. The Arakan Army Response

While the Arakan Army’s leaders understand that intercommunal tensions will make Rakhine State more difficult to govern, they have failed to rise above them. In the past, they made some effort to do so. Although its leaders made fiercely anti-Rohingya statements in the group’s early days, they had – until recently – moderated their tone. [1] This change was pragmatic: as it built its strength in Rakhine State, the Arakan Army wanted to win support from the Rohingya it was hoping to govern. It also did not want to be perceived internationally in the same light as the Myanmar military, particularly in Dhaka. “Stability and security will only be possible if the [United League of Arakan] can build positive relations with all people in Arakan”, an official told Crisis Group. [2]

Accordingly, when the group began tightening its grip on rural areas in the wake of the 2021 coup, it lifted some of the movement restrictions on Rohingya, included Rohingya in the lower levels of its administration and encouraged greater interaction with Rakhine people. Many Rohingya greeted these gestures with cautious optimism, although some still complained of mistreatment at the hands of local Arakan Army officials. [3]

More recent developments have taken relations between the Arakan Army and the Rohingya in the opposite direction. The fact that some Rohingya volunteered to join the regime’s forces incensed the group’s high command, who feel it represents “the worst betrayal of those who had recently been victims of genocide and of those fighting for liberation from dictatorship”, in the words of a spokesperson. [4] Voluntary and forced recruits to Myanmar’s military are seemingly treated in the same way: in late March, the group warned that “Bengali people from Rakhine” who had been conscripted would be considered members of the regime’s military and “attacked”. [5]

This language marked an important and unfortunate shift. As part of its efforts to improve relations with the Rohingya, the Arakan Army had for several years avoided using the term “Bengali” – which the Rohingya consider a slur, because it implies that they are recent immigrants from Bangladesh and is used to deny their claim to citizenship – and instead referred to them as

“Muslims”. Arakan Army leader Twan Mrat Naing nevertheless defended using the term “Bengali”, insisting that “nothing is wrong with calling Bengalis ‘Bengalis’”. [6] These comments caused dismay and anger among the Rohingya diaspora, including in the refugee camps in Bangladesh, as well as within the Bangladeshi government. Shortly afterward, the Arakan Army also began referring to Rohingya armed groups as “Bengali Muslim terrorist groups”, mimicking the rhetoric used by Naypyitaw to justify its 2017 campaign against the Rohingya community as a whole.

In addition to rhetorical attacks, the Arakan Army’s hostility toward the Rohingya has been expressed in physical violence. Over the past few months, the Arakan Army has been accused of numerous human rights violations against Rohingya. The group has staunchly denied these allegations, including to Crisis Group, and verifying them is difficult, given the closure of most communications services in the state. [7] Still, there is significant evidence to back claims by Rohingya and human rights investigators that the Arakan Army is responsible for serious rights violations, including extrajudicial killings and indiscriminate attacks on civilians. [8] Among the most well-documented of these incidents occurred in mid-April, around the village of Tha Yet Oke, just north of Maungdaw; five disfigured bodies were found nearby. [9] More recently, the group has been accused of attacking Rohingya civilians in Maungdaw attempting to flee across the Naf River to Bangladesh on 5 August. Video footage of the aftermath showed dozens of bodies, although unconfirmed reports put the death toll as high as 200. [10]

[1] In an interview with *Foreign Policy* in 2014, Arakan Army leader Twan Mrat Naing claimed that the Rohingya “invasion”, supposedly backed by Saudi oil money and al-Qaeda, was aimed at seizing Rakhine State from Buddhists. “If we don’t stand up today, we will disappear forever”, he was quoted as saying. David Brenner, “When Buddhist monks wield Kalashnikovs”, *Foreign Policy*, 2 July 2014.

[2] Crisis Group interview, Arakan Army official, July 2024.

[3] Crisis Group interviews, sources monitoring developments in Rakhine, May-June 2024. Crisis Group Report, *Avoiding a Return to War in Myanmar’s Rakhine State*, op. cit.

[4] “Myanmar’s army massacred Rohingyas”, op. cit.

[5] Statement, United League of Arakan, 24 March 2024.

[6] [Tweet](#) by Twan Mrat Naing, @twanmrat, Arakan Army leader, 8:53pm, 26 March 2024. Twan Mrat Naing also mocked Rohingya fighters who were taken prisoner in Buthidaung in early May and issued an oblique warning to those siding with the military: “History teaches us the price of treachery; let it serve as a cautionary tale for those who flirt with betrayal”. See [tweet](#) by Twan Mrat Naing, @twanmrat, Arakan Army leader, 2:01pm, 6 May 2024; and [tweet](#) by Twan Mrat Naing, @twanmrat, Arakan Army leader, 1:26pm, 8 May 2024.

[7] Crisis Group interview, Arakan Army official, June 2024.

[8] “Myanmar: Armies Target Ethnic Rohingya, Rakhine”, Human Rights Watch, 12 August 2024. See footnotes 50, 51 and 53 below.

[9] Crisis Group interviews, Rohingya residents, May 2024. The Arakan Army has denied responsibility, saying the area was not under its control at the time and there were several Rohingya militant groups active in the area.

[10] “Hundreds of fleeing Rohingya reportedly killed in drone strikes in Myanmar”, CNN, 13 August 2024; and “Ethnic armed group suspected of deadly attack in Myanmar on Rohingya trying to flee fighting”, Associated Press, 11 August 2024. The Arakan Army said the deaths “did not occur in areas under our control and are not related to our organisation”. Statement, United League of Arakan, 7 August 2024.

The Arakan Army has been accused of forcibly relocating tens of thousands of Rohingya and burning down their homes.

Additionally, in neighbouring Buthidaung, the Arakan Army has been accused of forcibly relocating tens of thousands of Rohingya and burning down their homes. [1] From 24 April to 21 May, thousands of Rohingya houses were destroyed in rural Buthidaung Township; satellite images show that more than 30 villages in the area were almost totally razed. [2] Sections of the town that had escaped the earlier destruction of non-Muslim (mainly Rakhine) homes (see Section III.A above) were also damaged on 17-18 May. [3] Rohingya residents from the affected villages said Arakan Army soldiers forced them to relocate to villages farther south, close to the township border with Rathedaung, before their villages were burned to the ground. [4] They say the areas were already under Arakan Army control when the incidents occurred. [5] Rakhine and other non-Rohingya villages in the same areas appear to have suffered little, if any, harm. [6]

In denying these reports, the Arakan Army says Muslim officers in its administration encouraged Rohingya to leave their villages for their own safety in line with international humanitarian law, adding that the villages were set ablaze in the course of fighting with the military and Rohingya armed groups, through a combination of “crossfire, airstrikes and artillery shelling”. [7] The group also attributed the damage in Buthidaung town, inflicted on the night of 17 May, when the Arakan Army took the town, to “a prolonged aerial attack” by the regime. [8] They also point out that significantly less of the town was damaged on 17 and 18 May than when the military and Rohingya groups torched non-Muslim areas in mid-April, a statement confirmed by satellite imagery. [9]

As the Arakan Army imposed its administration on Rohingya villages in Buthidaung, residents have also accused it of human rights violations there. Rohingya living in at least four village tracts in Buthidaung told Crisis Group the group has forcibly recruited young men. [10] The group has responded by saying Muslim leaders had requested the “community security” training, in order to protect their villages from fleeing junta soldiers and ARSA members. [11]

Some Rohingya men said they have also been forced to provide the group with free labour. According to a resident of south-eastern Buthidaung, near Phone Nyo Leik, for the past two months the group has been demanding that the village leader provide workers to carry weapons, equipment and food, as well as to dig trenches. “If people don’t want to go they have to pay money instead. ... The [Arakan Army] is treating Rohingya like donkeys in their territory. Everyone here is panicking now”. [12] Rohingya in other areas of northern Rakhine gave similar testimonies. [13]

The combination of words and alleged deeds have fuelled polarisation and driven greater numbers of Rohingya to volunteer for the military or armed groups. [14] The group’s alleged killing of so many Rohingya civilians in Maungdaw on 5 August amid heavy fighting with the military has inflamed tensions further. For the Arakan Army to repair its damaged reputation among Rohingya in northern Rakhine and the refugee camps, it will need to go much further than it has to date, so as to show that the steps it has taken are more than token gestures.

[1] Crisis Group interviews, Rohingya residents, May 2024.

[2] “Myanmar: Armies Target Ethnic Rohingya, Rakhine”, op. cit.; and Nathan Ruser, “They left a trail of ash: Decoding the Arakan Army’s arson attacks in the Rohingya heartland”, *The Strategist*, 13 June 2024.

[3] Ibid.

[4] Crisis Group interviews, Rohingya residents, May 2024.

[5] Ibid.

[6] Ibid.

[7] Crisis Group interview, Arakan Army official, July 2024.

⁵⁹Ibid.

[9] Ibid.

[10] Crisis Group interviews, Rohingya residents of Buthidaung, May 2024.

[11] Crisis Group interview, Arakan Army official, July 2024.

[12] Crisis Group interview, Rohingya resident of rural Buthidaung, May 2024.

[13] Crisis Group interviews, Rohingya residents, April-May 2024.

[14] Arakan Army officials say they do not believe their words or actions contributed to Rohingya volunteering to join the military, because there were “already some Muslim militant groups and anti-[Arakan Army] ... extreme sentiments that could be easily manipulated for violent activities”. Crisis Group interview, July 2024.

IV. The Bangladesh Dimension

Fast-moving developments in Rakhine State have reverberated across the border in Bangladesh, both among policymakers in Dhaka and within the refugee camps that are home to almost one million Rohingya. [1] Relations between the Bangladeshi government and the Arakan Army have soured a great deal since the start of the year, while the role played by Rohingya armed groups on both sides of the border has increased the cross-border complexity of the conflict.

[1] For background on the Rohingya refugee crisis, see Crisis Group Asia Reports N°335, *Crisis Mounts for Rohingya Refugees in Bangladesh*, 6 December 2023; N°303, *A Sustainable Policy for Rohingya Refugees in Bangladesh*, 27 December 2019; N°296, *The Long Haul Ahead for Myanmar's Rohingya Refugee Crisis*, 16 May 2018; N°292, *Myanmar's Rohingya Crisis Enters a Dangerous New Phase*, 7 December 2017; and N°283, *Myanmar: A New Muslim Insurgency in Rakhine State*, 15 December 2016; and Crisis Group Asia Briefings N°155, *Building a Better Future for Rohingya Refugees in Bangladesh*, 25 April 2019; and N°153, *Bangladesh-Myanmar: The Danger of Forced Rohingya Repatriation*, 12 November 2018. See also Thomas Kean, "Five Years On, Rohingya Refugees Face Dire Conditions and a Long Road Ahead", Crisis Group Commentary, 22 August 2022; and Richard Horsey, "Will Rohingya Refugees Start Returning to Myanmar in 2018?", Crisis Group Commentary, 22 December 2017.

A. Refugee Camps as Recruitment Grounds

Prior to the outbreak of fighting in November 2023, the camps were already facing a sharp rise in violence, in part due to a turf war between two of the Rohingya armed groups, ARSA and RSO. [1] A decline in international support had also made life increasingly difficult. [2] Since early 2024, security conditions have deteriorated even further as Rohingya armed groups carry out recruitment campaigns in the camps, first seeking to enlist Rohingya men voluntarily and, when that largely failed, resorting to forced recruitment.

[3] While it is difficult to get definitive figures, at least 2,000 refugees had been recruited by mid-June, according to humanitarian workers in the camps. The real number is likely higher. [4] Most recruits appear to have been transferred to the Myanmar military, which has then briefly trained them before placing them in its Rohingya militias, primarily in Maungdaw.

The RSO has been responsible for most of the recruitment. Its conscription campaign, and its apparent collaboration with the Myanmar military, reflect growing tensions with the Arakan Army in Rakhine. The Arakan Army has long said it will never accept another armed group in Rakhine State, but when fighting broke out in November 2023, it initially appeared that the two groups had an understanding they would not attack each other. [5] As recently as March 2024, RSO officials had publicly said they "support" the Arakan Army.

[6] In mid-April, however, six RSO members were killed in a clash between the two groups in Maungdaw Township. [7] Around the same time, the Arakan Army began labelling the RSO a "junta-backed Bengali Muslim terrorist group", a term it had until then reserved for ARSA and the smaller

Arakan Rohingya Army. [8] The RSO responded by increasing recruitment and working more closely with the Myanmar military.

During May, the group held public meetings and ordered Rohingya camp officials, known as *majhis*, to compile lists of potential recruits. [9] Its members also went door to door, abducting or pressing refugees into service. These steps heightened the fear among refugees, prompting many boys and young men to hide outside the camps (which they are normally not allowed to leave). “Young people are fleeing wherever they can”, one refugee told Crisis Group, in comments echoed by other refugees and humanitarian workers.

[10] RSO has shown little regard for tender age, pressing into service refugees as young as fourteen; Crisis Group has confirmed that at least one child from the refugee camps was killed while fighting for the group in Myanmar. [11] RSO, however, has dismissed reports of forced recruitment as “baseless propaganda”, insisting that it only recruits adults. [12]

Although many refugees dislike the Arakan Army due to its public statements and reported human rights violations, the RSO recruitment campaigns have generally been very unpopular in the camps. Most refugees detest all three Rohingya armed groups for the violence and extortion they have inflicted. On 17 May, anger at forced recruitment boiled over in Camp 1, with refugees – including many women whose husbands and sons were at risk of enlistment – turning out en masse with sticks to chase away RSO members. The same scene played out each night for several weeks in that camp and others. [13] Impromptu mass mobilisation of this kind is rare, due to strict Bangladeshi state rules in the camps. These anti-RSO protests, combined with international pressure on Bangladesh to improve refugee protections, appear to have slowed the pace of recruitment since late May. But the group has kept pressing Rohingya into service, just in much smaller numbers. [14]

[1] Crisis Group Report, *Crisis Mounts for Rohingya Refugees*, op. cit.

[2] Ibid. A huge shortfall in funding in 2023 forced the World Food Programme to cut its food support to refugees by a third, from \$12 a month per person to just \$8 dollars – barely 25 cents a day. As of June, the per-person amount had risen back to \$11 per month, thanks to new pledges.

[3] Crisis Group interviews, humanitarian officials, May-June 2024.

[4] Crisis Group interviews, humanitarian officials, May-June 2024.

[5] Crisis Group interviews, sources with knowledge of the matter, May 2024

[6] In an interview with Bangladeshi media from a camp in northern Maungdaw, the group’s military commander, Ayub, said the two groups “communicate occasionally”. “We want to work together”, he added. “Jamuna TV in the rebel base in Rakhine!”, Jamuna TV, 31 March 2024 [Bengali].

[7] [Tweet](#) by RSO, @rsomedia, 5:26am, 27 April 2024; and [tweet](#) by RSO,

@rsomedia, 7:05pm, 3 May 2024.

[8] See Telegram post by Khaing Thu Kha, @khaingthukha, AA spokesperson, 3:23pm, 14 April 2024; and Telegram post by Khaing Thu Kha, @khaingthukha, AA spokesperson, 6:10pm, 24 April 2024.

[9] Crisis Group interviews, Rohingya refugees and humanitarian officials, May 2024.

[10] Crisis Group interview, Rohingya refugee, May 2024.

[11] Crisis Group interview, humanitarian official, May 2024.

[12] [Tweet](#) by RSO, @rsomedia, 7:05pm, 3 May 2024.

[13] Crisis Group interview, May 2024.

[14] Crisis Group interviews, humanitarian officials and researchers, June 2024.

B. Bangladesh and the Arakan Army

As the Arakan Army pushes into northern Rakhine State, it has faced growing challenges in managing its relationship with authorities in Bangladesh. Under Prime Minister Sheikh Hasina's government, which after fifteen years in office was toppled on 5 August by a popular protest movement, Bangladesh's policy was to not engage formally with insurgent groups in neighbouring countries.

[1] As a result, the main interlocutor with the Arakan Army has been the military intelligence service, the DGFI. For years, the two sides have maintained an amicable relationship, with the armed group allowed to move a limited number of goods across the border for humanitarian reasons and send wounded soldiers to Bangladesh for treatment. A former senior foreign ministry official told Crisis Group that relations had been "good" since 2018, particularly as the group had told Bangladesh it was committed to ensuring full rights for Rohingya people. [2] In parallel to this informal engagement, Dhaka focused its formal discussions with Naypyitaw on the issue of refugee repatriation. [3]

But the prospect of the Arakan Army establishing full control of the border changed the nature of the relationship. Since early 2024, Bangladesh security officials have pushed the group to meet with Rohingya leaders; they have also sought to make progress in negotiations on the repatriation of refugees into Arakan Army-controlled areas. [4] From the armed group's perspective, the Rohingya leaders Dhaka nominated for talks were unrepresentative of the community, and negotiations over repatriation were premature (the group continues to insist that it is not opposed to repatriation in principle). [5]

Due to these disagreements, the relationship soured badly, and a level of personal animosity developed between interlocutors from the two sides. [6] These tensions worsened as conflict escalated in Maungdaw and Buthidaung, the RSO ramped up its recruitment in camps and the Arakan Army faced allegations of abuses against Rohingya civilians. A Bangladeshi security official who follows developments in Rakhine State closely told Crisis Group in May

that the Arakan Army was “spewing hatred” of the Rohingya and committing “genocidal acts”, adding that more Rohingya were volunteering to fight the armed group as a result (see Section III.A above). “The [Arakan Army] leadership is short-sighted”, he said. “We have told them to hold meetings with the Rohingya leaders both inside Myanmar and among the diaspora, but they are not interested. They smell victory in Rakhine, and they are overconfident”. He added that the Myanmar military’s training of so many Rohingya recruits meant the Arakan Army would need to negotiate with Rohingya armed groups to “resolve the Rohingya crisis”. [7]

Meanwhile, the Arakan Army has grown frustrated at what it perceives to be Bangladeshi support for RSO. On 8 June, an Arakan Army official publicly accused the “Bangladesh regime” of supporting the Rohingya armed group’s recruitment campaign, as well as giving recruits weapons, citing news reports and tweets by journalists. [8] The Arakan Army is far from alone in believing that RSO has official backing; many Rohingya refugees and analysts share this view. [9] Formed in the early 1980s, RSO had been defunct as an armed group for at least two decades until it re-emerged in late 2022 and began challenging ARSA for control of the camps. ARSA had established a firm grip on the camps shortly after they were set up in 2017. For years, and despite much evidence to the contrary, Dhaka insisted that ARSA was not active in Bangladesh. After the group assassinated a prominent Rohingya leader, Mohib Ullah, in September 2021, it acknowledged ARSA’s involvement in the attack and began arresting the group’s members. This crackdown ramped up after ARSA killed a Bangladeshi military officer in November 2022. [10]

[1] For more on Sheikh Hasina’s downfall, see Crisis Group Statement, “[Bangladesh: The Long Road Ahead](#)”, 7 August 2024; and Pierre Prakash, “[Bangladesh On Edge after Crushing Quota Protests](#)”, Crisis Group Commentary, 25 July 2024.

[2] Crisis Group interview, former senior foreign ministry official, May 2024.

[3] See Crisis Group Reports, *[A Sustainable Policy for Rohingya Refugees](#)*, op. cit.; and *[The Long Haul Ahead](#)*, op. cit.

[4] Crisis Group interviews, sources with knowledge of the talks, May-June 2024.

[5] Crisis Group interview, Arakan Army official, June 2024.

[6] Crisis Group interviews, sources with knowledge of the talks, May-June 2024.

[7] Crisis Group interview, Bangladeshi security official, May 2024.

[8] Crisis Group notes of Arakan Army press conference.

[9] See Crisis Group Report, *[Crisis Mounts for Rohingya Refugees](#)*, op. cit.; and “Competing Armed Groups Pose New Threat to Rohingya in Bangladesh”, International Institute for Strategic Studies, 11 December 2023.

[10] Crisis Group Report, *Crisis Mounts for Rohingya Refugees*, op. cit.

Conflict between the two groups, RSO and ARSA, escalated in 2023, leading to a sharp rise in violence and crime in the camps.

Conflict between the two groups, RSO and ARSA, escalated in 2023, leading to a sharp rise in violence and crime in the camps. By early 2024, RSO had secured control of most of the 33 camps. Many ARSA members simply switched their allegiance. Their continued predatory behaviour was making RSO increasingly unpopular even before its forced recruitment campaigns. When Crisis Group interviewed Rohingya in Cox's Bazar in mid-2023, some expressed optimism that RSO would be an improvement on ARSA; today, it is rare to hear such sentiments among refugees.

To back their claims that Bangladesh is supporting RSO, both refugees and Arakan Army officials point to the fact that law enforcement agencies did not attempt to stop the group from recruiting in the camps, particularly at the peak of the forced recruitment in May. Given the presence of the Armed Police Battalion and National Security Intelligence within the camps, it seems implausible that large public meetings organised by the group took place without these forces' knowledge. [1] Armed Police Battalion officers appear to have attended at least one such meeting. [2] When lawmaker and former foreign minister Abdul Momen held a meeting in the camps in May, the head of RSO's political wing, Ko Linn, sat in the front row of the audience, directly in front of him. [3] The fact that armed groups have been able to move refugees across the border also suggests a level of collusion with local authorities, critics argue. [4]

Despite rapidly shifting developments in Rakhine State, the official position of Hasina's government toward Myanmar did not change. Even though the military was no longer in control of most of Rakhine State, Bangladesh's foreign ministry continued to push the regime to start repatriation. At a meeting in Cox's Bazar on 12 May, then-Foreign Minister Hasan Mahmud told journalists that Myanmar's internal conflict "cannot be an excuse for delaying the return of Rohingya people indefinitely". [5] In mid-July, he met the Myanmar regime's foreign minister, Than Swe, on the sidelines of a regional meeting in India and pushed Naypyitaw to start Rohingya repatriation as soon as possible. Similarly, Sheikh Hasina pressed China for help in starting Rohingya returns during a trip to Beijing in July. [6]

Dhaka also tried to block more Rohingya refugees fleeing the violence in northern Rakhine State from entering Bangladesh, although it is likely that thousands have managed to do so due to the border's porous nature. [7] One recent report suggested that as many as 5,000 had already crossed, mainly from Maungdaw, as the Arakan Army intensified its attacks. [8] Human smugglers – referred to as "brokers" – on both sides of the border are ferrying Rohingya across the Naf River for the equivalent of \$100 per person. [9] The escalation in fighting in Maungdaw in early August has prompted hundreds more Rohingya to seek sanctuary in Bangladesh.

Dhaka's new interim government, led by Nobel laureate Muhammad Yunus, is likely to take a different approach to the Rohingya and Arakan Army. Yunus is expected to relax restrictions on humanitarian activities in the refugee camps that have undermined the effectiveness of the UN-led response. [10] Meanwhile, two members of Yunus's seventeen-person cabinet – foreign adviser Touhid Hossain and textiles and jute ministry adviser Sakhawat Hossain – have publicly advocated for a new, more realistic policy toward Myanmar, including increased engagement with the Arakan Army. [11] At the same time, Yunus is unlikely to have as much influence over the military as Hasina. The DGFI and other security agencies may thus have even more scope to shape events along the border. For now, the army's post-Hasina policy toward Rakhine State remains unclear; it has removed several influential generals seen as close to the former prime minister, including the DGFI head. [12]

[1] Since a mass rally in the camps in August 2019 to mark the second anniversary of the Rohingya expulsion from Rakhine, Bangladeshi officials have placed tighter controls on public gatherings. At the same time as these meetings were taking place, 32 young Rohingya were detained for holding a seminar without permission. See “32 Rohingyas detained for holding seminar without permission in Cox's Bazar”, *The Business Standard*, 17 May 2024.

[2] Crisis Group interview, Rohingya refugee, May 2024.

[3] [Tweet](#) by Shafiur Rahman, @shafiur, journalist, 7:07pm, 12 May 2024. Momen was foreign minister from January 2019 to January 2024. As a parliamentarian for the ruling Awami League until the fall of Hasina's regime in August, he chaired the parliamentary standing committee on foreign affairs.

[4] Crisis Group interview, humanitarian agency official, May 2024.

[5] “Myanmar's internal conflict can't be an excuse for delay in Rohingyas return: FM”, *The Business Standard*, 12 May 2024.

[6] Bangladesh's foreign minister later told journalists that Chinese President Xi Jinping had promised Hasina that China would “play an important role in resolving the Rohingya problem by holding talks with Myanmar government and Arakan Army”. This comment reflects the Bangladeshi government's awareness that the Arakan Army is an important stakeholder, even though it is unwilling to establish formal ties with the group. “Xi Jinping assures continued Chinese support for Bangladesh's development”, *Bangladesh Sangbad Sangstha*, 10 July 2024.

[7] Crisis Group interviews, sources with knowledge of the matter, June 2024.

[8] “Rebel army closes in on 2 townships in western Myanmar”, RFA, 8 July 2024.

[9] “Fleeing fighting in Rakhine, Rohingya pay to be smuggled to Bangladesh”, *Benar News*, 2 July 2024.

[10] Crisis Group interview, source close to the interim government, August 2024.

[11] Touhid Hossain, “Myanmar’s civil war and our ‘neutrality’”, *Prothom Alo*, 3 May 2024, and Sakhawat Hossain, “Does the future of Rakhine lie with the Arakan Army?”, *Prothom Alo*, 2 April 2024. Sakhawat Hossain was initially appointed to oversee the home affairs ministry, but was shifted to the less important textiles and jute portfolio on 16 August after making controversial remarks about Sheikh Hasina.

[12] “Changes in DGFI senior positions and Army command”, *Somoy News*, 12 August 2024.

V. The Challenges of De Facto Autonomy

With remarkable speed, the Arakan Army has secured complete control of more than 20,000 sq km of territory in Rakhine and southern Chin States. In the coming months, its territorial footprint is likely to expand further. But while it has made major progress toward achieving its goal of creating a de facto autonomous state, and despite its experience in governing areas that were already under its control, the challenges it will face in administering this new entity are enormous.

A. Economics

State neglect has helped make Rakhine State one of the poorest areas in Myanmar, a status that has fuelled many of the grievances behind the Arakan Army’s rise as an insurgency. [1] But the region’s terrain has also played a role in its sluggish development. Comprising a fertile coastal strip interspersed with rivers and streams that rises to rugged, sparsely populated mountain ranges in the north and east, the topography has hindered links both to neighbouring states and central Myanmar. Connectivity improved greatly during the reform period of 2011-2021, as work was carried out to improve roads, build new bridges and establish the first hookups to the national power grid. [2] Internet services also arrived for the first time during this period. But even today, there are just three main roads connecting the state with central Myanmar, and links with India and Bangladesh remain rudimentary. Nearly all travel from Sittwe to northern Rakhine is still undertaken by boat.

For the Arakan Army, the path to economic sustainability in Rakhine is sure to be arduous. Many of the ways that Myanmar’s myriad ethnic armed groups typically finance themselves are not viable for the Arakan Army, mainly because it is based in Rakhine State. These revenue streams come from taxation of residents and businesses, natural resource extraction – particularly minerals and timber – and duties charged on goods passing through informal trade gates with neighbouring countries. Some ethnic armed groups are heavily involved in illicit activities such as drug production, money laundering and cyber-scam operations. [3]

Rakhine State has few easily exploitable natural resources, with the economy mainly based on agriculture and fishing. Remittances and international aid are

also important sources of support for many families. Trade with Bangladesh and India, whether formal or informal, is minimal. Neither of these countries have much experience conducting border trade with ethnic armed groups, and neither is likely to be comfortable with the Arakan Army establishing commercial gateways like those established by other ethnic armed groups along the Chinese and Thai borders. [4]

[1] The Myanmar Living Conditions Survey 2017 found Rakhine State had the second highest poverty rate in the country, at 41.6 per cent, behind only remote and mountainous Chin State.

[2] In 2011, Myanmar's military handed over power to a semi-civilian government. Led by former general Thein Sein, this government initiated social, economic and political reforms that continued under the National League for Democracy government (2016-2021).

[3] On Myanmar's illicit economy, see Crisis Group Asia Reports N°332, *Transnational Crime and Geopolitical Contestation along the Mekong*, 18 August 2023; and N°299, *Fire and Ice: Conflict and Drugs in Myanmar's Shan State*, 8 January 2019.

[4] Ethnic armed groups have run border trade gates along the Chinese and Thai borders for decades, generating revenue from taxes. Because China and Thailand operate customs posts opposite many of these gates, their data shows that the scale of Chinese and Thai commerce with Myanmar is much greater than what Naypyitaw records (although the informal trade going through the armed groups' gates is not the only reason for the discrepancy). In 2022, Myanmar reported bilateral trade with China of \$9.27 billion, while China reported \$25.11 billion; similarly, Myanmar reported bilateral trade with Thailand of \$6 billion, while Thailand reported \$8.18 billion.

By itself, taxation is unlikely to generate enough revenue to pay for what the group now needs to provide, including civil servants' salaries.

The Arakan Army says its main source of revenue is taxation of households and businesses in Rakhine State and in the Rakhine diaspora. But the conflict has caused severe disruption to the state's economy, undermining the Arakan Army's ability to generate tax income. By itself, taxation is unlikely to generate enough revenue to pay for what the group now needs to provide, including civil servants' salaries.

Naypyitaw suggests that the Arakan Army has other income sources, too. The regime has long claimed that the group is involved in drug trafficking to Bangladesh. [1] Bangladesh is a lucrative market for methamphetamines, including both yaba pills and ice, most of which is produced in Shan State, then transported across Myanmar to Rakhine and smuggled over the border to the Cox's Bazar area, before ending up for sale in various parts of the country.

[2] The Arakan Army has denied involvement in the trade, instead

blaming the military and Rohingya armed groups. If it takes full control of Rakhine State, as seems likely, and the flow of drugs continues unimpeded, it will be more difficult for the group to claim it has no connection to the supply chain.

[1] See, for example, “How to fund a war – Arakan Army officer arrested with guns, drugs in Yangon”, *Global New Light of Myanmar*, 28 February 2016; and “Undeniable facts of drug smuggling by so-called Arakan Army”, *Global New Light of Myanmar*, 28 December 2023.

[2] “Synthetic Drugs in East and Southeast Asia”, UN Office on Drugs and Crime, June 2023.

B. Future Status and Foreign Ties

Arakan Army leaders have repeatedly said they seek confederate status within Myanmar rather than independence, emulating the de facto autonomy enjoyed by the United Wa State Army (UWSA) enclave in northern Shan State. [1] But the UWSA model would be hard to copy in Rakhine. The Wa group is close to the Chinese government, and its territory is highly integrated into that country’s economy, using Chinese electricity, communications networks and even currency. Not only does the Arakan Army lack this type of relationship with either Bangladesh or nearby India, but the infrastructure for binational integration does not exist. Indeed, the Arakan Army-controlled quasi-state is something of an outlier for Myanmar, despite the country’s long history of territories outside government control. Almost all other ethnic armed group enclaves are in mountainous regions along the Chinese and Thai borders. The Arakan Army, in contrast, oversees a mainly lowland, maritime region. Aside from its northern part, Rakhine State is more enmeshed with central Myanmar than with Bangladesh. [2]

Even so, Rakhine State does have an economic asset that is of strategic importance to China. In the Kyaukphyu region, natural gas from the offshore Shwe field is brought onto land and piped to China’s Yunnan province, under a project involving state and private firms from China, Myanmar, India and South Korea. [3] Separately, state-owned firms from Myanmar and China own and operate an oil terminal on nearby Maday Island and an oil pipeline to Yunnan that runs adjacent to the gas pipeline. Beijing has much bigger plans: it is in the early stages of building a deep-sea port and special economic zone at Kyaukphyu as well as road and rail links to Yunnan that will afford China direct access to the Indian Ocean. With contracts already in place between Beijing and Naypyitaw for most of these projects, it is unlikely that the Arakan Army could become a formal partner in their development or operation. Instead, it will likely seek protection payments from Beijing or the state-owned firms involved for letting China-backed infrastructure operate unhindered.

[1] See, for example, “Confederation the only option for Arakanese people, AA chief says”, *The Irrawaddy*, 11 January 2019.

[2] This shift toward the centre accelerated significantly in the liberalisation period from 2011 to 2021. The government and private firms invested in communications, transport and electricity infrastructure, and formal banking services expanded significantly. Political reforms and the communal violence in 2012 also played an important role.

[3] On China's relationship with Myanmar, including its ethnic armed groups, see Crisis Group Asia Reports N°332, *Transnational Crime and Geopolitical Contestation along the Mekong*, 18 August 2023; and N°305, *Commerce and Conflict: Navigating Myanmar's China Relationship*, 30 March 2020; and Crisis Group Briefing, *Scam Centres and Ceasefires*, op. cit.

Building up relations with both Bangladesh and India will ... be crucial for the Arakan Army.

Building up relations with both Bangladesh and India will also be crucial for the Arakan Army. This task will require adept diplomacy, as neither of these states has until now been inclined to have more than back-channel dialogue with the Arakan Army. India has previously been the more reticent of the two, seeing the group as a proxy for Chinese interests, because the Arakan Army was established along the border with China and has close links to armed groups like the UWSA that have close ties with Beijing; proving otherwise to New Delhi will require a long process of building trust. [1] India also wants to maintain its close ties with the Myanmar military. Hence, it is reluctant to deepen engagement with groups that are in active conflict with Naypyitaw. The distrust is mutual: there is still visceral anger among Rakhine people over Operation Leech, in which Indian military intelligence courted and then betrayed an incipient Rakhine insurgency, killing six fighters and arresting more than 70 others in the (Indian) Andaman and Nicobar islands in February 1998. [2]

That said, engagement with India has already yielded results, while also hitting obstacles. India's federal system also creates opportunities for the Arakan Army to build ties with authorities in both New Delhi and Mizoram, in contrast to engaging with the unitary state in Bangladesh. Although limited, informal trade with Mizoram via Paletwa in Chin State (Myanmar) has helped moderate prices for some goods in central Rakhine. [3] The continuing vulnerability of Rakhine's supply lines, however, was illustrated when Mizoram sought to clamp down on informal trade with Paletwa as part of efforts to combat smuggling during the Indian national elections in April, leading to higher prices and shortages of some items. [4] Since late May, an influential Mizoram-based civil society organisation, the Central Young Lai Association (CYLA), has twice blockaded the road to the border to protest the Arakan Army's presence in Chin State. [5] It has since reopened for trade in food, but the CYLA continues to block shipments of fuel, medicines and agricultural inputs.

At least until the 5 August resignation of long-time Prime Minister Sheikh Hasina, India also played a major role in Bangladesh's foreign policy. New Delhi was Hasina's strongest supporter, and a central tenet of the relationship was that Dhaka would not support or publicly engage armed groups that

undermine neighbouring states. Although primarily aimed at insurgents in India's north east, this policy has also been applied to the Arakan Army. It was partly for this reason that Bangladeshi military intelligence was put in charge of managing relations with the armed group. Under Muhammad Yunus's interim government, there is now an opportunity for a more independent foreign policy that recognises the importance of the Arakan Army to Bangladesh's foreign relations and border security. The Arakan Army's relationship with Bangladesh will nevertheless depend to a large extent on how the group handles its relations with the Rohingya, as Dhaka's core concern will remain repatriation of the million-plus refugees it hosts.

[1] The Arakan Army formed in 2009 in Kachin Independence Army territory along the border with China. Over the years it has grown closer to the UWSA, however, and since 2017 has been part of the Wa-led alliance known as the Federal Political Negotiation and Consultative Committee. Of all Myanmar's ethnic armed groups, the UWSA is arguably the one closest to China.

[2] Kyaw Hsan Hlaing, "How India betrayed the Rakhine people – and why it matters today", *The Diplomat*, 10 February 2023.

[3] The Arakan Army nevertheless told Crisis Group that the scale of the informal cross-border trade it has managed to establish is "not ample for the whole local population yet, and thus we need to improve relations with neighbouring countries in order to set up a formal trading framework in the near future. ... We believe mutual trade along these borders could profit the local communities of both sides". Crisis Group interview, HDCO member, May 2024.

[4] Crisis Group interviews, humanitarian agency official and Rakhine residents, May 2024.

[5] "Arakan State residents hope to benefit as India reopens trade route with Paletwa", Development Media Group, 12 June 2024; and "Indian blockade isolates Myanmar's Rakhine, pressures Arakan Army to leave Chin State", *The Irrawaddy*, 28 June 2024.

C. Governance

The Arakan Army is struggling to build up its bureaucracy, known as the Arakan People's Government, which sits under the aegis of its political wing, the United League of Arakan. From the November 2020 ceasefire until fighting resumed in November 2023, the group had focused its attention on consolidating its administrative and judicial systems. [1] In many areas that came under its control, the Arakan Army left regime-appointed local administrators in place but had them report mainly to itself instead. The Arakan Army's parallel judicial system in much of Rakhine State also quickly supplanted official courts. But because its administrators were still nominally in place, Naypyitaw continued to provide education, health and electricity in many parts of the state that were in effect run by the Arakan Army.

Having taken complete control of at least ten townships, the group is now solely responsible for delivering public services to a large population. It has thus assumed a huge financial and staffing burden. Since fighting resumed, the regime has stopped paying civil servants in areas it has been forced out of, and it has cut off electricity as well as access to most internet and financial services. In some cases, public officials continue to teach classes and provide medical care, but do not receive a salary; instead, communities are providing them with food and accommodation. [2] Such arrangements are clearly not sustainable over the long term. For its state to be viable, the Arakan Army will need to pay salaries and provide other support for not only soldiers but also administrators, teachers, medical staff, police personnel and other officials.

Paying public officials and attracting new employees will be vital if the group hopes to address criticism of its administration, which was on the rise even before fighting resumed in 2023. Complaints have focused on corruption, the threat or use of violence to enforce decisions, and officials' perceived lack of training, knowledge and experience.

[3] The group has regularly appealed to Rakhine people, particularly those who are well-educated, to work for its bureaucracy. [4] While some have done so, the numbers are low.

[1] Crisis Group Report, *Avoiding a Return to War in Myanmar's Rakhine State*, op. cit.

[2] Crisis Group interviews, Rakhine civil society leaders, April-May 2024.

[3] Crisis Group interviews, Rakhine civil society leaders, April 2024. Crisis Group Report, *Avoiding a Return to War in Myanmar's Rakhine State*, op. cit.

[4] See, for example, "ULA invites educated youth to join administration, judiciary", Western Media, 5 March 2022 [Burmese].

Service delivery in many parts of the state has been almost non-existent since the resumption of fighting.

In parallel to its military operations, the Arakan Army is seeking to restore services in areas where it already had an administration in place and to expand its bureaucracy to newly controlled areas. In addition to lack of resources, the constant threat of airstrikes means that progress has been hard. [1] Service delivery in many parts of the state has been almost non-existent since the resumption of fighting. [2] "The entire administrative mechanism is already destroyed", a Rakhine politician said. "The ones who suffer the most are the civilians". [3]

Battlefield successes have muted criticism from Rakhine people of the Arakan Army's bureaucratic shortcomings, as well as its inability to alleviate the high food prices and other burdens inflicted by the military. [4] But it is unclear how long this honeymoon period will last. Managing the expectations of urban

dwellers will be particularly difficult. [5] “The [Arakan Army] will just keep dragging and pulling everyone along its revolutionary path”, the same politician said, “but I wonder how long the people will be able to remain steadfast”. [6]

The expansion of Arakan Army control is also likely to have major repercussions for the role of women, particularly in decision-making. Like most societies in Myanmar, Rakhine State’s is highly patriarchal, with traditional gender roles still prevailing. But the liberalisation period of 2011-2021 created new opportunities for Rakhine women to become politically, economically and socially active. Although men continued to dominate, women participated in new political parties and civil society organisations, and they were also able to gain access to new economic and education opportunities.

The Arakan Army – which like most military organisations is dominated by men – will need to take these new realities into account. Although appearing to have more women soldiers than most other armed groups in Myanmar, the Arakan Army mainly consigns them to the lower ranks. Furthermore, the group is authoritarian, affording little space to other civil society or other political forces. Lack of access to communications, banking services and education due to the blockade is likely to exacerbate the gender opportunity gap. The Arakan Army says its ideology is to promote meritocracy in its armed, political and administrative wings, but admits that it has run into challenges trying to “liberate women” in the deeply conservative Rohingya community. [7]

[1] Crisis Group interview, Arakan Army officer based in Mrauk-U, May 2024.

[2] Crisis Group interview, Arakan Army official, May 2024.

[3] Crisis Group interview, Rakhine politician, May 2024.

[4] Among numerous examples, a promised early warning system for airstrikes seems not to have arrived. “AA plans installing airstrike early-warning system in captured townships”, *Narinjara*, 9 March 2024.

[5] When the Arakan Army’s offensive meant that the group might strike at Sittwe, many wealthier residents opted to leave for Yangon, while poorer families had little option but to seek sanctuary in areas controlled by the group.

[6] Crisis Group interview, Rakhine politician, May 2024.

[7] Crisis Group interview, Arakan Army official, July 2024.

D. Humanitarian Crisis

Fighting in Rakhine has taken a toll on everyone in the state, stirring fears that a humanitarian catastrophe could be looming. The military’s blockade has sent

food prices soaring at a time when most people are out of work. Many cannot get into their bank accounts and are selling off assets to get cash for essentials.

[1] Humanitarian access to the state, however, is extremely limited due to the restrictions imposed by the junta, while the UN has pulled out many of its staff for security reasons. As a result, many communities have simply been left to fend for themselves.

Of greatest concern are those displaced by fighting. The United League of Arakan's HDCO reported on 27 May that 570,000 people are now displaced within its territory, including people forced from their homes due to earlier bouts of armed conflict and communal violence. [2] The Arakan Army has provided the displaced with aid, but it has few resources, and with the monsoon setting in living conditions are likely to deteriorate in the coming months. HDCO estimates that 80 per cent of those displaced are "in dire need of emergency assistance" and most are also "woefully unprepared" for the rainy season, which started in June. [3] This already dire situation is made worse by the collapse of the health system, which has left around 1.6 million people in the centre and north of state with no access to hospital care. [4] Reports of preventable deaths, many of them due to waterborne diseases like diarrhoea, or maternal deaths due to a lack of antenatal care, are growing. [5]

[1] See, for example, "Arakan State residents sell gold as livelihood hardships mount", Development Media Group, 30 May 2024.

[2] "Humanitarian Report: Arakan", op. cit. Around the same time, the UN put the figure at "well over 350,000", including around 185,000 newly displaced since November, but it has since revised it up to around 500,000 displaced in total. "Myanmar Humanitarian Update No. 39", op. cit.

[3] "Humanitarian Report: Arakan", op. cit.

[4] "Myanmar Humanitarian Update", op. cit.; and "MSF teams face obstacles providing medical care to communities in Rakhine state", Médecins Sans Frontières, 12 July 2024.

[5] "Nearly 80 die in 3 weeks at Myanmar refugee camps: aid workers", RFA, 22 April 2024.

The fighting and trade blockade will ... hamper agricultural production in Rakhine State, further worsening food insecurity.

The fighting and trade blockade will also hamper agricultural production in Rakhine State, further worsening food insecurity. Cultivation of the monsoon paddy crop should have begun in June, but many farmers cannot afford seeds, fertiliser and fuel for machinery – if they can even find them. [1] Some are predicting a decline in paddy production of as much as 50 per cent for the next harvest. [2] Many people are also scared to venture out of their villages for work due to the risk of landmines and unexploded shells – some of which are

reportedly lurking in paddy fields – with media outlets reporting casualties on a regular basis. [3]

While everyone is affected, the Rohingya are particularly vulnerable. Many were heavily dependent on international aid prior to November and have received little support since then due to regime restrictions, including the roughly 130,000 Rohingya who have lived in camps on the outskirts of Sittwe since the intercommunal conflict in 2012. Rohingya are also the most likely to have been displaced by recent fighting; figures from HDCO show that Buthidaung, Maungdaw and Pauktaw, all of which have sizeable Muslim populations, have been the most affected in terms of displacement. [4] Villagers in southern Buthidaung, where the Arakan Army relocated Rohingya during April and May, are facing especially trying conditions, as they are receiving little or no external aid to support the newcomers they have been asked to shelter. [5] Rohingya in parts of Kyauktaw and Maungdaw that have recently come under Arakan Army control told Crisis Group that they, too, were running out of food. “It’s an emergency now”, pleaded a Rohingya resident of a village just north of Maungdaw. “Please pray for us”. [6]

[1] “AA says it will help beleaguered farmers grow paddy”, Development Media Group, 10 June 2024.

[2] “Myanmar’s Rakhine spiralling into hunger as 50% drop in rice harvest predicted”, *The Irrawaddy*, 17 June 2024.

[3] “Regime battalion in Ponnagyun plants landmines in nearby paddy fields”, Development Media Group, 28 December 2023; and “Landmine threats loom in Rakhine State, 3 persons lose legs within 2 days”, *Narinjara*, 9 May 2024.

[4] “Humanitarian Report: Arakan”, op. cit.

[5] Crisis Group interview, Rohingya resident of rural Buthidaung, May 2024.

[6] Crisis Group interview, Rohingya resident of rural Maungdaw, April 2024.

E. Communal Relations

The recent ethnic tensions between Rakhine and Rohingya in Maungdaw and Buthidaung Townships are not unique to western Myanmar: for decades, ethnic armed groups across the country have faced resistance from other minorities who feel that the rulers in their area do not represent their communal interests. The Myanmar military, meanwhile, has a long history of capitalising on these ethnic and religious divisions for its own benefit. [1]

For the past few years, the Arakan Army has courted the Rohingya in the areas it controls, attempting to show them that it offers better prospects than the Myanmar military. The group primarily used this strategy in areas where Muslims were a minority, however, and thus encountered little pushback.

Administering Maungdaw and Buthidaung will present a different challenge, particularly if Rohingya armed groups remain active after the military has been forced out of the area. While Rohingya-Rakhine relations do not appear to have deteriorated to the same extent in other parts of the state, tensions could start rising elsewhere if the Arakan Army does not manage Rohingya communities in a manner that respects their human rights.

Although on a lesser scale, the Arakan Army may face similar resistance in seeking to consolidate its control of territory in southern Chin State, along the Indian and Bangladeshi borders. Rakhine people make up just 20 per cent of the population in Paletwa, living mainly in the Kaladan River valley; nearly all the rest are Khumi Chin, who live in mountain villages. To justify its presence, the Arakan Army has claimed the region was once part of the Mrauk-U kingdom that ruled much of today's Rakhine State from the 15th to 18th centuries. [2] But its seizure of the township has provoked anger among some Chin groups, who have described it as little more than an "invasion". [3] The head of the Chinland Council has urged the Arakan Army to resolve the dispute through dialogue, warning that its sudden dominance will "create division" between the ethnic groups. [4] The Khumi Chin have long accused the Arakan Army of forced recruitment and other rights violations. [5] Other Chin groups have sided with the Arakan Army, which has provided them with weapons and training; in June, they launched a joint offensive to capture neighbouring Matupi Township.

[1] For a detailed examination of this phenomenon, see Crisis Group Asia Report N°312, *Identity Crisis: Ethnicity and Conflict in Myanmar*, 28 August 2020.

[2] Under colonial rule, Paletwa was known as the Arakan Hill Tracts. British officials noted the presence of Rakhine, whom they posited had been sent there by Mrauk-U to control the mountain tribes.

[3] "Chin civil society organisations respond to Arakan Army policy", Khonumthung Burmese, 7 March 2024 [Burmese].

[4] "ULA/AA's implementation of administrative plans in Paletwa is not the right path, says Chinland Council Prime Minister", Khonumthung Burmese, 11 March 2024 [Burmese]. The Chinland Council is an interim administration backed by the ethnic armed group Chin National Front, which established it after falling out with the National Unity Government-backed Interim Chin National Consultative Council. See "A house divided: Chin State's rocky politics", *Frontier Myanmar*, 15 October 2023.

[5] In early May, 89 people fled from Paletwa to India's Mizoram state, reportedly to escape Arakan Army recruitment. "95 more Myanmar refugees enter Mizoram to avoid 'forceful' induction in militant outfit", *The Morung Express*, 8 May 2024.

F. Ending the Conflict

Much will also depend on how the conflict in Rakhine State ends and what – if any – *modus vivendi* is reached between the Arakan Army and Myanmar's military. With the Arakan Army so close to taking over the entire state, near-term prospects for a ceasefire appear dim. Arakan Army officials told Crisis Group that they viewed the military's blockade of Rakhine as a tactic to force

the group to the negotiating table, adding that they were determined to resist this pressure.

In May, Beijing brought the two sides together for talks in Kunming, China, but they were a long way from an agreement. In particular, the military refused to accept the Arakan Army's demand that it withdraw from the state. While Beijing essentially forced a ceasefire agreement in January to end fighting on its frontier, in northern Shan State, it has not been as determined to broker an agreement in western Myanmar. China has strategic investments in Rakhine State, but the fighting is taking place far from its border, and Beijing seems confident that it can work with whomever comes out on top.

A ceasefire could bring major benefits for the Arakan Army, however. As noted earlier, Rakhine State is heavily dependent on central Myanmar for all essential commodities, and the military's blockade has driven up prices and created shortages. Naypyitaw also controls the provision of electricity, communications and banking services throughout Rakhine: it can turn them on and off at will. A deal that ends the threat of airstrikes would have tangible and psychological benefits, enabling the Arakan Army's administrative wing to roll out services without fear of being targeted by the regime. It would also likely give Dhaka and New Delhi more confidence to engage with the group.

As the Kunming talks illustrate, such a ceasefire would almost certainly require the Arakan Army to make important concessions, such as allowing the military to keep a toehold in parts of the state. Without these concessions, there is little incentive for the military regime to end its host of restrictions and fully normalise economic relations with Arakan Army-controlled areas.

Even if the military is forced out of Rakhine, the conflict is unlikely to end.

But striking such a deal will not be easy. Although it is losing on the battlefield, the regime is not desperate for a truce. Regime chief Min Aung Hlaing harbours an intense dislike of the Arakan Army, and he may be reluctant to agree to a ceasefire at this juncture because it would amount to recognition, even if informal, of the group's territorial gains. "In the past the [regime] was interested in a ceasefire, but they've run out of patience", said a person close to the regime. "Things can't go back to the way they were before Operation 1027, when a ceasefire was in place". [1] Even if the military is forced out of Rakhine, the conflict is unlikely to end; the source close to the regime says the military views its losses in Rakhine as temporary and harbours ambitions to regain territory. "Naypyitaw's calculation is that because of conscription they will get 4,000 or 5,000 new soldiers every month", this person said. "That will enable them to launch a major offensive in Rakhine". [2] One caveat is that the regime's calculation could change if Min Aung Hlaing, whose position has been weakened by cascading setbacks, were removed as military chief.

For now, though, the most likely outcome for the Arakan Army is that it will face the military's land and sea blockade indefinitely, which will starve the people of Rakhine of essential goods and services. Staff at the HDCO told

Crisis Group that the group “realise[s] having these services is critical for our population’s daily lives and access to the rest of the global community. ... We need to find ways to resolve these issues”. [3] The group’s main hope of reducing Rakhine’s reliance on central Myanmar is to expand trade via Bangladesh and India, as mentioned above.

The Arakan Army is also pursuing another strategy to undermine the regime’s blockade. For several years, it has been supporting resistance groups formed since the coup that are based on Rakhine State’s periphery, particularly in southern Chin State, western Magway Region and western Ayeyarwady Region. The most powerful of its new allies are the Yaw Defence Force, based in Magway, and the Chin Brotherhood Alliance; both joined it in a recent offensive in Matupi, which they captured at the end of June. For the Arakan Army, this offensive was aimed at opening new supply lines from central Myanmar into Rakhine. The Arakan Army is likely to expand its support to these groups – through the provision of training and weapons – with the express goals of weakening the military around the borders of the state and poking holes in the blockade. The military’s defence industry facilities in western Magway Region, on the other side of the Rakhine mountain range that separates the state from central Myanmar, could become a target for the group and its allies.

[1] Crisis Group interview, source close to the regime, June 2024.

[2] Ibid.

[3] Crisis Group interview, HDCO member, May 2024.

VI. Toward Stability in Rakhine State

Although the conflict is far from over, the Arakan Army’s battlefield successes have already delivered it control over a large chunk of territory, which comes with heavy responsibilities. To provide stability for the statelet it is seeking to establish, the group now must find a way to govern all the people who live there, navigating a set of complex political, diplomatic, economic and social issues. Outsiders, including neighbouring states, donors and diaspora communities, also have an interest in and can contribute to this effort.

A. Relations with the Rohingya

The Arakan Army’s priority as a de facto government should be to de-escalate conflict with the Rohingya. The Myanmar military bears the most responsibility for stoking intercommunal tensions in northern Rakhine State, but the Arakan Army’s response has made matters worse. Its inflammatory statements have not only alienated many Rohingya but also undermined its own standing with the Bangladeshi government and security forces. More gravely, allegations of serious human rights abuses levelled against the group’s troops in Maungdaw and Buthidaung have aided the Myanmar military and Rohingya armed groups in their recruitment drives. The Arakan Army might now be able to defeat the Myanmar military in northern Rakhine but end up facing a determined Rohingya insurgency, deepening intercommunal rancour

and suffering for civilians of all ethnic and religious backgrounds.

What Arakan Army leaders say and what their troops do in the coming weeks as they take full control of northern Rakhine State could have consequences for years to come. Until the alleged attack on civilians on 5 August, the group appeared to be taking a more cautious approach to the use of force in Maungdaw than it did in Buthidaung, in an effort to limit civilian casualties. Beyond the harm that it did to the victims and their families, that attack (assuming it continues to be widely ascribed to the Arakan Army) will make it more difficult to build trust with the Rohingya both inside Rakhine State and among the diaspora. Further such incidents will be more damaging still, at a time when the Arakan Army should be looking for ways to give the Muslim minority stronger reasons to adhere to its political project.

Against this backdrop, the Arakan Army needs to take immediate steps to ensure that its troops are not involved in human rights violations. It should, in particular, urgently publicise a clear code of conduct for its soldiers, commit to supporting an independent investigation into allegations of wrongdoing by its forces, and take clear, visible and proportionate action to punish any offenders. Perhaps the most concrete and immediate way to begin addressing the allegations that its forces were responsible for the destruction of dozens of villages in Buthidaung would be to allow Rohingya to return to those areas and provide assistance for rebuilding.

To defuse tensions, talks between the Arakan Army and prominent Rohingya leaders will ... be essential.

To defuse tensions, talks between the Arakan Army and prominent Rohingya leaders will also be essential. Although the absence of unified Rohingya leadership complicates matters, Arakan Army commanders should establish a regular dialogue with moderate voices both within the state and in the diaspora to help overcome rising mistrust on both sides. Such talks are unlikely to succeed, however, if the two parties focus on the issue of whether to recognise that the Rohingya have a distinct ethnic identity, because it invariably descends into debates over the historical record; as a first step, the focus should instead be on mitigating tensions in northern Rakhine State, as well as on improving conditions for the Rohingya and prospects for repatriation. Arakan Army leaders should steer clear of making further inflammatory remarks, immediately and permanently stop using the term “Bengali” – as they appear to have done – and avoid initiating or being drawn into debates over ethnicity and identity.

In order to stabilise intercommunal relations, the Arakan Army should work to tamp down anger among Rakhine civilians at the Rohingya to avert the possibility of violence flaring up between civilians. It should also integrate more Rohingya into its administration, including at higher levels, and more clearly articulate its commitment to respecting the rights that Rohingya are entitled to enjoy and that the Myanmar state has long denied them, such as freedom of movement, access to employment, education and livelihood opportunities, and other essential services. Although it has already done these things to some extent in areas it governs, the group needs to ensure that

honouring rights is standard practice, including in places that have recently come under its rule. Working with Rohingya and humanitarian groups to begin closing camps where up to 130,000 Rohingya have been confined since 2012 would be a powerful demonstration of intent. As part of this project, the group would need to provide relocation support or help humanitarian agencies supply it.

Rohingya leaders need to play their part. It is important that the diaspora keep in mind that relations between the Arakan Army and the Rohingya can be improved so long as the military is not stirring up conflict between them. Leaders should take care not to post misleading and potentially inflammatory information online regarding communal dynamics in Rakhine State. Whether in the diaspora, within refugee camps and, to the extent possible, in Rakhine State, they should work on putting together a genuinely representative body for their community that can serve as a credible interlocutor.

B. Bangladesh's Role

Even as it grapples with huge domestic challenges following the ouster of Sheikh Hasina's regime, Bangladesh's new interim government has a major role to play in stopping tensions between the Arakan Army and the Rohingya from getting worse. For a start, Bangladesh should support the process of creating a Rohingya leadership body to engage the Arakan Army. It should loosen restrictions on civil society activity in the refugee camps, instead of continuing the former government's practice of handpicking representatives with limited popular support.

Dhaka and its law enforcement agencies should continue their recent efforts to prevent Rohingya armed groups from recruiting in refugee camps, while also working to stem their sources of funding and weapons and generally reduce their influence. Community leaders in these camps are best placed to lead a campaign to discourage Rohingya from voluntarily joining Rohingya armed groups, but to do so they will need backing from Bangladeshi state and security officials; on their own, imams, *majhis* and other influential individuals may not be able to defy armed groups like RSO.

It is also in Dhaka's interest to ensure that the humanitarian crisis in Rakhine State does not worsen. While declaration of a formal "humanitarian corridor" is unlikely because of resistance from Naypyitaw, Dhaka could quietly allow essential goods across the border in cooperation with local and international organisations.

The Myanmar military is unlikely to reverse its losses in Rakhine ... meaning that the Arakan Army has become an inescapable interlocutor for Bangladesh.

More broadly, Bangladesh needs to consider how best to respond to the new reality in Rakhine State. The combination of a new government in Dhaka and the military's imminent defeat in Maungdaw offers an important opportunity for a reset with the Arakan Army. Although sending Rohingya refugees back to Myanmar understandably remains Dhaka's primary goal, its immediate priority should be building stability in northern Rakhine, if only to make repatriation a more realistic prospect down the line. The Myanmar military is unlikely to reverse its losses in Rakhine in the short term, meaning that the

Arakan Army has become an inescapable interlocutor for Bangladesh. Dhaka may not yet feel comfortable formally and publicly engaging the group, especially after the strains of the past six months. But it should not devolve all the responsibility for managing such an important relationship to its military intelligence apparatus. It could instead look to mediation by a third party – perhaps a non-state actor acceptable to both sides – in order to build trust.

In addition to setting coherent policies, it will be important to improve coordination between the interim government and security agencies on Rakhine and the Rohingya. Under Sheikh Hasina, security agencies pursued a range of strategies, some of which were at odds with each other and may have run counter to Bangladesh's interests. The interim government should urgently appoint a defence and national security adviser to oversee intelligence and security agencies on the government's behalf and lead policy implementation on Rakhine State and the Rohingya. This appointment will be important for transparency and accountability, as well as for ensuring that agencies' activities are contributing to a broader strategy rather than undermining it.

Dhaka can serve its own interests by helping the Arakan Army build a more stable and economically secure statelet. Quietly opening the border to trade, for example, would help the group reduce its dependence on central Myanmar for basic goods, which will be key to the group's efforts to build an economically viable enclave. Improved economic conditions in Rakhine will be a prerequisite for repatriation: the Arakan Army is hardly likely to take back refugees if its enclave cannot supply necessities. Similarly, Rohingya are not going to return voluntarily to such circumstances.

C. Foreign Relations

Given its enclave's location proximate to several important regional powers, the Arakan Army will need to show a high degree of flexibility and pragmatism in its cross-border relationships. To some extent, it has already started displaying these qualities through its engagement with India – despite lingering suspicions between the two – as well as its initial attempts to avoid conflict with RSO out of concern for the impact on ties with Bangladesh. But the group should do more, broadening its engagement beyond the Bangladeshi and Indian security forces, and engaging with think-tanks, civil society groups and other influential actors.

China, which has major economic and strategic interests in Rakhine State, should continue to facilitate talks between the Arakan Army and the Myanmar military. A deal is unlikely in the immediate term for the reasons adduced above, but it cannot be ruled out completely, particularly if there are changes at the top of the military regime. Keeping channels of dialogue open is therefore important. For its part, should the contours of a credible deal emerge, the Arakan Army should put bringing relief to a population stricken by violence and economic hardship over pursuing its maximalist goal of erasing the military's every trace.

While other international actors have less influence with the conflict parties than Myanmar's neighbours, they still have an important role to play. To begin with, they should boost support for Rohingya in the sprawling camps in Bangladesh. They need to maintain support for the Rohingya response; cutting aid risks prompting more young

men to join the ranks of armed groups, if only to get a steady wage. Those with the most sway over Bangladesh, particularly the U.S., the European Union and India, should press Dhaka to take stronger action against armed groups, which are inflicting misery and undermining the civilian character of the refugee camps. They should also support protection organisations that monitor for threats and violence against refugees, and provide safe houses and other support to those at risk.

Foreign governments and the UN should press Bangladesh to allow greater humanitarian flows across the border.

Donors should also continue providing aid to the people of Rakhine State, starting with the Rohingya internment camps around Sittwe. While there is little hope of the junta allowing aid into areas it does not control, foreign governments and the UN should press Bangladesh to allow greater humanitarian flows across the border. Absent permission from the national government, there may be legal issues to work out, and donors should look to other precedents for the provision of cross-border assistance for guidance. Donors and humanitarian organisations will have to work more closely with the Arakan Army to ensure that relief supplies coming from Bangladesh reach members of all ethnic communities. They should see to it that aid is distributed fairly and on the basis of need. They should make clear to the Arakan Army the importance of ensuring that its forces immediately cease abuses against civilians. They should also press the group to allow an independent investigation into reported abuses against Rohingya.

Donors should also strive where possible to sustain Rakhine media organisations, civil society groups and political parties, enabling them to act as checks and balances on the Arakan Army, which is in the process of establishing what appears to be a one-party statelet. Although the group sees these other actors primarily as threats to its power, donors should make clear that allowing them space to operate will be important over time to building legitimacy. Donors should also promote the role of women within these organisations in an effort to counteract the ways in which leadership opportunities for women have declined due to conflict.

International actors also need to be more systematic in acknowledging the impact that conflict is having on all the communities of Rakhine State. There remains a tendency to focus on the Rohingya because they are particularly vulnerable and because the 2017 atrocities committed against them have been so widely and appropriately publicised. Incidents like the early August attack are cause for concern in themselves and understandably evoke memories of 2017. Still, armed conflict has many victims in Rakhine State. Since the 2021 coup, the regime has targeted Rakhine people with its airstrikes and abuses – including massacres. ^[1] Attention to this reality helps illuminate the full humanitarian picture in Rakhine state. It is important as well not to compound longstanding Rakhine grievances over the way their community has been portrayed internationally, particularly vis-à-vis the Rohingya.

Finally, as outside actors consider how to work with the Arakan Army on the full range of humanitarian and security issues that affect Rakhine State, they will almost certainly wrestle with fundamental issues arising from the group's

status as a non-state group. As Crisis Group has previously noted, the international system is predicated on bilateral and multilateral relationships among nation-states, and outside actors may worry about the precedent they are setting, particularly if they are contending with their own insurgent or separatist groups. [2] Still, there is no way for outside actors to steer around the growing likelihood that most of if not all of Rakhine State will emerge as an autonomous entity under the Arakan Army's de facto authority. The greatest potential for positive impact on humanitarian, security and other issues of mutual concern is therefore likely to require some innovation in traditional approaches to partnering with local actors – which will need to be explored with prudence, and mindful of conflict, human rights, and legal considerations that may arise.

[1] Arakan Army figures put the number of civilian deaths between November 2023 and May 2024 at 268; of the victims, it reported that about 68 per cent were Rakhine. This data should be seen as indicative only; nevertheless, Rakhine State has seen intense aerial bombardment, particularly since November 2023. Of the 1,100 airstrikes carried out between November and July, around 20 per cent targeted Rakhine State. “Humanitarian Report: Arakan”, op. cit.; and “Myanmar: Armies Target Ethnic Rohingya, Rakhine”, op. cit.

[2] Crisis Group Briefing, *Ethnic Autonomy and Its Consequences*, op. cit.

VII. Conclusion

After lightning advances across much of Rakhine and southern Chin States, the Arakan Army now controls the largest territory, both by population and area, of any of Myanmar's non-state armed groups. This military gain comes with huge political responsibilities. The Arakan Army faces formidable challenges as it seeks to steer Rakhine toward an autonomous future. The group will have to navigate complex geopolitical, economic and communal questions in the years ahead if it is to stabilise the state, protect its people and build a viable administration. Given Rakhine State's location and its unique conditions, there is no blueprint in Myanmar for how the Arakan Army can meet this challenge.

Chief among its tasks will be rebuilding trust with the Rohingya, some of whom now see the group as a greater threat than Myanmar's military regime. Recent months have seen major damage to intercommunal relations. While the military bears much of the blame for this development, the Arakan Army's rhetoric and alleged abuses have added fuel to the fire. The relationship between the Arakan Army and the Rohingya is not set in stone as violent or adversarial, however. The Arakan Army has an opportunity to show it can govern for all people in Rakhine, but it needs to signal with some urgency that it intends to do so, including by taking care to protect Rohingya civilians.

The Arakan Army's territorial expansion is also a challenge for its neighbours and other foreign states and bodies. The armed group's military strength and popularity – in contrast to the weakness of the junta in Naypyitaw and the opprobrium in which it is held – mean that its proto-state is likely to endure,

even if it struggles to govern effectively and deliver for its people. As they navigate the challenges created by the likely emergence of a new statelet on Myanmar's western periphery, Bangladesh, India and others should find ways to engage with the Arakan Army's leadership in order to advance their own interests and those of the people of Rakhine State, not least by preventing a humanitarian catastrophe on their doorsteps.

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