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House Committee on Homeland Security

Hearing on **“ISIS in the Pacific: Assessing Terrorism in Southeast Asia and the Threat to Homeland Security”**

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Chairman King, Subcommittee Ranking Member Higgins, Full Committee Ranking Member Thompson, distinguished members of the subcommittee, I am grateful for this opportunity to testify today on this important issue.

From the start, the Islamic State of Iraq and Al Sham, otherwise known as IS, ISIS, ISIL or Dae’sh, has had global ambitions. It has long stated its goal is to endure and expand. It has sought to find fertile new safe havens and high profile targets to attack for a long period of time and has committed resources to achieving that outcome, targeting various populations around the world with its powerful messaging.

In Iraq and Syria, ISIS is under siege on multiple fronts. In recent months it has suffered a number of high profile defeats and has given up substantial amounts of land to

its various adversaries.¹ As ISIS is squeezed within its self-proclaimed Caliphate, the importance of finding new safe havens and new targets increases, in order to escape allied bombing campaigns and to reinforce the narrative of success.

South-East Asia (SE Asia) is a tempting prize for ISIS, and the possibility of them gaining a stronghold there is deeply concerning. SE Asia is home to large Muslim populations, including the world's largest Muslim-majority country: Indonesia. The region also has a history of Islamic motivated insurgencies, terrorist attacks, and for a time a declared caliphate.

The recent bold attack by ISIS aligned terrorists in Jakarta, along with indications of additional planning activity in the Philippines, Malaysia and Thailand, appear to indicate an increase in interest and success by ISIS in establishing itself there. Calibrating the level of threat that they pose requires consideration of a number of factors, both encouraging and concerning. My testimony today is separated into four parts: first I will present some broad history and context of the roots of modern terrorism in SE Asia. Then I will present several reasons for why the nature of the SE Asian region will limit ISIS' success there, followed several reasons to be concerned. Finally I will provide an assessment of how we should balance those opposing factors.

History and Context

As stated above, ISIS has been open about its ambition to expand its reach globally. SE Asia is an attractive target for ISIS ambitions due to the large Muslim populations, history of terrorist activity and a long standing desire by groups in the region to establish a SE Asian Caliphate. Indeed, for a time a caliphate was declared over territory seized by Islamic militants from the group Darul Islam (DI).

DI was an Islamic insurgent movement that grew during World War 2 in opposition to Dutch rule in Indonesia. Following the declaration of Independence in 1949, DI found itself at odds with the new Indonesian government and used the political instability and weak governance of the time to grow in influence. By the late 1950's, DI controlled extensive territory in West Java, South Sulawesi and Aceh provinces and declared the establishment of an Islamic State of Indonesia.

Following an attempted assassination attempt on Indonesia's first president, Sukarno, the Indonesian Government cracked down on the group. By the late 1960s, the group had been effectively destroyed, but remaining elements went underground and scattered to other SE Asian countries. These remnants sought to carry out small terrorist

¹ Liz Sly, "In Syria and Iraq, the Islamic State is in retreat on multiple fronts" for *The Washington Post*, March 24, 2016, accessed at https://www.washingtonpost.com/world/middle_east/in-syria-and-iraq-the-islamic-state-is-in-retreat-on-multiple-fronts/2016/03/24/a0e33774-f101-11e5-a2a3-d4e9697917d1_story.html

attacks – often against religious targets – and retained a dream of establishing a true Caliphate across SE Asia.²

In the 1990's, remnants of that movement developed into another group with similar goals, known as Jemaah Islamiyah or JI. JI formed a transnational network across SE Asia, and sent fighters to camps in Afghanistan. Following the forced resignation in 1998 of Indonesia's second authoritarian President, Suharto, JI fighters returned to Indonesia and renewed insurgencies in several provinces and plotted major terrorist attacks. JI was responsible for a number of high profile terrorist attacks across SE Asia, including the Bali Bombings in 2002 and 2005, and in Jakarta the bombing of the Australian Embassy in 2004 and several international hotels in 2005 and 2009. Following the first Bali Bombing, the Indonesia Government once again cracked down on the militants, and after a series of high profile operations, many of its leaders were killed or captured with little of the group remaining today.

The legacy of these groups are an important element of an examination of terrorism in SE Asia today. As with DI, key leaders and veterans of JI went to ground, and are now reemerging as central players in the current evolution of militant groups. It is also worth noting that those areas once controlled by DI harbor lingering Islamic movements seeking autonomy, which have on occasion broken out into open insurgency or religious violence.

On the morning of Thursday, 14 January 2016, a suicide bomber detonated his charge in a Starbucks coffee house in downtown Jakarta. Gunmen then seized civilians in the street outside and engaged in a firefight with Police, throwing several homemade grenades and firing assault rifles. The attack ended with four civilian deaths, 23 injured and the killing of five terrorist attackers. The style of attack differed from previous terrorist incidents in Indonesia, which often involved targeting of buildings frequented by foreigners with sophisticated car bombs. In the early 2000s, religious buildings and symbols such as churches were often a focal point of violence, while more recently attackers have gone after Indonesian police and authorities. This assault clearly sought to imitate the Paris attacks, but were ineffective and amateurish. Nonetheless, they were bold and brazen, and show a degree of sophistication in planning and coordination, and would have required substantial local support and networks to execute.

With a new terrorist threat emerging at the same time that foreign fighters are travelling to and returning from an overseas jihadist battleground, there are worrying echoes of JI's rise in the early 2000s. To understand the implications of this attack, it is necessary to consider how ISIS has gone about expanding its global reach.

ISIS achieves this goals through several means. In Iraq and Syria, their forces infiltrated governments and societies, and brought them down from the inside when the time was right. This approach has been highly successful in weakly governed regions, and

² Fancisco Galamas, *Terrorism in Indonesia: An Overview*, for Instituto Espanol de Estudios Estrategicos, Research Paper 04/2015, accessed at http://www.ieee.es/en/Galerias/fichero/docs_investig/2015/DIEEEINV04-2015_Terrorismo_en_Indonesia_FcoGalamas_ENGLISH.pdf

ISIS has sought to destabilize some areas in order to create the conditions for their success. Beyond their immediate area of interest, however, ISIS has expanded predominately by accepting the allegiance of local groups seeking to align with the most successful jihadi brand. This approach can be seen occurring in SE Asia with the likes of the Abu Sayyaf Group (ASG) in the Southern Philippines: an Islamic group that has sworn allegiance to ISIS, but who's fight for autonomy is decades old and the alignment with the current terrorist super group is likely a pragmatic move as much as ideological one.

ISIS has been able to directly support terrorist attacks using returned foreign fighters in areas that can be easily travelled to from their main area of operations – in particular Europe and North Africa. Attacks that have been attributed to ISIS in more distant locations, such as the United States and Australia, have generally been conducted by 'self-starter' lone wolves – individuals or small groups inspired by ISIS rhetoric but lacking in direct support or training.

SE Asia has been an objective for ISIS for some time, aggressively targeting the region with media and messaging developed in local languages and style to appeal to SE Asian populations. There are some segments of the population for whom this has been a clarion call. A number of groups in the region have sworn allegiance to ISIS and there have been public rallies where thousands have declared their support for the terrorist group. There are approximately 3,000 pro-ISIS websites in SE Asia, with more than 70% coming from Indonesia. Worryingly there are reportedly 700 Indonesians who have travelled to Syria and Iraq to fight with ISIS, nearly double the 400 that travelled to Afghanistan in the 1990s. There are also reportedly around 100 Malaysian and 100 Filipinos, enough to form a SE Asian battalion there, known as Katibah Nusantara.³ While there are some indications these numbers may be inflated, there have also been several hundred who have been detained before they could leave their home country. It can also be assumed that there are even more individuals and groups with a broad sympathy to the goal of reestablishing a caliphate in SE Asia, even if they don't completely agree with ISIS's methods.

Reasons for optimism

The parallels with the emergence of JI and signs that ISIS is gaining some traction amongst local populations are concerning, but there are several reasons why the situation today is very different to what it was a few decades ago. First of all it is important to contextualize the numbers. Seven hundred people out of a population of 250 million is miniscule, and the numbers of people travelling from Malaysia are about on par with Australia, despite it having a much larger Muslim population.

The vast majority of SE Asian populations reject Islamic extremism. Following the January attacks in Jakarta, Indonesians took to twitter, trending the hashtag #KamiTidakTakut (we are not afraid). Islamic organizations such as Nahdlatul Ulama (NU), which has 50 million supporters, preaches an inclusive version of Islam that emphasizes

³ The Soufan Group, Foreign Fighters: An Updated Assessment of the Flow of Foreign Fighters into Syria and Iraq, December 2015, accessed at http://soufangroup.com/wp-content/uploads/2015/12/TSG_ForeignFightersUpdate3.pdf

tolerance and rejects ISIS rhetoric.⁴ Islamic organizations that have pledged support to ISIS have elicited a backlash from community leaders and even some fellow jihadist groups have rejected ISIS as un-Islamic on account of its brutality. This indicates that despite targeted messaging and a legacy that would seem to align with many of ISIS' objectives, they are unlikely to attract broad support.

Globally, the areas and populations that ISIS has been successful in attracting recruits and support from are facing economic hardship, weak political governance, authoritative leaders, persecuted minorities, or a combination thereof. In SE Asia, these conditions are no longer readily present. There are several persecuted Muslim minorities as well as authoritative governments, such as in Myanmar and to a lesser degree Thailand. But the Philippines, Malaysia and Indonesia are inclusive and tolerant democracies with avenues available to achieving political aims, particularly in the latter two. Indeed, Islamic parties have been formed in Indonesia, but have only been able to achieve very limited support. SE Asian populations live in generally stable, well governed, prosperous societies and are not as oppressed or politically disempowered as Muslim populations in other parts of the world. And while some areas in SE Asia still struggle with poverty, economic opportunity, corruption and inadequate infrastructure, the region broadly prosperous and most people are experiencing improving economic conditions. ISIS' message therefore has limited appeal to them.

As an example of how the region has changed, it is worth comparing the Indonesia of 20 years ago with today. Then it was suffering the effects of near economic collapse following the Asian Banking Crisis. Separatist insurgencies and violence had flared in a number of provinces, including in Aceh, West Papua, Central Sulawesi and East Timor, the latter of which would go on to be granted independence. The forced resignation of Indonesia's second President, Suharto, marked the end of nearly 50 years of authoritarian rule. Today, the recent election of President Joko Widodo, commonly known as Jokowi, is a watershed moment as he represents the first democratically elected leader from outside the political establishment. Indonesia's economy has slowed recently, the poverty rate has fallen from 18% a decade ago to 11% today, and GDP per capita has more than doubled in the same period. Inequality and development of rural areas are still problematic and the benefits are not evenly spread, but the World Bank predicts 5.1% economic growth this year, up from 4.8% last year.⁵ While it still has areas for improvement, Indonesia is trending in a positive direction.

Another reason for optimism in the region is the competence and capability of the police and military forces there. In Indonesia, for example, during the decade following the first Bali bombings police operations killed over 50 and arrested over 500 terror suspects, including key leaders and bomb-makers. Their response to militants is led by their counter terrorism force, Detachment 88. Set up after the shock of the Bali bombings, Detachment 88 is a specially trained counter-terrorism team that receives support and training from the

⁴ Joe Cochrane, "From Indonesia, a Muslim Challenge to the Ideology of the Islamic State" in *The New York Times*, Nov 26, 2015, accessed at <http://www.nytimes.com/2015/11/27/world/asia/indonesia-islam-nahdlatul-ulama.html>

⁵ World Bank, *Indonesia*, accessed on April 22, 2016 at http://data.worldbank.org/country/indonesia#cp_fin

U.S. and Australia. These operations have degraded Jemaah Islamiyah and prevented any high profile attacks between 2009 and 2016. It's important to note, however, that Indonesia's success in countering terrorism isn't a result of just its offensive law enforcement capabilities, but also extensive intelligence networks, field craft and turning militants into informants through rehabilitation and community outreach programs.

The final reason for remaining optimistic about the current ISIS threat in SE Asia is that their only known attack was highly ineffective. On the one hand, a coordinated attack such as that takes significant support networks and resources to execute. And the brazen nature of it – attacking downtown in broad daylight – differentiates this group from others that have sworn allegiance to ISIS, such as Mujahidin Indonesia Timur (MIT) and Jemaah Anshorut Tauhid (JAT) who appear to lack the capacity for similar attacks and are limited to local targets in regional areas.⁶ Despite the support, planning and coordination necessary to stage such a bold attack, the ultimate effect was limited. The number of injured was substantial, but more attackers died than victims. The attack was amateurish and the training and weapons appear to be poor. For the attack to have had such limited impact it can be assumed that those involved lacked training and resources.

Reasons for Concern

There are nonetheless a number of reasons that the prospect of an emergent ISIS cell in SE Asia is of concern. While the Jakarta attack was amateurish and ineffective, ISIS has shown itself to be a learning organization that can adapt and improve over time. The European cell behind the devastating attacks in Paris and Belgium had previously experienced several failures from which it learned and improved. While the Indonesian police arrested a dozen people following the January attack, it is likely that there is a still larger network that could learn from the experience and improve in the future. As foreign fighters return from Iraq and Syria, they may bring know-how and experience with them.

While SE Asian law enforcement agencies are broadly effective, the recent Jakarta attacks and the August 2015 bombing in Thailand at the Erawan Shrine, which killed 20 people, are reminders that terrorism can still strike across the region. No police force can stop every attack. Considering the long history of terrorism in the region, any signs of a reemerging trend is cause for concern. It remains to be seen if these incidents were outliers or indicate deeper failures within the respective forces.

As noted earlier, with a few exceptions SE Asian nations are relatively prosperous, politically stable with tolerant and moderate societies. As such, the potential for ISIS to apply the approaches that have worked for it in the Middle East are unlikely to work in SE Asia. They are unlikely to be able effectively infiltrate government agencies on mass, attract large sections of the population or sufficiently destabilize governments to create political vacuums. The threat of large pieces of territory falling to ISIS is very low. But there are still remote areas, including some with sympathetic local populations, which could be used to

⁶ Thomas Murphy, *When IS is not IS: Terrorism in Indonesia*, Australian Institute of International Affairs, March 1, 2016, accessed at http://www.internationalaffairs.org.au/australian_outlook/when-is-is-not-is-terrorism-in-indonesia/

create bases and training camps which would pose a significant threat to regional security. The likelihood of an insurgency reemerging is far lower than in the past, but local outbreaks of violence are possible.

Moreover, while the groups that have sworn allegiance to ISIS do not currently have the capability, or possibly even the intent, to band together and strike on a national level, an influx of resources could quickly change that threat scenario. Groups like Ansharud Daulad Islamiyah (ADI), which has a presence across several provinces in Indonesia, and the Ahlus Shura Council in the Philippines, see themselves as the beginnings of a SE Asian Islamic State, even if they do not yet control any territory.⁷ Many of the armed groups in the region are motivated primarily by specific political goals or for financial gain. There are various other insurgent and secessionist groups throughout the region of various ethnic and religious composition. The region comprises numerous different ethno-linguistic groups, and many grievances of individual groups directly relate to their specific circumstances and political grievances. Nonetheless, there are sufficient numbers of groups that could align with ISIS' ideology and in any case we have seen that ISIS can be highly pragmatic in creating alliances. It is plausible that they could reach a mutually beneficial arrangement with unaffiliated groups that do not share its ideology in order to achieve mutually beneficial objectives if the need arose.

Sources from Syria and Iraq have indicated that there is currently a split between various ISIS leadership factions as to whether they should prioritize retaining their current territory at all costs, or to devolve into a decentralized international terrorist organization. Whichever way the group goes, a push into SE Asia could be reprioritized and become a focal point for their plans: either as the target of more attacks or in an attempt to seize territory outside the Middle East. While ISIS aligned groups may not currently be sufficiently resourced to pose a significant threat, if SE Asia became a high priority for ISIS they may find that they have as many resources as they want. There are indications that this is already underway, some analysts believe that ISIS is determined to establish a foothold in SE Asia this year, most likely in Mindanao in the Philippines or Sulawesi in Indonesia.⁸

As moderate and tolerant Muslim-majority countries, Malaysia, Brunei and Indonesia are of great symbolic importance to ISIS because they repudiate the extremist rhetoric they espouse by demonstrating a better alternative to it. The success of SE Asian societies are antithetical to the apocalyptic and sectarian message that ISIS promotes. Muslim majority countries are an important target, and Indonesia in particular has special symbolic meaning as the largest Muslim-majority nation in the world.

The final cause for concern is the size of the population. While we have seen that there is only a fraction of the population sympathetic to ISIS' cause, in such a populous

⁷ Navhat Nuraniyah, "More than a Fan Club", for *Inside Indonesia*, Oct-Dec 2015, accessed at <http://www.insideindonesia.org/more-than-a-fanclub>

⁸ Rohan Gunaratna, "ISIS in Philippines a Threat to Region" in *The Strait Times*, Jan 12, 2016, accessed at <http://www.straitstimes.com/opinion/isis-in-philippines-a-threat-to-region>

region, even a small fraction could represent a significant number of people. Moreover, while the numbers of people in the region that are currently suspected to be linked to ISIS is minuscule, recent history has made it clear that it does not require a large group of people to create a tragic and far reaching effect. Those few who have been swayed by ISIS' appeal are likely to be the most hardcore fringe of the existing fringe elements of society with jihadist leanings.

Assessment

Several recent terrorist attacks have reminded us of the threat the region has faced from Islamic extremists in the past. That one of them was clearly connected to ISIS, and with indications that several other plots were being planned, these fears are justified. The possibility of an ISIS foothold in one of the most populous and dynamic regions of the world is deeply concerning. The region's history of insurgency and political instability and the success of ISIS in expanding its brand globally give these fears credibility.

However, the moderate and tolerant societies of SE Asia have broadly rejected the ISIS ideology and its brutal methodology, and have shown that they are resistant to its messaging. While there remains some areas of concern, the region is sufficiently tolerant, politically stable and prosperous that it is unlikely that insurgencies will reemerge in a widespread manner, even in remote areas. In fact, the region provides a great case study of how a moderate and inclusive approach can benefit all groups within a society, and should be held up as an example for other regions to aspire to. Many of the countries in the region have done this through quiet competence, empowering their populations and looking to develop on their own terms in their own way. The U.S. and its allies have played a role in supporting the countries within the region in achieving that, and we should continue to do so while identifying lessons to apply elsewhere.

As ISIS is pressed within the confines of its self-declared caliphate, it is having to reconsider its priorities and strategy. While it is unlikely to be defeated in the near term, the organization is reacting to this pressure by seeking to open new fronts and strike at soft targets further afield to maintain their narrative of success. While ISIS has long sought to generate a presence in SE Asia, its investment to date has been modest and relatively ineffectual. The change in its circumstances may change their calculus and see them increase the resources they commit to their SE Asian affiliates. Among other setbacks, ISIS no longer has the ability to generate revenue in the way it has in the past, and there are signs that financial constraints are impacting their ability to fund their operations. It would be dangerous, however, to underestimate their capabilities, and if SE Asia increases in priority it is possible that the embryonic cells there may receive sufficient resources to become a significant threat. SE Asia, and in particular Indonesia, is an attractive target for ISIS, and it likely that they will continue to pursue their objectives there.

Moreover, one of the greatest threats that ISIS poses is inspiration to lone-wolves and self-starter terrorist groups. While the currently identified terror threats in the region may not pose a significant risk, there is always the possibility of a new one emerging. We

have seen how difficult it is, even in Western nations, to stop self-motivated lone-wolf attackers.

It is therefore likely that there will be more terrorist attacks in SE Asia in the future. Whether they are funded by ISIS, inspired by them, or indeed motivated by a completely separate political grievances. The regional law enforcement agencies understand the threats they face and are proactively seeking to diffuse them, but they will be unlikely to stop them all. At present, few of the extant militant groups have the capacity to undertake a significant attack, and there are rifts between the key jihadists. Many jihadist groups in Indonesia have actually rejected ISIS out of repugnance for their brutal tactics. But while many of the groups are primarily motivated by local grievances, those who have aligned themselves with ISIS are true believers who have been directly inspired by the global movement beyond any local considerations.⁹ These individuals are highly motivated to see an ISIS linked SE Asian Islamic province realized. And while the percentage of individuals is exceptionally small, even the smallest fraction of such a large population is cause for concern.

I would like to thank the committee for holding a hearing on such an important topic. The threat of an emerging ISIS foothold in SE Asia is of great concern. But by providing opportunities such as this to examine the key issues in more depth we will be better placed to respond to it.

⁹ *The Evolution of ISIS in Indonesia*, Institute for Policy Analysis of Conflict, IPAC Report No. 13, September 24, 2014, accessed at http://file.understandingconflict.org/file/2014/09/IPAC_13_Evolution_of_ISIS.pdf