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Before the House Committee on Foreign Affairs, Subcommittee on Asia and the Pacific

*“Countering Extremism and the Threat of ISIS in Southeast Asia”*

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Chairman Salmon, Ranking Member Sherman and Distinguished Members of the Subcommittee:

Thank you for the invitation to testify on the role of the United States Agency for International Development (USAID) in addressing the drivers of violent extremism in the Southeast Asia region. I am pleased to be testifying alongside the Deputy Assistant Secretary for the Department of State’s Bureau for East Asian and Pacific Affairs, Patrick Murphy, and Deputy Coordinator Marie Richards from the Department of State’s Bureau of Counterterrorism.

Violent conflict, fragility and violent extremism cross borders and present significant threats to both regional and international security. The costs of conflict — in a developmental, economic and human sense — are extraordinary. We must address the development-related factors that drive instability and the plight of the 1.5 billion people living in conflict and fragility around the world.

Knowing that violent extremists can exploit conditions of conflict and fragility, the United States Government has integrated the prevention and mitigation of conflict and the promotion of resilient, democratic societies as a key part of its defense, diplomacy and development efforts. Through this approach, and in coordination with host countries and other donors, we help to ensure progress on a broad range of priorities, including eradicating extreme poverty and advancing our own security and prosperity.

The 2015 Quadrennial Diplomacy and Development Review elevated the role of the Department of State and USAID in strengthening responsive and capable states, building secure and resilient communities and countering violent extremism. Working alongside the Department of State, USAID uses development as an effective U.S. foreign policy tool in support of the five core priorities of our joint strategy on preventing and countering violent extremism. These priorities include: 1) engaging and amplifying locally credible voices that can change the perception of violent extremism; 2) increasing support for innovative research on the drivers of violent extremism and effective interventions; 3) working closely with partners to adopt more effective policies to prevent and counter the spread of violent extremism; 4) strengthening diplomatic efforts and development approaches to address political or socioeconomic factors that can contribute to support for violent extremism and put countries and communities at high risk; and 5) strengthening the capabilities of our partners to isolate, intervene with and promote the rehabilitation and reintegration of individuals into society whenever possible.

USAID's efforts are guided by our policy on the Development Response to Violent Extremism and Insurgency, which takes an evidence-based approach to responding to the challenges associated with violent extremism, and is carefully targeted to address specific drivers and select demographic and geographic factors. This work will be coordinated by a Secretariat for

Countering Violent Extremism, which we are in the midst of establishing within USAID's Bureau for Democracy, Conflict and Humanitarian Assistance.

USAID recognizes that women are often more negatively impacted by violence, fragility and violent extremism and at the same time, often excluded from peace processes and efforts to mitigate violence and counter violent extremism. USAID seeks to empower women as equal partners in preventing conflict and building peace. We accomplish this by fostering gender equality and women's empowerment in crisis and conflict-affected countries to promote the rights and well-being of women and girls, and to foster peaceful, resilient communities that can cope with adversity and pursue development gains.

At the same time, our countering violent extremism (CVE) response cannot just be Washington driven, but must be built on local analysis and local partnerships. Rather than take a blanket approach to CVE around the world, USAID has been careful to look at how we implement CVE programs — as well as non-CVE programs that mitigate fragility and conflict — to ensure we are most effectively addressing the drivers of violent conflict, fragility and violent extremism in each unique country context. In Asia, our relevant development programming has focused on empowering communities to resist and be resilient in the face of violent extremism. While USAID has found Asian government partners' dedication to countering violent extremism and terrorism encouraging, in some countries this has also resulted in undue restrictions on civil liberties and closing space for civil society, which makes partnering with civil society and the private sector more difficult.

### **Addressing Destabilizing Factors in Southeast Asia**

In support of the Administration's Rebalance to the Asia-Pacific, we fully recognize that our own country's future security and prosperity are inextricably tied to the Asia-Pacific region. We continue to see rapid economic growth and development lifting millions out of poverty in the region. However, we also see growing inequality and weak governance — which often result in unequal access to justice and social services, and a lack of opportunities to influence decision-making, particularly for members of minority ethnic groups and other vulnerable populations. These, along with social marginalization, violations or abuses of human rights and endemic corruption can be drivers of instability and can contribute to radicalization to violence.

USAID's development assistance in Southeast Asia addresses these destabilizing factors. We encourage governments to provide all of their citizens with the space and opportunity to engage in political processes, and we support civil society in voicing citizens' concerns. We work to strengthen the rule of law and government accountability to reduce corruption and impunity so that democratic values and processes can develop and flourish. Our assistance also improves access to — and enhances the quality of — education and health services, protects natural resources and helps to ensure that economic growth is inclusive and sustainable.

We also note that violent extremism knows no boundaries with who it impacts – victims can be of any age, gender or religion. In countries like Burma and Sri Lanka, Muslims are also victims of violent extremism. In both countries, we are promoting tolerance and countering violence against minority ethnic and religious groups by encouraging the development of a balanced media and building civil society support for tolerant and inclusive speech.

Next, allow me to provide brief overviews of countries in Southeast Asia where USAID's work to advance democracy, and promote human rights, good governance and economic growth is helping to address the risks and threats of conflict, fragility and lack of respect for human rights. Our local analyses in the region have shown that each country context and its respective drivers of conflict, fragility and violent extremism are different, so we have crafted country-specific programmatic responses to each set of problems.

## **Indonesia**

With 240 million people, Indonesia is the world's most populous Muslim majority country and third largest democracy. It has achieved impressive progress through a remarkable democratic transformation since the late 1990s and annual economic growth of approximately 5 percent. However, its notable successes are challenged by fragile institutions, endemic corruption, and — as we saw with the January 14 terrorist attack in Jakarta — the threat of terrorism. We express our deepest condolences to the families who were affected by the terrorist attack in Jakarta, and remain a committed partner to Indonesia as the government engages in ongoing efforts to counter terrorism.

A 2013 assessment of violent extremism and insurgency in Indonesia conducted by USAID identified a number of drivers of violent extremism, as well as some key mitigating actions USAID could undertake. Informed by this assessment, USAID is promoting civic discourse on pluralism and tolerance and developing local capacity to address the grievances of members of marginalized populations. USAID also focuses on improving access to justice and service delivery to the poor and most vulnerable.

The U.S. and Indonesian governments' joint development strategy in Indonesia identifies two critical areas to address its internal development gaps, which can be drivers of violent extremism: governance, including anti-corruption efforts, and service delivery, such as education, health, water and sanitation and environmental services. USAID investments in democracy and good governance support Indonesia's stated commitment to public accountability and rule of law, broad and robust participation on the part of Indonesian civil society and the protection of the rights of all its citizens.

To strengthen government transparency, USAID has supported the country's Corruption Eradication Commission (KPK) and associated accountability institutions with targeted capacity building and technical assistance activities. These efforts have enhanced the Indonesian government's ability to address corruption and have helped improve the country's ranking on Transparency International's Corruption Perceptions Index by 30 places — moving from 118 in 2012 to 88 in 2015.

In service delivery, USAID programs support the Indonesian government in addressing the basic health, education and water and sanitation needs of its citizens across the 17,000 islands of the sprawling Indonesian archipelago. Environment sector programming also has helped to protect the country's rich natural resources and biodiversity from abuse and preserve them for the benefit of all Indonesians. In the far western province of Aceh, USAID support has improved access to justice for members of marginalized populations. New programming in the far eastern province of Papua will help to reduce gender-based violence, strengthen the performance of local government and promote respect for the rights of the Indonesian people.

## **Philippines**

Despite significant economic growth and development gains, a resilient democracy and a strong civil society, the Philippines has a long history of recurring insurgencies, high rates of politically motivated violence, and some remaining terrorist organizations. While the current Aquino administration has made progress toward peace, the country remains exposed to threats of violent extremism and radicalization to violence.

The Autonomous Region of Muslim Mindanao (ARMM) is particularly vulnerable to drivers that favor the rise of violent extremism and influence the radicalization to violence of individuals. Recent assessments conducted jointly by USAID, the Department of State and the Department of Defense in the conflict-affected areas of ARMM identified structural “push” factors. These primarily include high levels of marginalization and fragmentation, and poor governance characterized by a preponderance of warlords and private armies, political violence, lack of transparency and accountability, corruption, poor basic service delivery and the absence of local elected officials from their constituent areas. These conditions enhance the appeal of terrorist groups, make development programs less effective and undermine the people’s faith in the legitimacy of the political system.

Corrupt or abusive local governments, marginalization because of religion or ethnicity, poverty and unemployment or underemployment and the absence of basic services provide people living in the conflict-affected areas of Mindanao with deep-seated grievances. Extremist organizations, like Jemaah Islamiyah, Abu Sayyaf and Khalifa Islamiah, exploit these grievances through amplification and the offer of alternative paths that they falsely claim can only be secured through violence. Ungoverned areas, the inability to enforce the law, easy access to firearms, the presence of support bases and other risk factors provide the means to engage in violent extremist behavior.

Accordingly, USAID assistance focuses on strengthening governance in ways that promote the legitimacy and effectiveness of government and that mitigate instability and marginalization. Specifically, USAID works via a multi-pronged approach. First, we engage with local governments in conflict-prone areas to improve their delivery of basic services, and to strengthen practices that make government more transparent and accountable. Secondly, we match this work with actions in civic education, civil society strengthening and mechanisms for public participation that involve youth and adults more with their local government. Poor access to education, illiteracy, unemployment and weak representation in local and national institutions hinder youth from becoming productive members of their communities. To help address this, USAID works with more than 19,000 out-of-school youth to develop their education competencies, livelihood capabilities and life and leadership skills, so that they can engage productively in civic affairs and economic activities. USAID’s economic growth, health and environment projects likewise benefit the populations of Mindanao more broadly to help overcome economic and social exclusion and strengthen resilience.

USAID is also building community capacity to prevent, mitigate and resolve conflict through a people-to-people approach that engages key peace actors who can facilitate face-to-face interactions and mobilize communities toward peace and reconciliation.

## **Thailand**

The conflict in southern Thailand is currently one of the most violent in the Asia-Pacific region. It is concentrated along the Thailand-Malaysia border, where 94 percent of the nearly two million people identify as Muslim and 6 percent as Buddhist. This is in stark contrast to the national statistical average of 95 percent Buddhist and 5 percent Muslim. For the local population, the conflict continues to be driven by the belief that the Thai state has failed to respect their identity as Malay Muslims, and to acknowledge or effectively respond to their needs. While the conflict is often framed as a Muslim insurgency, it is mainly about Thai identity, with Islam being one important component of their identity.

Buddhism has long had a close association with the Thai state, the monarchy and national identity. Amidst tremendous social change resulting from rural to urban migration and growing income inequality, some Buddhists believe that their religion should continue to be the sole basis for social cohesion and the development of the Thai nation. A small but assertive number of Buddhist clergy are using the conflict in southern Thailand to claim that Buddhism in Thailand is under threat from within and to fuel hostility toward Islam and other religions. Nevertheless, the Thai government has resisted calls to make Buddhism the national religion, and continues to advocate for religious tolerance.

USAID is working to increase trust and common understanding among communities in the south. We focus on a people-to-people approach that incorporates cross-cultural understanding and religious tolerance. By helping to build relationships between Muslim and Buddhist communities, we are helping to change perceptions, build trust and create a social space for interaction, particularly with youth through leadership training and youth community activities. In these ways, we are helping reduce the potential for extremist violence in the south of Thailand.

## **Conclusion**

Mr. Chairman, as you can see, the challenges facing each country are complex, which further highlights the importance of USAID's careful analysis and country-specific approach to addressing conflict and fragility in the region. By addressing these destabilizing factors in the region and tackling the drivers of violent extremism, we are laying the foundation for prosperity and stability for all populations in the Asia-Pacific. Our development assistance, along with efforts of the State Department and other U.S. Government agencies, is indispensable, and ensures that we are able to help shape a more sustainable future for the region and the world.

I appreciate the opportunity to share with you how USAID is contributing to broader U.S. Government measures to tackle the drivers of violent extremism and terrorism in Southeast Asia and look forward to hearing your counsel and questions. I welcome any questions you may have.

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