# INTERNATIONAL REPORTS

The Globalisation of Terrorism

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#### Editorial

#### Dear Readers,

Preserving that which is worth preserving does not mean cementing the status quo. Anyone seeking to preserve something valuable in the long term must improve it cautiously, yet continuously. This applies as equally to politics as it does to a publication such as International Reports (IR), which is presenting itself in a new form in this issue. This new design goes hand in hand with a number of other innovations, including a change to a quarterly publication cycle of the print version, an even greater focus on themes, as well as a step-by-step expansion of the online presence. All of this represents an adaptation to fundamentally changing reading habits, without losing sight of what has ensured the success of IR for more than 30 years: in-depth analyses on foreign, security and development policy.

The latest attacks in Brussels have sadly only been the most recent of several instances over several months underscoring the topicality of the theme of this, the first issue in the new design, "Globalisation of Terrorism". If any further proof had been required, the murderous attacks in Brussels and Paris have been painful reminders that the threat, which security agencies had been warning of for some time, has become anything but an abstract concept through the involvement of so-called foreign terrorist fighters. In her article for this issue, Kristina Eichhorst investigates not only the causes of the phenomenon but also the question of the most promising ways for Germany and Europe to overcome the threat posed by returnees from the war zones in Iraq and Syria.

Foreign terrorist fighters are by no means a phenomenon restricted to Europe. As Edmund Ratka and Marie-Christine Roux illustrate in their article, many of those who have joined the international jihad originate from Tunisia. This is particularly sobering as there have also been some distinct positive developments towards democratic change apparent in Tunisia since the so-called Arab Spring. The two authors explain the extent to which this change is being jeopardised by the marginalisation and radicalisation of a younger generation that feels excluded from economic, social and political life, but also the extent to which hope still remains.

Large numbers of the foreign fighters, whether they originate from Europe, Tunisia or other countries, are currently drawn to Syria and Iraq, where the so-called Islamic State (IS) has developed from a local actor into a threat of global significance over the last few years. In his article, Malte Gaier discusses the complexity of the current conflict situation in the Levant and the enormity of the challenge for the international community to check IS and stabilise the region.

In their article, Bakary Sambe and Benedikt Seemann examine two terror organisations that have pledged allegiance to IS in the past, Boko Haram and Abu Sayyaf, although it is not clear how close the links truly are or whether the declarations may have been pure propaganda. While Boko Haram has only been in existence for a few years, during which it has drawn attention through unspeakable cruelty, the origins of the Abu Sayyaf group goes back over two decades. In this context, the example of Abu Sayyaf shows how thin the line is between religiously motivated terrorism and "pure" crime – a phenomenon that is also at the center of Louise Shelley's article, among other reasons because it illustrates why the fight against terrorism funding requires a multi-pronged strategy.

In conclusion, one crucial insight gained from the articles on the theme of this IR issue is that we shall only retain our freedom if we avoid clinging to the status quo in our efforts to fight global terror – be it measures for improving internal security, for fighting terrorism funding or for integrating people who have come to our country fleeing from terror and war – and make continuous improvements in these areas as well.

I wish you a stimulating read.

Jehd Wahler,

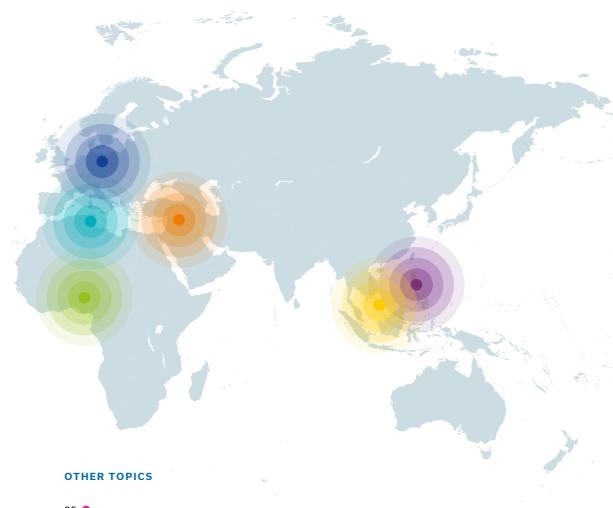
Yours,

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# From Local Actor to Global Threat

The So-Called Islamic State (IS) in Iraq and Syria

Malte Gaier



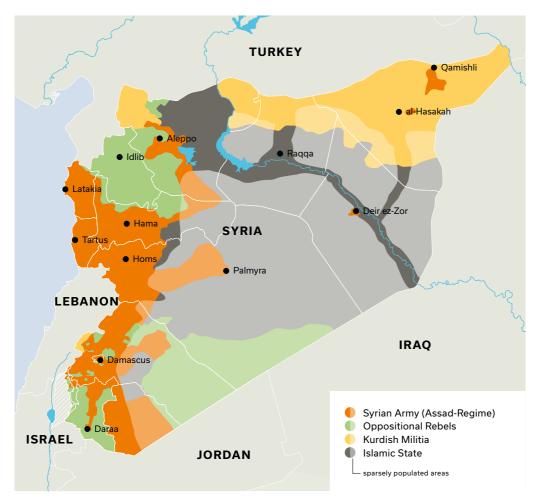
With the onset of the crises in Syria and Iraq, the political environment in the Levant has continued to sustain a steep security decline since 2011. The dreaded prospect of spillovers into neighboring countries at the beginning has now become a reality. The self-styled Islamic State and other international militant Islamist groups operating as belligerents in the Syria and Iraq crisis constitute a grave long-term challenge for the international community.

The so-called Islamic State (IS) recently withdrew from the Syrian city of Palmyra at the end of March due to intensive Russian air strikes and left the city to be conquered by the advancing Syrian troops. Before that, the capture of the Iraqi town of Fallujah at the end of 2013 and Mosul in June 2014, the IS had made considerable territorial gains. Yet, the perspective on conquered territories only allows limited conclusions for the long-term threat potential. As a terror network that is now operating on an international scale, the organisation succeeded in spawning offshoots in the Middle East, Africa and South and Central Asia, while supporters have been mounting terror attacks virtually on a weekly basis throughout the world. To provide a better understanding of the terror wrought by IS, the first purpose of this paper is to describe the rise of IS in its place of origin against the backdrop of the war in Syria. Secondly, problems and risks associated with the measures taken so far to curb and fight IS will be examined as well as the fundamental question as to the available options for future action by the international coalition against IS. Thirdly, IS will be appraised as the successor to al-Qaeda in Iraq after the fall of the Iraqi Baath regime and as a beneficiary of the long-standing local Sunni-Shia conflict. Iraq and with it the Autonomous Region of Kurdistan (ARK) will play a central role over the coming years, not only in the fight against militant Islamist groups but also in the efforts to stabilise the region as a whole. In Iraq, the fight to fend off IS only temporarily generated a collaborative dynamic. The Shia mobilisation in Iraq triggered by the Syria conflict and IS incursions

harbours potential for future conflict, further fuelled by the current political crisis within Iraq.

#### Military Escalation Despite Diplomatic Efforts

With the signing of the Vienna Communiqué and the adoption of UN Security Council resolution 2254 as well as agreements made at the Munich Security Conference, the International Syria Support Group, whose members include the USA and Russia as well as representatives from Iran and Saudi Arabia, had no doubt made some progress by the end of 2015 towards establishing the political conditions that will allow the implementation of a ceasefire to bring an end to the devastating civil war in Syria.1 However, hopes for rapid progress this had raised were overshadowed by a marked increase in hostilities at the beginning of the year, which finally led to a temporary suspension of the third round of the Geneva talks between the opposition groups and regime representatives. There are some key issues that are likely to remain unresolved for some time to come, such as the fate of Syrian President Bashar al-Assad, particularly over the areas the regime continues to hold on to, and - in the light of frequently voiced demands for a partial revocation of Iraq's de-Baathification law - the integration of the public institutions comprising more than 1.5 million employees. In connection with the most recent agreements, the fight against IS, which is in the security interest of all parties involved in the negotiations, can been seen as the only common denominator. However, the sluggish pace



The front line and the conflict parties in the Syrian Civil War. Source: Own illustration after Thomas van Linge, The situation in Syria, 13 Mar 2016, https://t.co/n43Vda67qE [16 Mar 2016]; Liveuamap, 15 Mar 2016, http://syria.liveuamap.com [16 Mar 2016], Natural Earth  $\odot$ , http://naturalearthdata.com [7 Mar 2016].

of the Geneva talks is another stark reminder that a conclusive agreement on a joint strategy against IS and its implementation, which will involve the identification of partners on the ground, will depend above all on military developments in Syria.

#### IS as a Militia in the War in Syria

By the time it captured the provincial capital of Raqqa at the latest, IS had become one of the main actors in the Syrian Civil War. As one of the first provincial capitals to be liberated by opposition forces with scant resistance in March 2013, control over the town was initially maintained

by troops of the moderate opposition under the command of the Free Syrian Army (FSA) backed by the National Coalition for Syrian Revolutionary and Opposition Forces,<sup>2</sup> the Nusra Front (Jabhat an-Nusrah li-Ahli ash-Sham) and the Salafist Ahrar ash-Sham (Free Men of the Levant) alongside IS. Raqqa's infiltration by IS advancing forces until the organisation had taken control of the entire town within a few months has come to serve as a model for IS's approach to subjugating the civilian population and pushing out rival groups, which enabled the organisation to conquer large parts in the east and north of the country. As of 2012, the increasingly confused military situation has

involved fluctuating loyalties and strategic alliances among the groups fighting the regime. Besides Jabhat an-Nusrah, IS was one of the two main jihadist opposition groups which initially coordinated their activities with FSA units. After the split between the two militias, which was due to a falling out between the leader of the Nusra Front, Abu Muhammad al-Julani, and the IS "Caliph" Abu Bakr al-Baghdadi in a dispute about allegiance to al-Qaeda, Ahrar ash-Sham has made a name for itself as an important military actor, even beyond the country's borders. Funded and equipped by Saudi Arabia and Turkey, it plays a crucial role in coordinating the operations of the Islamic Front alliance, which is one of the strongest opposition alliances fighting in northwestern Syria.

By the end of 2015, IS had lost control of large areas in the Kurdish region in northern Syria to the Syrian-Kurdish forces supported by the USA and now Russia as well, and retreated south into territory controlled by the regime. Russian air support for the troops of the regular Syrian Army and its paramilitary support units had resulted in the opposition groups under the umbrella of the FSA in the north of the country losing territory to IS. There were several reports in 2015 that the remaining troops of the regime, whose permanent core is still mainly comprised of the Republican Guard and the Fourth Division of the regular Syrian Army, have been reinforced by foreign Shia forces from the Afghan Hazara minority as well as Pakistani fighters deployed by Iran. The indications of increased Iranian involvement are afforded credence on account of a recent statement by the commander of the Iranian Revolutionary Guard Corps (IRGC), Major General Muhammad Ali Jafari, according to which the IRGC has trained no fewer than 200,000 young men as Shia volunteer fighters for deployment in Syria, Iraq, Afghanistan, Pakistan and Yemen and some of them are already on the field in the above-mentioned conflict zones.3 In Syria and in Iraq, the IRGC's elite special operations force the Quds Force - commanded by Major General Qasem Sulaimani has already suffered heavy losses. Funeral ceremonies in Tehran, at which there is rarely any official mention of place and cause of death, indicate that at least twelve officers of the rank of general have been killed since 2014.<sup>4</sup> Although there has been no official confirmation, it is said that regular IRGC units have also been deployed in Syria since Russia started intervening in the conflict on 30 September 2015.

Besides targeting densely populated residential areas, Russian airstrikes were aimed at positions of the FSA, the Nusra Front, the Islamic Front and, on rare occasions, IS.

As the third round of the Geneva negotiations between the different opposition groups and the regime got underway in January, there was a marked increase in the number of airstrikes by Russian fighter aircrafts across the country. Besides targeting densely populated residential areas, hospitals and schools, Russian airstrikes were aimed at positions of the FSA, the Nusra Front, the Islamic Front and, on rare occasions, IS. This massively assisted the Syrian regime in its efforts to consolidate the territory under its control along the Damascus-Homs-Hama-Latakia line. Triggered by a new major offensive launched by remaining regime forces in collaboration with foreign Shia militias, the four-year battle over the city of Aleppo with a population of over two million flared up again in early February. Here, one can see yet again that the Russian involvement in the Syria conflict entailed close military cooperation with the Syrian regime and with Iran. There are also clear indications that Russia has learnt lessons from Iran's approach to supporting the regime in Damascus since the popular uprising began in 2011. While Iran may be securing the survival of the Assad regime through financial and military assistance, but has not been able to ensure the military supremacy of the pro-Assad forces, Russia is now attempting to generate an positivion of military strength for the regime, relying purely on the military option. Russia's announcement on 16 March of the partial withrawal of its armed forces suggests that Russia currently does not intend to do more than to backup the military and political survial of the Syrian regime. By increasing the pressure on the representatives of the opposition and the Syrian regime in the ongoing negotiations in Geneva, Russia is keeping all option open, even with the US. The sluggish pace of the Geneva III talks and the deliberate military escalation of the conflict have not only made a political solution unlikely any time soon. The Russian air supremacy over large swathes of Syrian airspace and the stationing of surface-to-air missiles are in effect also seriously restricting the scope of action for creating and securing humanitarian corridors. Instead of fighting IS structures as it had announced it would, Russia was openly aiming the destructive power of its airstrikes, which have increased dramatically in number since February, at military opposition groups and the civilian population in the areas thought to be under the influence of the groups fighting against the Assad regime. This had the effect of taking the pressure off IS by concentrating the fighting on the area around Aleppo in northern Syria. The fact that the Nusra Front is fighting side by side with moderate opposition groups in the north-west of Syria and is targeted by Russian airstrikes as they are further plays into the hands of IS.

**Increasingly Difficult Search for Allies** 

While the U.S.-led coalition once again increased the frequency of its airstrikes against IS targets particularly in the second half of last year, the fundamental long-standing question remains as to which party to the conflict can be deployed on the ground to retake Raqqa and Mosul with support from the international coalition. This is linked to the question about which options are available to intervene in the Syrian conflict generally. Russia's air supremacy over large parts of Syria and particularly the northwest of the country has also placed severe restrictions on the scope of action of the U.S.-led international coalition. It is therefore likely

that the U.S. will shift its military engagement against IS to northern Iraq.

In the past, Kurdish Peshmerga troops active in northern Iraq and Kurdish People's Protection Units (YPG), the military wing of the Democratic Union Party (PYD) with close links to the PKK that dominates the semi-autonomous Kurdish quasi-state of Rojava, had been able to curb the advances by IS forces in the respective areas and even push them back far beyond Kurdish territory. At the same time, the establishment of the so-called Syrian Democratic Forces (SDF) backed by the USA was meant to strengthen Kurdish forces under the leadership of the YPG ahead of a possible ground offensive in Syria. That said, the deployment of Kurdish units in the event of a ground offensive to retake at least Mosul appears doubtful, and the ARK has issued several statements recently indicating that it would at most play a supportive role ahead of a ground offensive by the Iraqi Army. For one, Peshmerga forces advancing further into Iraqi territory could reignite territorial status disputes with the government in Baghdad, particularly as there still is no final resolution regarding the town of Kirkuk, which has been taken by Peshmerga forces. Furthermore, there is a risk of exacerbating the existing ethnic conflict in the area whose population is predominantly Sunni-Arab.

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The deployment of Shia Iraqi militias, *Hashd ash-Sha'abi* (Popular Mobilization Forces), probably harbours an even greater risk of escalation.



Aleppo: The Russian air strikes were also directed against the civilian population in regions with groups fighting against the Assad regime. Source: © Abdalrhman Ismail, Reuters.

These forces had previously played a significant role in the capture of Tikrit, capital of Saladin Governorate, and of the Baiji industrial zone. In the course of the fighting for Tikrit and in the aftermath of battles with IS forces in Dyalah Province, there had been occasional attacks on Sunnis<sup>5</sup> and Sunni refugees, who were not allowed to return to their homes in villages that were now under the control of Hashd ash-Sha'abi. Accusations of deliberate ethnic cleansing, for instance by targeting entire villages with artillery fire, are regularly levelled not only against the Shia militias but also the other conflicting parties in the two countries, in some instances the FSA as well as the Kurdish YPG and the Peshmerga.6

In view of the unpromising options of cooperating with one of the conflicting parties already active on the ground, the U.S. has made attempts at building a new moderate Syrian group. At the height of the debate about the failed U.S. training program for one of the selected moderate opposition groups, which came to an end for the time being with the total annihilation and capture of "Division 30",7 Ahrar ash-Sham had attempted to become involved as the USA's predestined partner in Syria. Since that time, the group has continued in its efforts to run down its links with al-Qaeda and from the Islamist postwar visions of its former leadership around the Islamist Hassan Aboud,8 who had been released from Sednaya prison by the regime in 2011.



← A Peshmerga fighter: The advance of Kurdish ground forces is not without controversy. Time and again territorial disputes arise – for example, with the government in Baghdad. Source: © Azad Lashkari, Reuters.

## Fundamental Risks of the Campaign against IS

Considering the high cost the battle from the air conducted by the coalition has exacted to date, the need for an effective and long-term fight against IS in collaboration with a reliable partner on the ground appears more urgent than ever. After the recapture of the Kurdish town of Kobane in northern Syria and that of Sinjar in the north-west of Iraq, which Kurdish units were able to retake after a year of airstrikes against IS by the international coalition, it transpired that the towns had suffered widespread destruction, with between 60 and 80 per cent of residential property and infrastructure affected, depending on estimates. In part, this had been due to IS carrying out planned detonations of infrastructure targets to cover its retreat. There were also numerous reports of civilians and prisoners of war being used as human shields by IS as well as by groups of the Islamist opposition fighters.9 All conflicting parties in Syria and IS in Iraq are now purposefully relocating military infrastructure and fighting units into mosques and hospitals.

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All instances where urban centers have been recaptured from IS have illustrated the risks to be faced in the event of an offensive on Raqqa or Mosul. In Tikrit as well as in Sinjar and Ramadi, IS forces, whose snipers were still putting up

resistance weeks after the towns had been retaken, had mined or booby-trapped access roads, entrances to houses and even street lamps, refrigerators and copies of the Quran kept in mosques. This resulted in a correspondingly high loss of life as well as serious injuries and lost limbs. Previously, IS as well as the Nusra Front had already made strategic use of suicide bombers during the capture and defence of towns and villages. This enabled IS, which had been involved in the fight for Ramadi by the Sunni insurgency against the central government from as early as 2011, to take the city in mid-May 2015. The IS units had compensated for their lack in numbers by using up to 30 vehicles, including a bulldozer, filled with explosives.

From a European and German perspective and in view of the waves of refugees arriving from the receiving countries in the region, which have increased hugely in volume since mid-2015, highest priority must therefore be given to providing assistance with the reconstruction work in the affected areas and with measures to guarantee the safe return of refugees as part of the support efforts for Syria<sup>10</sup> and Iraq.<sup>11</sup> In addition, the Iraqi government must be supported in its efforts to build on its successful recapture of Ramadi and to offer the region's Sunnis the prospect of being permanently integrated into the defence sector. The approach of involving a wide range of parties in the common Arab-Kurdish fight against terrorism in Iraq may, importantly, help create a significant counterbalance to Hashd ash-Sha'abi, which had not been involved in the fight for Ramadi under pressure from the USA. The recapture of Ramadi by anti-terror units of the Iraqi security forces and Sunni-Arab tribal fighters with support from U.S. airstrikes at the end of December represented an important victory for the Iraqi government and the Iraqi Army. However, as the army had prematurely abandoned the fight for the city seven months earlier, similar to what happened at the fall of Mosul, leaving behind sophisticated U.S.-manufactured armaments and equipment, this achievement only had a temporary effect in easing the pressure on the al-Abadi government.12



Kobane: The city could only be recaptured at high human and material costs. Source: © Kai Pfaffenbach, Reuters.

#### Alienation between Baghdad and the Sunnis

Iraq will play a key role, albeit not the decisive role, in the future war against IS because the country is the base from which the organisation extends its structures into Syria. While IS's control of Ragga makes this city the center and declared capital of the Islamic Caliphate in Syria, Iraq remains IS's refuge. The western Anbar Province, which borders Syria, Jordan and Saudi Arabia, has a majority Sunni Arab population13 and is mainly defined by tribal structures. Since 2003, it has been the breeding ground for Sunni extremist groups and an area of refuge for the nationalist, strongly Baathist resistance against U.S. troops, which is mainly composed of former officers and soldiers of the Iraqi Army, secret service personnel and Baath cadres. The largest Sunni tribe, the Dulaim, is considered to be loyal to the Baath regime.

Similar to the Baath regime under Assad, the Iraqi regime had secured the tribal leaders' loyalty through a system of patronage that had endowed selected tribes with a certain level of autonomy as well as with positions in the public sector and the armed forces. In post-war Iraq, the increasing mistrust among the population in the Sunni Triangle<sup>14</sup> of the new central government under Prime Minister Nuri al-Maliki, which was by then openly pursuing a sectarian policy of marginalisation and discrimination of Sunnis, secured the Sunni Islamists' local support. Previously, the population had in fact fought precisely those insurgency groups and al-Qaeda as part of the so-called Sahwa program ("Awakening", also known as the "Sons of Iraq" program), cooperating with the central government and U.S. troops. However, the promised integration into the Iraqi armed forces did not materialise, which prompted the first instances



of local unrest in early 2011 and subsequently riots and terror attacks in the north and west of the Sunni areas and the larger cities. The central government clamped down hard on the initially peaceful Sunni demonstrations, which destroyed any prospects of negotiations. In this situation akin to civil war, which reached its violent climax in 2013, al-Qaeda in Iraq was able to present itself as a supporter of the Sunnis by attacking Shia targets and to consolidate its influence in wide parts of Iraq by gaining acceptance among the population and forging local alliances with other actors with a violent agenda.

## Domestic Political Crisis and Loss of Trust in the Central Iraqi Government

Quite apart from the continuing high level of violence due to an increase in ethnic-religious tensions under the influence of the Syria conflict, 15 Iraq is being destabilised further by its domestic political crisis. This is part of the damaging legacy Haider al-Abadi took on as Nuri al-Maliki's successor after the Iraqi general elections in April 2014. The new head of government, whose inauguration was quickly followed by the advance of IS, which has dominated the government's political agenda ever since, is facing pressure from within and from outside the country to rectify the mistakes made by his predecessor by implementing comprehensive reforms. Demands for forceful measures to fight corruption and for a solution to the energy supply crisis turned into nationwide demonstrations in July 2015. There were also demands for reductions in government spending, particularly for public sector employees and members of parliament. This included the scrapping of the posts of the three vice presidents and three vice prime ministers. The fact that former Prime Minister al-Maliki, a vice president himself, was personally affected by the abolition of the posts, which had been sanctioned by the Iraqi parliament, and boycotted the step by making reference to it contravening the constitution widened the gulf between al-Maliki supporters and al-Abadi supporters within the Da'wa Party further. At the end of October 2015, over 60 MPs belonging to the governing State of Law coali-

tion<sup>16</sup> signed a letter threatening to withdraw their support because of the lack of consultation on the government's reform package. It is telling that for a long time, the Prime Minister's most reliable supporters were to be found outside the State of Law Coalition among the forces in the Shia bloc closest to Iran. The Islamic Supreme Council of Iraq (ISCI) under Ammar al-Hakim and the Sadrist camp under Muqtada as-Sadr with the Al-Ahrar Bloc have publicly voiced their support for the government's reform plans and for its role in the military campaign against IS. However, even in these circles there has been increasing criticism voiced lately and even threats of leaving the coalition, as in the case of Muqtada as-Sadr's party.

The project to set up a new multiethnic and multi-sectarian National Guard to be deployed against IS, which is to include both Sunni tribal fighters and Shia militiamen, has resulted in considerable tension.

Since 2014, the war on terrorism has fragmented the political camps even further. The project to set up a new multi-ethnic and multi-sectarian National Guard to be deployed against IS, which is to include both Sunni tribal fighters and Shia militiamen, has resulted in considerable tension. Having learnt a lesson from the failure of the Sunni Awakening militias armed for the fight against al-Qaeda with U.S. support, which ended with the al-Maliki government clamping down on the militias with accusations of the "illegal bearing of arms" among other things, the status of the National Guard is to be legally formalised. The suggestion to hand supreme command over the planned brigades to the provincial governors evoked strong criticism from the Shia, Kurdish as well as Sunni sides, accompanied by comments that the loss of control by Baghdad would entail would strengthen separatist and sectarian movements in the provinces.

The Prime Minister's popularity has now hit rock bottom, and his dependence on the Islamist spectrum of Shia parties and therefore on the future development of Iraq-Iran relations also harbours many risks for the government, for instance with respect to the provincial elections scheduled for next year. The situation is exacerbated by a budgetary crisis caused on the one hand by rising expenditure in the fight against IS and on the other by the fact that the central government and ARK were hit particularly hard by the effects of falling oil prices at the beginning of the year, which meant that the government saw its oil revenues fall by 70 per cent within a month, representing a loss of some five billion U.S. dollars.17

Grand Ayatollah al-Sistani responded to the fall of Mosul on 10 June 2014 by calling upon Iraqi Shiites to take up the fight against IS, stressing that all holy sites and Baghdad had to be defended against the threat from the advancing IS units.

#### Shia Mobilisation against IS Harbours Conflict Potential

The dominant position of the Shia political bloc in Iraqi politics and the support it receives from Iran have been strengthened by recent developments. This trend was accelerated by the response to the advances made by IS in Iraq, which were not brought to a halt until IS forces had moved close to Baghdad. This threat scenario was exacerbated by the proximity of IS's territorial gains in Anbar Province to the holy Shia sites in Karbala and Najaf. The leading Shia clerics of Iraq are exerting an increasing amount of influence on the debate about the fight against IS and the government's reforms. The public Friday prayers led by Grand Ayatollah Ali al-Sistani and his top aides have become a political institution that is capable of mobilising support for the government. This means that the top Shia authority in Iraq represents a more important partner for the government than ever, seeing that trust in the government is continuing to wane among large parts of the population.

The Shia clerics also play a major role in the Iraqi fight to fend off IS. Grand Ayatollah al-Sistani responded to the fall of Mosul on 10 June 2014 by calling upon Iraqi Shiites to take up the fight against IS, stressing that all holy sites and Baghdad had to be defended against the threat from the advancing IS units. Hashd ash-Sha'abi was founded in response to the IS expansion. Within weeks, numerous militias formed under its umbrella; so did subgroups of the militias that had occupied important institutions in the political and defence sectors immediately after the overthrow of the Baath regime in 2003, some of them having returned from exile in Iran where they had received support and training. Specifically - and forming the core of today's Hashd as-Sha'abi as the most influential groups these include the militia al-Badr, 18 the former Mahdi Army, now active under the designation of Peace Companies (Saraya as-Salam) under the cleric Muqtada as-Sadr, Asa'ib Ahl al-Haq (League of the Righteous), who are rumoured to be close to former Prime Minister al-Maliki, and the Iraqi offshoot of Hezbollah (Kata'ib Hizballah). Between them, these militias, which have strong links to Iran, and up to 40 further militias are thought to comprise between 60,000 and 100,000 armed fighters. In April 2015, Prime Minister Haider al-Abadi had formalised the PMF militias, which now operate beside the Iraqi Army as paramilitary units under the command of the Ministry of the Interior and are funded by the central government.19 It appears that Hashd ash-Sha'abi has monopolised the government's fight against IS in line with its own objectives and has successfully established itself as the only force - besides the Kurds - that can put up an effective fight against IS, whose ideology is clearly anti-Shia. The upgrading of its capabilities and particularly the extent to which it is funded and equipped by Iran and the Iraqi central government (approx. one billion U.S. dollars in the 2015 budget) also affect the



Kerbala: Shiite clergy play an important role in the Iraqi struggle against the IS. Source:  $\odot$  Stringer Iraq, Reuters.



Al-Nusra fighters: Sunni extremists target mostly other Muslims that do not follow their religious beliefs and declare them infidels. Source: © Hosam Katan, Reuters.

sensitive and tense relationship with the Autonomous Region of Kurdistan, whose *Peshmerga* had demanded support from the central government for years.

Until the summer of 2014, many of the Shia militias had fought in Syria on the side of the regime; but they subsequently followed al-Sistani's call to defend the holy sites in Iraq, which initially significantly impaired the fighting strength of the Assad regime. From 2015, there have been reliable indications of militia fighters returning and becoming involved once again in the fighting in Syria, for instance during the most recent February offensive to take back Aleppo, where Iraqi *al-Badr* fought. The fact that the Syrian regime is receiving support from groups oper-

ating from within Iraq is not least an indication of the pressure Iran is exerting on the Iraqi government to provide backing to Tehran's support for the Assad regime despite historic rivalries between the Iraqi and the Syrian Baath parties and acute security tensions. Observers have rightly pointed out that the decline in recruitment to the Iraqi Army and security forces has resulted in a loss of legitimacy of the Iraqi Armed Forces as an institution and potential engine of a nationwide integration and reconciliation process. Linked to this are concerns about the future loyalty of the militias to the Iraqi government and the question of the options available to the government for controlling militias that may threaten to get out of hand sometime in the future.20

Last but not least, the growing presence of paramilitary groups increases the existing risk of escalation of the Islamic sectarian conflict in the region significantly, with Syria and Iraq as the flashpoints. Many of the groups fighting under the umbrella of Hashd as-Sha'abi have declared the destruction of the "takfiri terrorists" or nawasib - meaning IS, the Nusra Front and further Sunni-Salafist or jihadist groups - a top priority alongside the protection of the region's Shiites and holy sites.21 These terms denote those Sunni extremists who declare all Muslims - meaning Shia - who do not subscribe to their own religious conviction to be infidels and kill them. In Lebanon, Hezbollah has repeatedly defended its intervention in the Syria conflict on the side of the Assad regime by referring to the risk of this conflict spilling over into Lebanon. Since his speech on 25 May 2013,22 in which he admitted the presence of Hezbollah fighters in Syria for the first time, Hezbollah's leader and Secretary General, Hassan Nasrallah, has stressed repeatedly that Hezbollah was protecting the religious groups in Lebanon against the "storm of the Takfiri", which could potentially provoke Israel to intervene.23

In the most recent development, Russia entering the war prevented the impending military collapse of the Syrian regime in the late summer of 2015.

#### Assessment and Outlook

The security situation in the Levant has deteriorated dramatically within just a few years during the course of the Syria conflict. The radicalisation of the Syrian popular uprising and of the main opposition actors, particularly from 2012 and then anew from 2015, has to some extent spread to the bordering countries, where existing divides are deepening considerably, threatening not only national unity, such as in Iraq for

instance, but also stability in Lebanon, Jordan and Turkey – adding to the challenges posed by the currently 4.6 million war refugees of the last five years now and in the foreseeable future. <sup>24</sup> Particularly from a European and German perspective, a further gradual destabilisation of the Levant would have catastrophic consequences that would have a direct impact on Western security interests.

The active intervention by the regional powers and the increasing internationalisation of the conflict this has entailed has made it considerably more difficult to achieve a ceasefire and a political resolution of the conflict. In the most recent development, Russia entering the war prevented the impending military collapse of the Syrian regime in the late summer of 2015. While it has become apparent in recent years that none of the actors in the civil war is strong enough to win the conflict by military means, the Russian-Iranian intervention has resulted in overcoming the military stalemate to the benefit of the Syrian regime. This has resulted in the window for direct negotiations between the Syrian parties, which had opened up due to the threatening fall of the regime, closing for the time being. It is conceivable that the political process may resume after a phase of the regime expanding and consolidating its control over wide swathes of the country. But the process would then be conducted under conditions favouring the Syrian regime and its allies, Russia and Iran, to the disadvantage of the Syrian opposition and its supporting countries, Turkey and Saudi Arabia. One question that remains totally unanswered and depends on the realities on the ground is whether this development would benefit further conflicting parties such as IS and the Syrian-Kurdish forces in the long term as well.

The massive foreign presence in Syria and Iraq in the fight against IS and in the Syrian civil war is promoting the continuation of the conflict, radicalising elements of the moderate opposition groups and ultimately strengthening Islamist forces such as IS. This development also harbours the risk of the Syrian revolution

being reinterpreted from being a local rebellion against the Baath regime to being a religiously motivated war of liberation against foreign forces of occupation and intervention, such as Iran, Russia and the Lebanese Hezbollah. The Russian-Iranian intervention on the side of the Syrian regime and a serious weakening of the military capabilities of the anti-Assad opposition forces could easily set off an unprecedented escalation of the conflict through action by Turkey or Saudi Arabia. Besides a direct intervention in the conflict with troops of their own, long-term indirect military support of the Syrian opposition groups would also be conceivable with the intention of creating the conditions for what could amount to years of fighting against the regime and its allies using strong guerrilla elements.25

Despite some common positions and partial successes, which have resulted in the recapture of some territories in Iraq, the fight against IS in Syria and Iraq is still marred by disagreements between the parties involved, particularly with respect to the way to conduct the unavoidable military action on the ground. In looking at the outcome of the campaign to date that has been conducted almost exclusively from the air, one is forced to conclude that this is an approach fraught with risk. This is mainly due to the complex conflict scenarios within the two countries, which illustrate that there can only be hope for a military campaign against IS to succeed if there is a simultaneous humanitarian, political and economic stabilisation of the region. As long as the Syria conflict - which acted as the main catalyst for the rise of al-Qaeda and IS - continues, creating a vacuum that allows militant groups such as IS to consolidate, the options for intervening in Syria remain limited.

Iraq will play a central role in the fight against IS and any successor terrorist organisations over the coming years. The Kurdish troops of the ARK are of huge importance, particularly for curbing IS by military means, and the ARK has also made a considerable humanitarian contribution by accepting large numbers of Syrian and Iraqi refugees. Against this backdrop, it is vital

that international support for the ARK continues and is intensified. However, the long-term political stabilisation of the region, including the fight against the causes of Islamist extremism, can only be achieved with the involvement of a strengthened central Iraqi government. But the dynamic triggered by the Shia mobilisation, which is threatening to exacerbate the political instability within Iraq, will probably prove more difficult to deal with.

Even if it will initially not prove possible to totally defeat IS militarily, but only to weaken it gradually, pushing it back into small territories within Syria and Iraq will allow the military, humanitarian and economic stabilisation of the recaptured areas and the integration of the respective local groups into the political process with the effect of permanently denying IS new recruits and support. However, one cannot exclude the possibility of IS going underground in areas of refuge with support structures and backing among the local population looking back at the emergence of the organisation over ten years ago and the limited resources it had access to at the time. Even assuming the recapture of Mosul by the Iraqi Army, massive loss of fighters and equipment as well as having some of its sources of income cut off, IS would still be capable of organising a prolonged terror campaign against sectarian targets in Iraq. Similar scenarios in the neighbouring states of the Levant cannot be ruled out either.

In September 2015, the Konrad-Adenauer-Stiftung established its new Syria/Iraq Office with bases in Beirut and Erbil (cf. http://kas.de/syrien-irak/en).

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- 1 In addition, UN resolutions 2253 and 2258 were adopted in December; they relate to further measures to disrupt the funding streams of IS and al-Qaeda as well as measures to improve the humanitarian situation in Syria.
- 2 Opposition in exile recognised in 2012 as a "legitimate representative of the Syrian people" by Germany, acting as a member of the so-called Group of Friends of the Syrian People. Based in Gaziantep/ Istanbul, Turkey with the Syrian interim government.
- 3 Alsalmi, Adil 2016: Tehran Acknowledge 200 Thousand Armed Youth in Five Countries, Asharq Al-Awsat, 14 Jan 2016, in: http://english.aawsat.com/2016/01/article55346512/tehran-acknowledge-200-thousand-armed-youth-five-countries [22 Jan 2016].
- 4 This included a former bodyguard of former President Mahmud Ahmadinejad. Other high-ranking officers of the IRGC, including prominent war heroes of the Iran-Iraq war such as Brigadier Hamid Taqavi, who was killed by IS snipers in Samarra, Iraq at the end of December 2014, fell during fighting with IS and FSA groups near Aleppo, Damascus, Homs and Quneitra.
- 5 Instances of prisoners being beheaded and occasionally even burnt alive were documented by fighters of the Imam Ali brigades. In mid-January, Sunni MPs demanded the militias be disarmed as they suspected them of being behind the latest attacks on Sunni mosques in Muqdadiya, Diyala Province. Al-Badr militia leader Hadi al-Amiri responded by offering his assistance with the reconstruction of the mosques. See Rudaw 2016: Sunni parliamentarians call on Abadi to disband Shia militias, Rudaw, 20 Jan 2016, in: http://rudaw.net/mobile/english/middleeast/iraq/190120162 [22 Feb 2016].
- 6 According to a report by Amnesty International, Peshmerga destroyed thousands of houses in Kirkuk and Diyala after retaking areas on the Nineveh plains in order to prevent the displaced ethnic Arab population from returning. In an early statement, the Ministry of Peshmerga referred to the destruction of infrastructure as part of the combat operation. See Todays Zaman 2016: Amnesty: Peshmerga destroyed thousands of houses to displace Arabs, Todays Zaman, 22 Jan 2016, in: http://todayszaman.com/diplomacy\_amnesty-peshmerga-destroyed-thousands-of-houses-to-displace-arabs 410136.html [22 Feb 2016].
- 7 It was not least because of their inferior combat capability that the fighters in this group, which had been trained under the U.S. training program and deployed in northern Syria, were totally wiped out shortly after the beginning of the operation in August/September 2015 by units of the Nusra Front and during airstrikes by the Syrian Air Force. The multi-ethnic Syrian Democratic Forces alliance, established officially in October 2015, is tasked with conducting targeted strikes against IS in the Raqqa area in close cooperation with the USA, Saudi Arabia, Qatar, Jordan and Turkey.

- 8 Abud and virtually the entire leadership of the group were killed on 9 November 2014 in what was one of the largest politically motivated attacks of the war to date.
- 9 A video presumably published by the Islamist *Jaish al-Islam* is purported to show a group of captured Alawite units loyal to the regime and their families in cages set up in a public space in the eastern Al Ghouta region on the outskirts of Damascus to deter airstrikes by the regime and the Russian Air Force. See Joscelyn, Thomas 2015: Syrian rebels use caged civilians, fighters to deter airstrikes, Threat Matrix, 1 Nov 2015, in: http://longwarjournal.org/archives/2015/11/syrian-rebels-use-caged-civilians-fighters-to-deter-airstrikes.php [22 Feb 2016].
- 10 The Syria Recovery Trust Fund (SRTF) was set up in September 2013, initially under the chairmanship of the Federal Republic of Germany and the United Arab Emirates, to provide support for humanitarian aid activities in the Syrian areas controlled by the National Coalition. Subject to a resolution of the conflict, the fund is intended to serve for the reconstruction of civilian infrastructure.
- 11 The World Bank, for instance, promised a further loan of 200 million U.S. dollars on 13 January 2016 in addition to the loan of 350 million U.S. dollars announced in July 2015 for the purpose of reconstruction in the areas liberated from IS. Cf. Iraqi Dinar News Today 2015: World Bank lends Iraq \$1.2 billion to face oil, security shocks, Iraqi Dinar News Today, 18 Dec 2015, in: http://iraqidinarnewstoday.net/world-bank-lends-iraq-1-2-billion-to-face-oil-security-shocks [22 Feb 2016]; Xalid, Gulala 2016: World Bank to lend \$200M to Iraq, Kurdistan 24, 13 Jan 2016, in: http://kurdistan24.net/en/news/4f98bf0d-52c5-4fdb-8d93-8f7ff26bba6c/World-Bank-to-lend--200M-to-Iraq- [22 Feb 2016].
- 12 A similar approach is to be used in the recently announced offensive to retake Fallujah. Regular Iraqi Army units would then not be tied up in Anbar and could be readied for an offensive on Mosul.
- 13 According to official figures, Iraq's population comprises 32 to 37 per cent Sunnis and 60 to 65 per cent Shiites. Cf. figures from Pabst, Martin 2015: Power Struggle or Religious War? The Confessionalisation of Conflicts in the Arab World: The Situation in Syria, Lebanon and Iraq, in: KAS International Reports 6, 2015, p. 40, in: http://kas.de/wf/doc/kas\_41991-544-2-30.pdf?150713155216 [22 Feb 2016].
- 14 The area predominantly populated by Sunnis between Baghdad in the south, Mosul in the north and Rutba in the east, comprising the Governorates of Baghdad, Anbar, Salah ad-Din and Nineveh.
- 15 According to the latest report by the UN Mission in Iraq, 18,802 Iraqis were killed and 36,245 injured through war and sectarian violence between January 2014 and October 2015. 3.2 million people, including a million school-age children have been internally displaced. Cf. UNHCR/UNAMI 2016: Report on the Protection of Civilians in the Armed Conflict in Iraq, 19 Jan 2016.

- Since the last elections, the governing coalition headed by Haider al-Abadi has consisted of a number of Shia parties. The National Iraqi Alliance occupies 155 of the 328 seats. This alliance includes the State of Law coalition with the Da'wa Party of Nuri al-Maliki/Haider al-Abadi, the Al-Ahrar Bloc of the Sadrists and the ISCI, which heads the al-Muwatin alliance in collaboration with smaller partners.
- 17 Iraq Tradelink News Agency 2016: Iraqi oil revenues declined by 70%, spokesman, Iraq Tradelink News Agency, 13 Jan 2016, in: http://www.iraqtradelinknews.com/2016/01/iraqioil-revenues-declined-by-70.html [22 Feb 2016].
- 18 It was founded in 1982 in Iran and has since split from the ISCI. The Badr leadership under Hamid al-Amiri is showing clear political ambitions; after the 2014 elections, Badr commander Muhammad Gabban took over the Ministry of the Interior, for instance.
- 19 The steering committee of the militias reports to Abu Mahdi al-Muhandis, since 2006 an Iraqi MP and according to his own statements a former member of the Iranian IRGC. He is accused of having participated in terror attacks on the U.S. and Kuwaiti embassies (1987).
- 20 Not least because the militias enjoy great popularity as they pay monthly salaries of 500 U.S. dollars and more, far exceeding regular army pay. In the international media, "Abu Azrael", a commander of the Imam-Ali Brigades gained notoriety through his involvement in the activities of Muqtada as-Sadr's Mahdi Army. Abu Azrael, who has since risen to become something of celebrity of the new Shia militancy in Iraq via social media, and other militia leaders are regularly courted by the government and Shia clerics.
- 21 There is a counterpart to this in the Sunni-Salafist or Saudi-Wahhabi camp in the form of demands for a legitimate fight against IS as the new "Khawarij". Groups with links to al-Qaeda, such as the Nusra Front and Ahrar ash-Sham, have been using this rhetoric since 2014, probably partly due to their seeing themselves in competition with IS. Originally, the term referred to a special sect of Islam positioned between Sunni and Shia, which moved away from what it considered the illegitimate ruling principle of the caliphate from the time of the rule of Caliph Uthman (644-656), at times engaging in active opposition to this principle. The Ibadism of present-day Oman (approximately 75 per cent of the population) represents a moderate version of this belief system.
- 22 Cf. Khitab as-Saiyid Nasrallah fi mahrajan al-muqawima wa't-tahrir [Sayyed Nasrallah's speech on the occasion of the Day of Resistance and Liberation], https://youtube.com/watch?v=nQ67BQBd8Pg [22 Feb 2016].

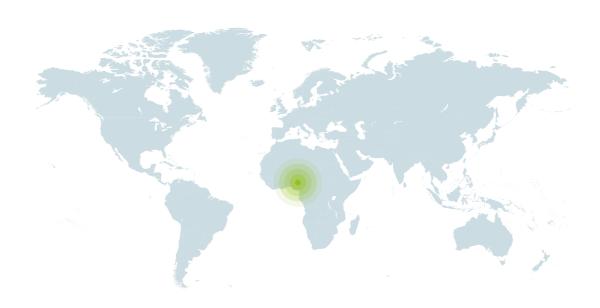
- 23 Wehbe, Batoul 2015: Sayyed Nasrallah to those Who Criticize Hezbollah on Syria Fight: Join Us, Al-Manar, 16 Feb 2015, in: http://almanar.com.lb/english/adetails.php?fromval=2&cid=19&frid=21&seccatid=19&eid=195953 [22 Feb 2016].
- 24 Specifically, the countries have taken in the following numbers of people according to the official UN figures for registered refugees (as at: 17 Feb 2016): Turkey (2.5 million), Lebanon (1.1 million), Jordan (630,000), Autonomous Region of Kurdistan (250,000). According to unofficial estimates, there are close to two million Syrian refugees living in Lebanon alone. Cf. http://data.unhcr.org/syrianrefugees/regional.php and http://syria.unocha.org [22 Feb 2016].
- 25 The supply of U.S.-manufactured anti-tank missiles (TOW) to selected rebel groups funded by Saudi Arabia and Qatar and delivered with Turkey's assistance has been ramped up rapidly since Russia entered the war at the end of September 2015.

  The use of anti-tank missiles by the opposition has made a major contribution to slowing down the regime's ground offensives. On the first day of the regime offensive north of Hama alone (7 Oct 2015), several rebel brigades are said to have used TOWs to destroy between 15 and 22 Syrian Army tanks. So far, the supporting parties have stopped short of supplying the rebels with surface-to-air missiles (MANPADS) as well, but this cannot be excluded in view of the current tensions.

# From Protest Movement to Terrorism

Origins and Goals of Boko Haram

Bakary Sambe



In Western media the violence of Boko Haram has received considerable attention. Yet, little is known about its ideology and its aims. This article intends to close this gap while addressing the question as to which strategy is appropriate for dealing with the African jihadists.

Current affairs in Africa are dominated by the violence perpetrated by Boko Haram, a movement that has been the subject of limited research, as the rhythm of their attacks has proven difficult to account for. These actions are drawing plenty of media attention, leaving little room for an in-depth examination of the origin and ideology of the movement, which is all too often hastily dismissed as a group of "God possessed" individuals adopting some sort of a scorched earth strategy, equally shying away from no risk and blindly killing without purpose.

The almost daily attacks of Boko Haram are directed against the most varied targets: churches, schools, Christian villages – even mosques.

Repeated acts of violence, where entire segments of the population are wiped out because they are suspected of cooperating with the security forces, are one of the hallmarks of Boko Haram. Since the uprising of 2009, which was a turning point for the security situation in northern Nigeria and resulted in more than 700 deaths in two years, the almost daily attacks of Boko Haram are directed against all kinds of targets: churches, schools, Christian villages – even mosques, as the recently committed attack in Kano has shown.

The Nigerian government responded with reinforcement and expansion of its military operations, focusing on the northern states of Borno,

Yobe and Adamawa, causing a vicious circle of arbitrary repression and ruthless retaliation. This ended in the population falling victim to a merciless struggle between parts of Boko Haram and the security forces, which, at times, appear helpless in the face of the scale of the attacks.

This bloody persecution is not victimising groups associated with Boko Haram, but is also driving other population groups to join the movement, as both the security forces and Boko Haram are resorting to the excessive use of force on the ground.

The population is facing a quandary. Both sides are accusing certain segments of the population of conspiring with the respective opponent. However, the Nigerian army seems to be losing out to Boko Haram as it is lacking the necessary intelligence for quite some time now.

The information deficit explains the disproportionate response of an army that is almost helplessly isolated from the population, with farreaching consequences: Boko Haram is increasingly gaining local support. In some places, most of the population prefers to take the side of the reigning terrorist organisations rather than stand behind the security forces.

Entire villages are faced with the choice of either forming self-defence militias as part of the so-called Civilian Task Forces in support of the army in the fight against the terrorist movement, on the one hand, or to be armed and trained by Boko Haram on the other. Caught between the fronts, plenty have fled to the area around Maiduguri, and increasingly also to the neighbouring countries of Cameroon and Niger.



Car bomb: Christian institutions, here a Catholic church near Abuja, are a central target of Boko Haram apart from government buildings. Source: © Afolabi Sotunde, Reuters.

The present article attempts deliver an analysis that serves to make the situation comprehensible rather than merely describing it. The detailed analysis covers the social and historical conditions of the emergence of Boko Haram, its funding, ideology and goals, as well as the strategy adopted by the Nigerian government in fighting it.

#### Sociogenesis of the Movement: The Roots of Boko Haram

The emergence of Boko Haram must be considered in the ideological context of the longing for an Islamic state (*al-Dawla al-Islamiyya*) within societies with a predominantly Muslim population since the abolition of the Ottoman Caliphate in 1922.

The speech held in Yobe by the leader of the movement, Muhammad Yusuf, is widely regarded as the primary speech on the identity of Boko Haram, which answered questions regarding the banishment of "boko", or western education. He defined boko as follows: "It refers to studies at schools founded by Christian missionaries (al-munassirûn), and includes the curricula from primary through secondary school and higher education (collèges) to public service, and thereby work in the service of the state in general."

Any analysis of the sociogenesis of Boko Haram clearly suffers the central difficulty of drawing up a theoretical foundation for a specifically Nigerian phenomenon that entails a distinctive risk of spreading to other countries. The most difficult part is the formulation of a typology



One Laptop per Child: Boko Haram focus their actions on this and other educational projects. Source: © Afolabi Sotunde, Reuters.

of the life paths and profiles of the followers of this ideology, and the definition of their modus operandi. For this, we will cover the internal literature of the movement.

Even though the behaviour and conduct of their leader, Abubakar Shekau, might suggest otherwise in his various records and speeches, the "Taliban of Nigeria", as some analysts have simplistically called the group, do in fact have an ideology. An analysis of the perspective of the founders facilitates an understanding of the logic that directs the bloody actions of the movement.

The rejection of the state education model and abandonment of "official" schools in favour of studying Sharia in the North, as well as the denunciation of an alleged "control" of this system by the Church and Christians, actually constitutes the repudiation of the post-colonial state order, which is considered the political and ideological continuation of the British or Western system. The term "amaliyyat tancîr", or process of "Christianisation" through Western education, which the founder Mohammed Yusuf used in his sermons from the outset, is indicative of the group's extent to which they reject the state system in its entirety.

The typical Boko Haram fighter is an individual who rejects the entire state system due to his contempt of formal education as a vehicle of un-Islamic values. This person has left Nigerian society behind and regards it as contrary to an idealised, "truly Islamic" society.<sup>2</sup> This fracture

that threatens to dismantling the Nigerian government and society, as well as widening the gap between the predominantly Muslim north and the multi-confessional south (mainly populated by Christians and the followers of traditional African religions), is two-fold in nature:

#### Break with the Authorities:

The fighter or young person enthusiastically following the speeches and ideology of Boko Haram demonstrates his rejection of the Nigerian state model, which is very similar to British heritage, and hence the West. To his mind, the state structures and the secular state model appear "godless" and incompatible with Islam.

#### Break with Identities:

The Boko Haram fighter-persona has mentally rejected the identity of his fellow citizens. Further to the dialectic of a "Muslim" North and a "Christian" South, the new disciples of Boko Haram are provided with an alternative conception to the federal state, and particularly the national identities fostered in school. While the institutions of the "godless" state cultivate a sense of nationality and weld together a community by fostering a sense of belonging to the country, Boko Haram are feeding their members with continuous speeches nourishing the longing for an Islamic state in Nigeria, which by the way - never actually existed in the history of Islam, nor on the present territory of Nigeria, except - albeit very minor in geographical scope - during the era of the kingdom of Sokoto.3

The vision of a state, or rather the idea of an Islamic "nation" along the lines of a Sokoto ruled by Usman Dan Fodio, cherished by the Boko Haram fighters, does not follow the ideals mediated by school, the army and the administration of Abuja. This fringe group regards the Nigerian State as a mere illusion of the Anglophone elite in its current shape and orientation, "degenerated" through westernisation, and legitimised by an educational system that itself is "haram", or forbidden by the religion.

Beyond this formal rejection, the attitude held by Boko Haram is also an expression of frustration with the state and its educational system. Indeed, the opponents of boko accuse the system of favouring the Western-oriented population and depriving those who have chosen an "Arab-Islamic" education, as Ahmad Zana, representative of the federal state Borno, noted in the Nigeria parliament. Furthermore, as a young man from Miduguri explained: "The injustices behind the phenomenon Boko Haram are striking; contrary to British-style education, a well-founded Arab-Islamic education offers no advantages."4

The opponents of boko accuse the system of favouring the Western-oriented population and depriving those who have chosen an 'Arab-Islamic' education.

The clash of different education systems is one of the main causes of exclusion and impover-ishment, which is driving the predominantly Islamic population of most societies of the Sahel region towards radicalisation. Since it is difficult to get a place at university on the strength of a career in the parallel madrassa system and the Islamic schools, many continue their education in the Arab world, where universities offer students from sub-Saharan countries few opportunities, usually limiting them to studies of (Arab) linguistics, Sharia or theology.

#### Ideological Background and Objectives of Boko Haram

Before 2002, the movement had no clear guiding principle. The ideological definition took place only after the attacks of 11 September 2001. The ideological struggle exploits the frustration of millions of young people in the North who are excluded from the education system and the state that funds it. Their logic

is reduced to the point of view: "I reject the system that rejects me." This is particularly true for the so-called "unemployed of Maiduguri", young people who are recruited by Boko Haram from very early on. The group finds it easier to convince people of their ideology by capitalising on the frustration of a destitute, marginalised youth under the pretext of fighting against the injustices of a "corrupt state".

In reality, Boko Haram by no means places the defence of the population of the north or the Muslims against a discriminatory state in the foreground; however, the movement is most successful at recruiting people without access to government services or rewarding career options in the country. The movement primarily presents a religiously grounded ideology and tends to issue arbitrary demands in their discourse and most actions, which are supported by a rather confused message.

The hostile attitude towards the West and its fight against the "westernised" state is particularly expressed by Boko Haram's modus operandi, which remains faithful to the ideological grounding from the founding period under Muhammad Yusuf. This is reflected in the destruction and attacks on the infrastructure of the contentious central government, but also on Christian churches. In the mindset of Boko Haram, the latter are the symbol of a religion that paves westernisation by way of Christianisation. This also explains why Christians make up a third of the victims of Boko Haram.

The same is true for the attacks against the civilian population, which stands accused of complicity with the information services, but also the murder of Muslims, which the movement reproaches for failure to live by Sharia.

In addition to the intention of terrorist organisations to draw global attention and depict the state as being weak, the abduction of 200 girls from Chibok also has a definite ideological background, which can be understood only by immersing oneself in the scriptures and the mindset of Boko Haram. These girls were



attending a "Western" school and were therefore the perfect example of "cultural alienation" in the eyes of the movement. At the same time they were a symbol of the "corruption of morals" that goes along with this illegitimate form of education. The fact that they are being held and forced into marriage is based on another medieval idea: The concept of prisoners of war who were reduced to "jâriya", concubines or slaves, whose possession is permitted by religion.

Sensationalised actions of this kind are also an expression of tangled relations between the movement, the state and the security forces.



Protests: It was not only in Nigeria that countless people went to the streets in 2014 to demonstrate for the release of nearly 300 schoolgirls kidnapped by Boko Haram. Source: © Joe Penney, Reuters.

#### The Financing of Boko Haram

The source of Boko Haram funding has been an unresolved question from very early on, since the foundation of the movement. Those familiar with African Islamist movements described Muhammad Yusuf as a descendant of a wealthy, propertied family that permitted him to secure funding for the movement from the outset. Others, however, claim the opposite and deny that Yusuf would have inherited any such fortune. One source close to Nigerian Islamism stated that members of Boko Haram in a number of northern states were forced to sell their homes,

businesses and even their wives' jewellery in order to "support the actions of the Jihad" at the beginning.

Western sources address the issue of Boko Haram funding in more detail, since their aim is to establish a connection between the level of Boko Haram violence and some recent developments in the equipping of its members.

A number of military analysts speculate that the movement was able to improve their logistics particularly by means of the following funding sources:

#### Kidnapping and Hostage-Taking

Boko Haram is exerting great pressure on the Nigerian government while the militias of the different parties also use the movement to get rid of their enemies, especially in the 2015 pre-election period.

Moreover, Boko Haram also obtained funds in the amount of up to three million U.S. dollars in exchange for the release of a seven-member French family who had been kidnapped in northern Cameroon at the end of 2014, in addition to the dismissal of 16 imprisoned members of the organisation.

#### Theft

Many Ulama (religious scholars) of the movement preach that theft is permissible under jihad, since it is considered "ghanâ'im", or war booty, which is taken from the "wicked". This entails different kinds of theft, including bank robberies. In November 2014, hundreds of banks, mainly in the northern states such as Borno, were subject to armed robberies. Revenue from thefts from 2012 to 2014 is estimated at around six million U.S. dollars.

In November 2014, hundreds of banks, mainly in the northern states such as Borno, were subject to armed robberies by Boko Haram.

#### Extortion of High-ranking Public Figures

Important leaders in the northern states had to enter into agreements for protection against attacks with the movement, and pay protection money. This phenomenon has worsened since 2004 due to the fact that Boko Haram controlled wide areas of the North, particularly in the vicinity of Maiduguri, from 2004 until mid-2013. Agreements facilitating the establishment

of base camps of the terrorist movement in this part of the country were concluded with the consent of the northern states' governors.

#### Foreign Terrorist Organisations

A number of regional and international Islamic organisations have previously funded Boko Haram in the scope of general aid to Islamic organisations in Africa via the networks of NGOs and charities with religious backgrounds. Other significant financial resources are sourced in the north of Nigeria, sanctioned by government officials and high-ranking personalities who pay protection money to the terrorist organisation.

The tracing of other financial channels leads to the Algerian branch of al-Qaeda (AQMI), but also indicates links with the Somalian Shabaab, which are ideologically linked with the Salafist and Wahhabist sheikhs and the Al-Haramayn Foundation, an organisation that is on the blacklist comprising the supporters of international terrorism.

#### NGOs and Foreign Organisations

NGOs and foreign organisations are usually unarmed, do not tend to be directly involved in terrorist activities and enjoy an almost diplomatic status in many countries, even in the West. They regard their actions as guided by solidarity within the community with the aim of "supporting our Islamic brothers". Many such organisations condemn terrorism sharply in their speeches and official statements, or enjoy observer status in the most prestigious international institutions. This also applies to two organisations that are identified as supporters of terrorism via countries such as the United Arab Emirates by an Arabic-language informational website:<sup>5</sup>

- the UK-based solidarity fund çundûq i'timâni
- and the Jam'iyyat al-Alam al-Islami (perhaps identical with the Muslim World League Râbitat al-'Alam al-Islami), headquartered in

Saudi Arabia, with official branches in Africa and Europe. However, the representative of the Saudi Arabian offices openly condemns terrorism and all forms of violence.

# Boko Haram: What Are the Strategies Pursued by the International Community?

Following the widely reported death of Muhammad Yusuf, a spokesman for the movement addressed the Nigerian public to clarify that the death of the leader would in no way alter

the line of Boko Haram, or have adverse effects on its ability to act. A certain Umar II declared himself the transitional leader on BBC Radio, before declaring that the movement would "join al-Qaeda" in the future and that "a number of attacks, both in the north and in the south of the country are planned from August 2009" to render Nigeria "ungovernable as a country". The fact that the actions of the movement are aimed at the destabilisation of the state or even its destruction, with a view to the establishment of the utopian Islamic state, has previously been



Freedom: Hundreds of children and women, traumatised by their captivity by Boko Haram, are taken care of in specialised governmental institutions. Source: © Afolabi Sotunde, Reuters.

noted. Against this backdrop, the Nigerian Army would be forced to act against a movement trying to weaken the state.

Furthermore, it should be noted that the Boko Haram movement has emerged out of an environment of violence. For a better understanding of the willingness of Boko Haram to perpetrate violent acts and massive attacks, the fact that there were armed conflicts since the founding of the movement is of significance, which started when a group of followers entrenched themselves in the villages Kanamma and Gaidam near the Nigerian border. They appeared suspect to the police, who responded with violence. This is where the cycle of attacks and counter-



Alleged Boko Haram members: The Nigerian military relentlessly arrests people, who are suspected of belonging to the terrorist group. Source: © Stringer, Reuters.

attacks began, which continue to characterise the deadlocked conflict between Boko Haram and the Nigerian security forces to this day. The success of the movement also spread to the northern states such as Kano, Katsina, Sokoto and Kobe. The *Markaz* center in the quarter Ruwan Zafi (Borno) quickly became one of the ideological strongholds of the movement.

Following the massacres of July 2009 in the scope of Operation Flush Out on the orders of the Nigerian Government, which also resulted in civilian casualties, the population gradually began to develop a sense of solidarity with the members of Boko Haram. The police attack on a mosque where the followers of Yusuf held their meetings was sufficient to trigger hostilities on the night of 27 July 2009. The cycle of attack and retaliation was in full swing when Boko Haram activists launched an assault on a major police station and some office buildings in Damaturu, capital of Yobe, and continued in heavy street battles with the police. This brought the violence to the big cities of the north, including Maiduguri and Kano. The police forces encircled the Boko Haram insurgents in the village of Wudil (Kano), with the tragic sum of 700 dead, among them police officers, activists of the movement, but also civilians. 3,500 people were forced to flee to neighbouring areas.

Despite some symbolic progress, the Nigerian Army faces great difficulty in regaining control over the entire country.

During these clashes, the police and sections of the army attacked the mosque where Muhammad Yusuf was based and held his lectures, better known as the Ibn Taymiya mosque.<sup>7</sup>

Ultimately, the radicalisation of Boko Haram appears all the more worrying since it is emerg-

ing in a country that already endures strong ethnic and religious tensions, and is home to the highest percentage of Muslims of any African country. Despite some symbolic progress, at this point, when the Nigerian Army is having great difficulty in regaining control over the entire country, and there are concerns for the fate of the soldiers who deserted to Cameroon, the topic of Boko Haram is increasingly becoming a priority item on the agenda of the international community.

The African Union has understood that the need for international mobilisation is no longer up for debate in light of the humanitarian crises that have already erupted in the federal states of Borno and Adamawa, with inevitable consequences for Niger, Cameroon and beyond.

The UN, in turn, is strongly interested in addressing the Boko Haram issue with absolute international priority. The need for the establishment of an African army to stop the rise of Boko Haram is an emerging consensus, since the threat is leaving no country indifferent, particularly those of the Lake Chad Basin.

The Boko Haram phenomenon has reached proportions that were previously unimaginable. A climate of insecurity, distrust and fear is spreading, with denunciations and accusations driving divisiveness in the population even further.

Overall, the same situation continues repeat itself, which has already spoiled relations between the security forces and the civilian population in the northern regions of Nigeria. Here, the population openly takes sides with Boko Haram, which promises better protection than the army or the police of the "aloof" government.

The security situation, which is worsening by the day, has also reached the countries neighbouring Nigeria. Niger is mostly surrounded, and its border areas are already experiencing the rhythm of the conflict between Abuja and the Islamists of Boko Haram. Among the largely young population suffering the torments of per-



Chadian soldiers: Despite inadequate training and poor equipment, the participation of the armed forces of Chad and Niger is an important element in the fight against Boko Haram. Source: © Stringer, Reuters.

manent unemployment, occasional sympathy for the Islamists appears to flare up.

The presence of the Boko Haram group in Niger, which is home to some base camps, and where slight growth has been observed, confirms its target: control of the territories of Nigeria, Cameroon and Chad. This is exemplified by assaults on the army of Chad, which enjoys a good reputation in Africa.

In addition to its strategic location, the Lake Chad Basin brings certain symbolic preconditions as a place for the establishment of an Islamic state: the similarity of the surrounding ethnic groups, but also the religion among the population. The Government of Ndjaména is particularly concerned by the fact that thousands of Chadians who have studied in the

madrassa of northern Nigeria are joining Boko Haram. The recent recruitment of Chadians has alerted the country's authorities greatly. This concern has probably accelerated the deployment of the army, as if a pre-emptive war against Boko Haram were being launched.

Boko Haram is no longer just a Nigerian issue, but has now assumed a regional and continental character. The entire Lake Chad Basin is threatened and has even become partly occupied. Boko Haram has settled here, won much of the younger population with ideological speeches, and entrenched themselves in strategic retreat areas. Despite all the speculation about the real strength of Boko Haram and the state of their troops, the movement's clear aim is the control of the Lake Chad Basin, a strategic area, if only for the external supply with weapons.

In this light, the strategy of Boko Haram appears to be well thought-out, and not, as one might think, does not consist of arbitrarily repeated acts, involving the occupation of the Lake Chad Basin, and thus the positioning on a common natural border of four countries (Nigeria, Cameroon, Chad and Niger), the pursuit of strong economic pressure by controlling trade, and the gradual exploitation of the porous borders and weak armies. The movement has been able to spill the conflict - which was originally confined to Nigeria - over to other regions, and has thus become an acute threat to humanitarian security around a strategic basin that offers much fertile ground for the exploitation of symbols, ideas and religion to build the ideal of an "Islamic state" in the heart of Africa.

The imminent military intervention with a certainly chaotic outcome will not be capable of eradicating the "curse" of Boko Haram. Even if the symptoms of this Nigerian malady disappear with continental impact, this would not permanently solve the problem. The aim of the recently announced commitment of Boko Haram to the Islamic State in Iraq and Syria (ISIS) was mainly geared to attract the international community into the trap of intervention, and claiming the label of jihadism over other jihadist movements at the international level.

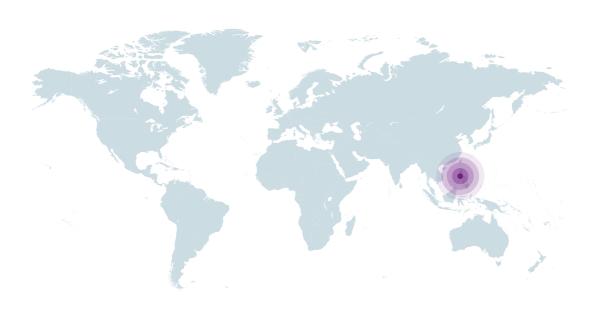
**Dr. Bakary Sambe** is Director of the Observatory on Religious Radicalism and Conflicts in Africa (ORCRA) and Researcher at the Center for the Study of Religions (CER-CRAC) of Gaston Berger University Saint-Louis (Senegal).

- Translated from Arabic.
- 2 This phrase can be found in all Salafist of faithful Islamic movements in the countries of the Sahel.
- 3 The Empire of Sokoto was founded by Usman dan Fodio in northern Nigeria in the 19<sup>th</sup> century. Its capital was the city of Sokoto.
- Written survey; for safety reasons anonymity is required for those affected.
- 6 Cf. Zahraa 2014: Supposedly terrorist organisations with links to the Emirates, 25 Nov 2014, in: http://zahraa.info/node/997 [4 Feb 2016]. The struggle for influence in the Gulf between the Emirates and Qatar calls but to increased caution in the analysis of such information.
- 6 Cf. Boko Haram, Qabus Nigeria, al-Mashaheer, 17 May 2015, in: http://almshaheer.com/article-874577 [4 Feb 2015].
- 7 Ibn Taymiyya is one of the strictest Muslim scholars; his theories inspired the Salafist movements, especially the Jihadis. In his book Al-çârim al Maslûl, for example, he calls for the killing of those who attack the Prophet of Islam.

## Bandits or Terrorists?

The Abu Sayyaf Group between Economic Interests and Religious Ideals

Benedikt Seemann



The Abu Sayyaf Group was designated as a terrorist organisation by the U.S. State Department at the end of the 1990s. The Philippine authorities followed suit in September 2015, more than 15 years later. The group made several references to its links to al-Qaeda and the Islamic State. Nonetheless, this article argues against its reckless tagging as an "Islamic terrorist organisation" by some, thereby calling for a more scrupulous approach in dealing with the complex conflict situation on the ground.

#### Introduction

The Philippines, the world's twelfth largest country in terms of population, seems to only receive international attention during reports of natural disasters, kidnappings, and particularly violence. The most prominent synonym for violence and terrorism in the Philippines is Abu Sayyaf (aka the Abu Sayyaf Group, ASG). The Abu Sayyaf Group has for many years contributed to the image of the Philippines being a safe haven for Islamist terrorists. Their most recent success was the abduction of a German couple in 2014 which created enormous media coverage for the group. Apparently, a high ransom was paid for the release of the German couple. Nonetheless, the varying success of ASG in their operations in the Philippines has been unsteady to say the least. But their persistence and violent actions have kept the world wondering how an organisation like ASG can prosper and create such impact in a predominantly Christian country.

In order to understand this, one has to understand the history of violence and terrorism in the Philippines which is the history of separatism. Hence, it is important to take a closer look at the circumstances that have given rise to separatist movements and how those groups have evolved leading to the present situation, wherein violence remains and groups like the Abu Sayyaf continue to influence the country's image.

Prior to Spanish and U.S. American colonisation of the Philippines, Islam already reached the Philippines in the 14<sup>th</sup> century through Arabian traders. During the 15<sup>th</sup> century, parts of Luzon (the northern-most island group) and Mindanao (the southern-most island group) had become sultanates of Borneo, with a large population of Muslims, particularly in Mindanao. Neither Spain nor the U.S. had ever completely succeeded in exercising full control of these predominantly Muslim areas in the south. Efforts during the U.S. colonial rule, particularly relocating Christian settlers to Muslim Mindanao, had spurred additional tensions in the region.

Today, as the Philippines faces severe problems such as political instability, growing corruption, failures in governance, and a stagnation of high poverty rates, Mindanao remains the least developed part of the country. It is there, in Mindanao, wherein groups such as the notorious Abu Sayyaf, have their strongholds.

## A Breeding Ground for Violence and Extremism?

A study of the Philippines reveals that most of the provinces that are predominantly Muslim belong to the poorest and least privileged regions in the country. Evidence indicates the problems the Philippines are facing today provide a framework that is conducive to extremism. Violence and terrorism in the Philippines are a reflection of two important issues – poverty incidence and governance. In examining how these two relate to each other, it can be said that high poverty incidences are due to poor govern-

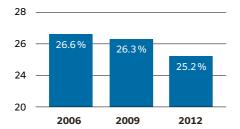


At prayer: Islam reached Filipinos in the 14th century. Muslims make up around five percent of the population, living primarily on the southern islands. Source: © Erik De Castro, Reuters.

ance. Poor governance is a recurring issue and a problem in the country and it is this particular factor that must be considered when analysing terrorism and extremism in the Philippines.

Poverty incidence is a practicable measure of governance in any country. Data provided by the World Bank indicates that the poverty rate has remained relatively stable in the past ten years. Inability to reduce poverty therefore continues to serve as a reason for discontent in the country.

#### **Poverty Rate in the Philippines**



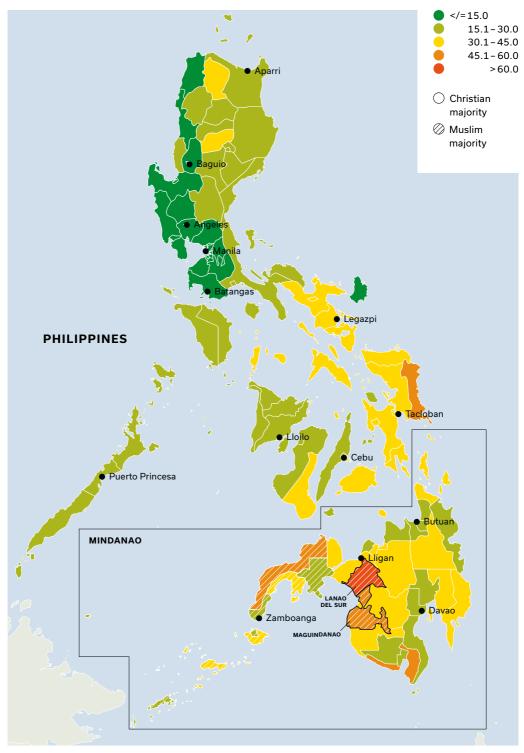
Source: The World Bank, World Data Bank, in: http://databank.worldbank.org [9 Mar 2016].

What is more staggering, however, is the comparison of the overall national poverty rating to regional figures. Out of the provinces that constitute the current *Autonomous Region in Muslim Mindanao* (ARMM) two provinces show poverty rates beyond 50 per cent, namely Lanao del Sur (68.9 per cent) and Maguindanao (57.8 per cent), making the ARRM the poorest region in the entire Philippines.<sup>2</sup> This region and the neighboring island provinces play hosts to the New People's Army, the ASG, (former) separatist movements like the Moro Islamic Liberation Front (MILF) and the Moro National Liberation Front (MNLF) and their spinoffs such as the Bangsamoro Islamic Freedom Fighters (BIFF).

## The Evolution of Separatist Movements and the Birth of Abu Sayyaf

The history of separatist groups, eventually splitting into moderate and extremist, even terrorist factions like Abu Sayyaf, seems to be a self-repeating process in the Philippines. The struggle for independence in the Muslim south

## Poverty Rates and Religions in the Philippines



Source: Wikipedia  $\odot \odot \odot$ , https://commons.wikimedia.org/wiki/File:Untitledperkykooky.jpg und https://de.wikipedia.org/wiki/Philippinen [10 Mar 2016]; Natural Earth  $\odot$ , http://naturalearthdata.com [10 Mar 2016].

is a process that has continuously seen groups violently fighting the Philippine government. The first prominent secessionist group that emerged in the Philippines in the second half of the 20th century was the Moro National Liberation Front (MNLF) in Mindanao. It was founded in 1969 by its first chairman, Nur Misuari. Their aim, to be reached by any means, was clear: independence for the Bangsamoro ("the land of the Moros", i.e. Philippine Muslims) from the Philippines. With the declaration of Martial Law under President Marcos in 1972 it became obvious that the struggle of the MNLF had to be a violent one. Hundreds of thousands were either killed or displaced during the uprisings and military actions of the Marcos regime.

Libyan Leader Muammar Gaddafi brokered the negotiations between the MNLF and the Philippine Government, leading to the Tripoli Agreement in 1976. Both parties signed the agreement with the MNLF effectively accepting autonomy in Muslim Mindanao, surrendering their struggle for secession. The ceasefire that was initiated some months later failed, thus, preventing real peace or real autonomy from being sustainable or lasting.

In 1978, another group emerged: Rejecting autonomy in favor of outright independence, the Moro Islamic Liberation Front (MILF), split from the MNLF.<sup>3</sup> By the time Misuari and the MNLF realised that no kind of meaningful autonomy would become reality the MILF had already made significant headway in recruiting disgruntled senior MNLF commanders and young ideological Muslim scholars.<sup>4</sup>

It was only after the end of Marcos' dictatorship that a chance for a real autonomy seemed attainable under the presidency of Corazon Aquino. In 1990, the Autonomous Region in Muslim Mindanao was established, being truly implemented in 1996 with Nur Misuari as its first governor. At that time, Abdurajik Abubakar Janjalani gathered radical forces inside the MNLF, who sought to resume a violent struggle for an independent Islamic state, rather than following the idea of autonomy. Together,



Janjalani and his supporters founded the radical Abu Sayyaf in 1991.

Even though, the MILF declared publicly in 2011 that they would no longer pursue a course for independence but strive for genuine autonomy instead, other factions had not given up on their violent fight against the Philippine government. In 2012, the Philippine government and the MILF jointly signed the Framework Agreement on the Bangsamoro (FAB), paving the way for signing the Comprehensive Agreement on the Bangsamoro (CAB) in 2014. A proposed Bangsamoro Basic Law remains under deliberation by both houses of Congress. It is meant



Former MILF-commander Kato: Following MILF's renunciation of its fight for an independent Bangsamoro – subsequently settling for an extensive autonomy instead – the organisation began to splinter.

Source: © Joseph Penney, Reuters.

to pave the way for a meaningful autonomy in Muslim Mindanao, replacing the ARMM which is considered to be a failed experiment. Even now it remains unclear when and in what version or form a Basic Law will be passed, leading to the establishment of the long awaited Bangsamoro Autonomous Region. While MILF and MNLF support a transition to meaningful autonomy, Abu Sayyaf and BIFF could not be integrated into any kind of peace talks.

This history of struggles for independence or autonomy has left Mindanao with a broad playing field of moderate former rebel groups, violent break-away groups, and smoldering discontent. However, a certain pattern seems to have become obvious: whenever a radical group has changed its policy from striving for genuine autonomy in Muslim Mindanao to fighting for secession (or an Islamic state), a smaller faction, which remains radical in its pursuit for secession, splits from the original group. Out of those violent groups, the ASG remains the only group listed as a "Designated Foreign Terrorist Organization" by the U.S. Department of State.<sup>5</sup>

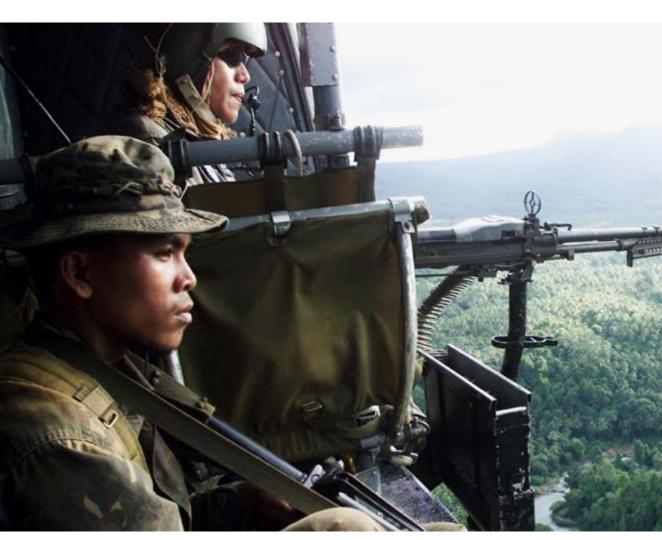
#### The Abu Sayyaf Network

The question of the true nature and purpose of the Abu Sayyaf has been discussed widely

among analysts, police and military officials and the media. However, two facts seem to be undisputed: 1) The Abu Sayyaf was originally born as a break-away group when the MNLF surrendered its course for an independent state. Therefore, Abu Sayyaf's original purpose was to continue the fight for a separate Islamic State. 2) Today, the main activities of the group result in kidnapping-for-ransom and seem to serve an economic rationale rather than a religious ideology. Abu Sayyaf was first designated as a "Foreign Terrorist Organization" by the United States in 1997. The U.S. State Department's Country Reports on Terrorism 2014 state: "ASG is the most vio-

lent of the terrorist groups operating in the Philippines and claims to promote an independent Islamic state in western Mindanao and the Sulu Archipelago." To which extent this claim or the actual objective is the underlying rational for the group's activities remains unclear. Despite its public statements of support for the Islamic State of Iraq and Syria (ISIS), its actions revolve around kidnapping-for-ransom. In the past years, hardly any activity could be characterised by a religious or ideological motive.

In order to identify the true nature of Abu Sayyaf as an organisation it is necessary to have a closer



Patrol flight: In the last couple of years, the Philippine military succeeded in pushing back the country's terrorist groups into remote parts of the jungle. Source: © Erik de Castro, Reuters.

look at their evolution. In 2011, Zack Fellman of the Center for Strategic and International Studies (CSIS) argued that ASG activities can be divided into several periods: foundation and rise (1991 to 1995/96), the first subsistence period (1995/96 to 2003), the resurgence of terrorism (2003 to 2006) and a second subsistence period (2006 onwards).7 Without a doubt the ASG has committed severe terrorist acts in the past. They received worldwide attention for attacks like the Ferry Bombing in 2004. Due to ongoing counterterrorism efforts of the Philippine government and the United States and repeated losses in their main leadership the Abu Sayyaf had been subjected to a "leadership vacuum" in their fourth period of development since 2006. In addition to this, a degraded organisational structure has led the group to resort mainly to kidnapping-for-ransom activities. Fellman concluded that the ASG hardly has the means or the expertise to return to a serious period of terrorism.8 Given the more or less shattered structure of the organisation it is fair to assume that the Abu Sayyaf has rather transformed into a network than a consistent group. Up until today kidnapping-for-ransom, in particular of foreigners, remains the most prominent activity of the Abu Sayyaf. No major act of political violence or extremist action with a possible Islamist/ separatist motive can be traced to the ASG in the recent years, following the 2004 Star Ferry Bombing.

Abu Sayyaf and Other Networks: "Terrorisme Sans Frontières"?

A common perception held by the international public is that ASG is closely linked to influential terrorist groups abroad. Although ASG's motives and nature as a terrorist group (rather than mere bandits) is disputed, they are believed to cooperate with terrorist groups outside the Philippines. Years ago, ASG had publicly declared their support of al-Qaeda. Even though media and analysts speculated about the true nature of the relationship between both groups, many believed ASG to be coat-tail riders seeking to benefit from the reputation of a more influential terrorist group. Nonetheless, it is undisputed

that many members of the ASG haven been trained together in Afghanistan together with and by al-Qaeda.<sup>9</sup>

Abu Sayyaf recruits its operatives rather with the promise of income than religious motives.

It appears to be a reoccurring pattern of the ASG to supposedly align with a "bigger brand". More recently, Abu Sayyaf (just like the BIFF), through one if its leaders, Isnilon Hapilon has declared publicly their support of ISIS and its leader, Abu Bakr al-Baghdadi, in July 2014.10 According to experts like Joseph Franco of the Singapore-based S. Rajaratnam School of International Studies (RSIS), the incentives of ASG have in fact nothing to do with any religious ideology or support for ISIS. Abu Sayyaf recruits its operatives rather with the promise of income than religious motives. 11 The island provinces in which ASG concentrates its activities are facing massive problems in terms of poverty. Therefore, it is plausible to believe that economic prospects are more of an incentive for ASG operatives than ideological reasons. In January 2016 another video of Isnilon Hapilon was published on the internet. Again, he pledged allegiance to ISIS on behalf of Abu Sayyaf leading the media to speculate whether ISIS might declare Mindanao a satellite province of its own terrorist network.12

While the relationship between ASG and ISIS/al-Qaeda remains subject to speculations, one of ASG's real allies seems to be Jemaah Islamiya (JI), a fundamentalist terror group originating from Indonesia. Although it has its origins in Indonesia, JI considers the entire Southeast Asian region as its field of operations. Founded in Malaysia in 1993 by Indonesian Islamist clerics Abdullah Sungkar and Abu Bakar Ba'asyir, JI is a Salafi jihadist group which was inspired by the same ideology as al-Qaeda. Nonetheless, experts disagree on the extent of the relationship and possible links to al-Qaeda.

The connection between Abu Sayyaf and JI is certainly the most tangible one. JI's cooperation with the Abu Sayyaf can be traced back to at least two fields: financial cooperation and training activities. Abu Sayyaf is said to have received support from other regional terrorist groups, those include Jemaah Islamiya. Also, there are indicators that JI helped the ASG in training their fighters.<sup>16</sup> Due to the archipelagic nature of the Philippines it is easy for such groups to cross borders between Indonesia, Malaysia and the Philippines. Nonetheless, the Philippines are not a permanent safe haven for foreign terrorists in general. The U.S. Department of State claims that only a small number of Jemaah Islamiya members remain in the Philippines today in some small isolated pockets of Mindanao and the Sulu and Tawi-Tawi island groups.<sup>17</sup> In 2015, as the Mamasapano clash between government forces and BIFF fighters occurred, it became obvious that JI elements continue to be present in the southern Philippines indeed. During the said incident Zulkifli Abdul Hir (aka Marwan, a known member of II) was killed during a counter-terrorism operation in January 2015.18

The question as to whether ISIS and other transnational groups pose a threat to Southeast Asia and the Philippines can hardly be answered in one way. Experts say the ISIS threat to the Philippines is relatively low right now. However, it has potential to grow. Ahmed S. Hashim of the RSIS argues that the main threat is not based in the Philippines but in the Middle East since 2.5 million Filipinos live in this region as so-called Overseas Filipino Workers. If groups like ISIS intended to hurt the Philippines they would not have to infiltrate the country but could rather target those Filipinos abroad. Overseas Filipinos abroad.

#### Outlook: Endless Terror in Mindanao?

Assessing the motives and background of Abu Sayyaf, it has become clear that the emergence of this group is not an isolated incident, but a consequence of previous developments and struggles, mainly related to separatist movements in Mindanao. While experts and media seem to disagree on the nature of the group as

either terrorists or bandits, it is necessary to admit that the spectrum of separatist groups and violent actors and their motives (and therefore) their classification has changed massively. While MILF and MNLF seem to be committed to genuine autonomy in Muslim Mindanao, Abu Sayyaf, originally a MNLF breakaway, has shown tendencies of pursuing economic motives rather than religious ideals.

Abu Sayyaf's network-ofnetworks structure and its flexible ideology make it susceptible to instability, but resistant to complete eradication.

As far as Abu Sayyaf's future is concerned, Tim Fellman has come up with a scenario for the year 2025: ASG's network-of-networks structure and its flexible ideology make it susceptible to instability, but resistant to complete eradication.<sup>21</sup> A circumstance which might support this prediction is the fact that ASG is not a completely cohesive organisation. Some of its fighters are recruited on a job-basis among families, clans and neighbors in their geographical strongholds. The criterion of affiliation with the group is merely vague and can vary.22 When assessing the future of the group (and with it Fellman's prediction) many variables have to be accounted for. The future progress and acceptance of the Peace process in Muslim Mindanao, resulting in the Bangsamoro Autonomous Region has to be factored in when evaluating the growth or demise of groups like Abu Sayyaf. If meaningful autonomy can be reached for Muslims (and non-Muslim inhabitants) in Muslim Mindanao (including the islands provinces) which results in economic progress, the south is less likely to be a breeding ground for unsatisfied extremists. If the peace process and the struggle for meaningful autonomy are to face further significant setbacks, the environment might become more favorable for extremists in the future.



Yes to Bangsamoro, peace and national unity: The continuation of the peace process is crucial in reducing tensions in the region. Source: © Cheryl Ravelo, Reuters.

Today, the ASG core group supposedly consists of less than 20 members. Out of those, only two or three leaders follow a religious ideology in any way.23 The entire organisation, including their leadership, remains fragmented. Taking into account that the group has not carried out political acts of terror, rather than kidnappings, in years their nature as an Islamist terrorist group should be questioned. This assessment is supported by the fact that Abu Sayyaf did not even back off from kidnapping Muslims in March 2016 (ten Indonesian fishermen) in order to extort ransom.<sup>24</sup> However, given the volatile nature of the peace process in Mindanao and the related implications for actors involved in it, this could change again in the future.

As far as international links of Abu Sayyaf and the possible threat of ISIS joining forces with ASG are concerned, experts may paint a complicated picture as well. In the past, even possible links between Abu Sayyaf and Saudi Arabia had been discussed. While it is often argued that private donors support terror networks<sup>25</sup> all over the world (including ISIS and al-Qaeda), looking for specific links between Saudi Arabia and the ASG leads to highly speculative results at best. Nonetheless, Abu Sayyaf has reiterated its dedication to more influential groups, namely al-Qaeda and ISIS, through the years. In the face of those statements - although mainly to be believed marketing tactics - and their current activities as bandits and kidnappers a Philippine court has declared the group a terrorist organisation in September 2015. The reason for this is not a change in the nature or goal of ASG's activities, but a legal implication. This first-ever terrorist designation makes it easier for authorities in the Philippines to prosecute members and supporters of the group.26



Yes to peace: Chief negotiators of the Philippine government and MILF shake hands after signing the agreement in 2012. Source: © Samsul Said, Reuters.

Ultimately, it seems accurate to state that the current nature of Abu Sayyaf merely characterises the groups as bandits with economic interests rather than Islamist terrorists. Despite this judgment many variables have to be factored in in order to assess whether Abu Sayyaf might return to its original path as fundamentalist separatist group. Among those variables, two seem to stand out:

The progress of the peace process in Mindanao remains the most important domestic factor for the overall development in the Muslim south. If the quest for genuine autonomy (and along with it economic development) in Muslim Mindanao becomes a success story, it will be hard for Abu Sayyaf to recruit operatives and find supporters.

The main external variable might be the manifested interest of foreign groups like JI or ISIS

to establish strongholds in the Philippines. If any development in the region drives radical actors from outside the Philippines into further cooperation with ASG, state authorities in the Philippines, Malaysia and Indonesia would face massive challenges in their pursuit of peace and security.

Therefore, the sole solution for the current situation goes beyond particular counterterrorism activities in terms of military actions. It is crucial to support the peace process in a way which leads to a leveled playing field providing better lives for the inhabitants of the future Bangsamoro Autonomous Region.

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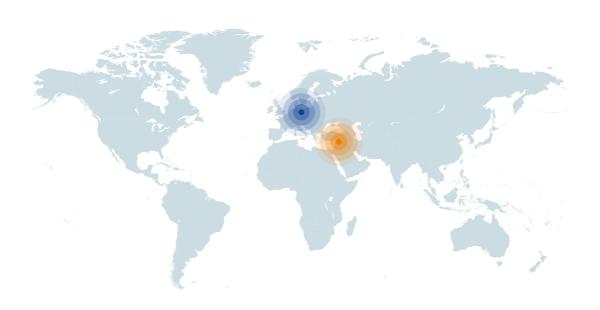
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# The Return of the Terror Tourists

Foreign Terrorist Fighters as a Challenge for Germany and Europe

Kristina Eichhorst



The Paris and Brussels terror attacks proved the reality of a threat that the security authorities warned of long ago: European citizens who travel to conflict regions, for example, to fight in Syria for the so-called Islamic State return to Europe as perpetrators of terror attacks here. This article examines the causes of the phenomenon of foreign terrorist fighters (FTFs), and evaluates the best strategy for Germany and Europe to address the challenge.

On 22 March 2016, 32 people were killed in two separate terrorist attacks at Brussels airport and Maelbeek metro station. More than 300 people were injured, some of them are still in critical condition. Initial inquiries revealed that assailants were part of the same network that plotted the Paris attacks last November. On 13 November 2015, three groups of gunmen struck at different locations in Parisian cafés and restaurants. In a concert hall they killed at least 90 young people. On that night, 132 people lost their lives and more than 350 others were injured. The assailants also included so-called foreign terrorist fighters (FTFs)1 who had acquired combat experience in the Syrian Civil War. In this instance - yet again and on an unprecedented scale - a threat, which the security authorities warned of long ago, had become a reality: European citizens who had joined Islamic State (IS, also known as Daesh or ISIL) in Syria, returned to their country of origin to fight "infidels" in Europe as well.

## A Global Phenomenon on an Unprecedented Scale

The Paris and Brussels attackers are merely a fraction of an estimated 30,000 foreign fighters worldwide who have travelled to the conflict zone since the start of the Syrian Civil War in 2011. Although the phenomenon is not new and could already be observed at the end of the 1970s in Afghanistan, in the space of just five years the numbers have now clearly surpassed those during the entire decade of the Soviet-Afghan War.<sup>2</sup> The new element is not merely

the high and particularly rapid rise in numbers of those travelling to Syria, but also the global nature of the phenomenon. While the Afghanistan war still mainly attracted foreign fighters from the region – in particular, from Arab states – they arrive from over 100 countries of origin today. This is clearly a phenomenon on a global scale.<sup>3</sup>

Tunisia is among the Arab states that are most severely affected: it sends the largest contingent of foreign fighters to Syria and Iraq. Yet Europe also faces the problem of a significant and ever-growing number of individuals travelling to Syria. In late September 2015, the Federal Office for the Protection of the Constitution (BfV) - the German domestic security apparatus - estimated that up to then some 4,000 European citizens had travelled to the region to join Islamic State or other terrorist groups. This number includes more than 740 German Islamists or Islamists travelling from Germany, with about one third (240 persons) already having returned to Germany. It is assumed in more than 70 cases that the returnees gained combat experience in the conflict zones. Meanwhile, at least 23 of those returnees are in custody. An estimated 120 German Islamists lost their lives in battles or suicide attacks.4

#### The Search for New Answers

Initially, the German authorities and experts – and equally the German public – seemed staggered by the impact of the phenomenon. There were many open questions that were difficult to



Solidarité: After the terrorist attacks in Brussels in late March, the Eiffel Tower, landmark of the city, which itself had become victim of similar attacks only a few months earlier, is shining in the national colors of Belgium.

Source: © Philippe Wojazer Reuters.

answer at first: what sort of individuals voluntarily travel to a war zone and while there – or back in their home countries – not only risk their lives, but willingly jeopardise their existence? What drives them to this? And how can Germany address this phenomenon that is so utterly at odds with the self-image of an enlightened, secular and post-heroic nation?

## Male, Young and Muslim: a Typical Foreign Fighter Profile?

After numerous investigations and case studies, the initial sense of helplessness has now given way to a fairly clear picture as to the identity of the foreign fighters. A recent comprehensive analysis conducted by the Federal Criminal Police Office (BKA), the BfV and the Hessian Information and Competence Centre (Hessian Prevention Network against Salafism, HKE) scrutinised 677 cases of German Islamists who travelled abroad.5 The results clearly show that the foreign fighter recruit is frequently male (about 80 per cent), young (on average aged 26, women are about three years younger), Muslim by birth (about 17 per cent are converts) and born in Germany (about 60 per cent). In almost 50 per cent of cases the person is already a criminal offender and often unemployed as well (about 20 per cent). Some recruits also have a good level of education: about ten per cent fall into each category of still attending school, having completed the German Abitur or attending a university.6

The available data clearly reveals some undeniably important information, but it suggests no conclusive results for the profile of the typical German foreign fighter. Statistically, because of the low number, the "average profile" seems too diverse and multi-layered. One-off aberrations can sometimes also distort the overall statistical picture. This becomes further complicated when casting the net wider beyond Germany and, for example, considering UK or U.S. recruits, where it emerges that many more of those travelling to Syria come from middle-class backgrounds than is the case in Germany. In these countries, there is little evidence to support the narrative of the socio-economically deprived and socially excluded migrant. This makes it even more difficult to define a typical Western fighter profile.7 At best, we can hazard a tentative definition of a typical foreign fighter recruit as male, young and Muslim by religion. However, since the overwhelming majority of young, male Muslims in Germany have absolutely no intention of devoting their lives to Islamic State and sacrificing themselves as jihadists, ultimately these facts add very limited value for any deeper understanding in general, and for the specific preventative and investigative work in this field.

## Religion, Politics, Heroism - what Motivates them?

In the absence of a genuine typical foreign fighter profile, there is no straightforward answer to the question of motivation. To venture forth an explanation based on a single causal argument is inadequate. The motives are multifaceted and complex. Individual motives often seem interrelated and also appear to have changed over time. Usually, the reasons are highly subjective and often intimately associated with each individual's own background. But a broad distinction can be made between content or ideological motives and emotional factors that seem to be determined in the widest sense by psychological issues.

There are a host of ideological reasons that range from religious to political motives, including the expectation that it might be possible to achieve a socially elevated status in the Caliphate that seems unattainable in the country of origin. The International Centre for the Study of Radicalisation and Political Violence (ICSR) at King's College London sought to establish which of these motivating factors takes precedence. In recent years, the ICSR researchers made direct contact with over 150 foreign fighters via social media networks (primarily on Facebook). Based on interviews via such media, they concluded that the motives were manifested in two separate waves of travel that occurred at two distinct times.<sup>8</sup>

The military successes of IS led to a powerful glorification of the terror organisation – especially among young people.

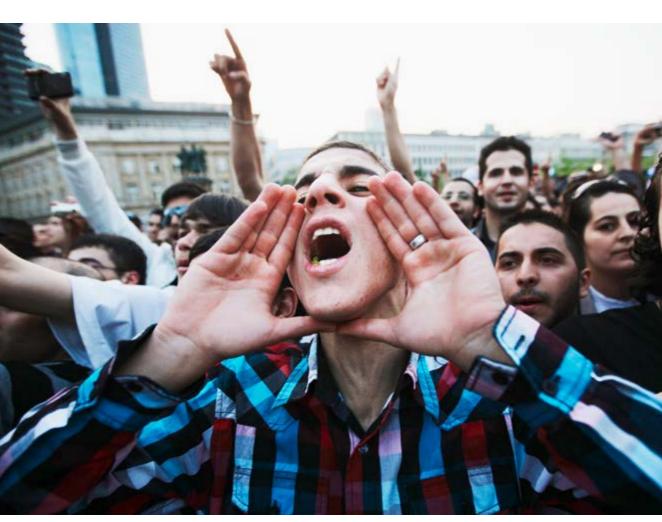
In summer 2011, they monitored a first wave of travellers to Syria. These recruits became radicalised at the start of the civil war. Their decision to travel was justified mainly by the strong urge and intent to defend their fellow Sunnis against the atrocities of the Bashar al-Assad regime. The images of bomb attacks on Homs and other bastions of the Syrian opposition, as well as reports about the political tactics of "abduction" and torture were an important trigger for the start of the radicalisation process. The ideological drive was fused with religious motivation in that, among those who travelled abroad - mostly Sunnis -, a strong sense of identification could be observed with the mainly Sunni victims of the Assad regime.

At the latest since Islamic State pronounced the Caliphate in June 2014, it became obvious that the motivational basis had profoundly changed. The major military successes and breathtaking pace with which Islamic State took vast parts of Syria and Iraq, and literally overran the Iraqi-Syrian border, led to a powerful glorification of the terror organisation. In Europe, this particularly affected teenagers and young adults for whom Islamic State suddenly became the latest

craze, such that occasionally there was even publicity for a Salafist youth culture and the phenomenon of "pop jihad". For those individuals now travelling abroad, the point was hardly to prolong the fight against the Assad regime and to support the Syrian revolution. Rather, it was to become complicit in establishing the proclaimed Caliphate. The overriding hope was now to participate in the new state as part of a "state-forming" elite – a social and political avant-garde – that would be involved in exercising power. In terms of the jihadist ideology of Islamic State, which revolves around the apocalyptical uto-

pia of the final battle of good against evil, participants would be included in an apocalyptic millennium project. This supposedly religious, yet affirmed Islamist dimension was interlinked with the avant-gardist motivational basis. Hence, the radicalisation process was further intensified and accelerated.

In addition to such intellectual motivations, however, emotional aspects also seem to play a pivotal role. Those travelling from Europe therefore often spoke of the great need to find orientation or meaning in their lives. A strong



Young men at a rally held by the Salafist preacher Pierre Vogel in Frankfurt: Salafism is designated as an extremist Islamist ideology by the Federal Office for the Protection of the Constitution (Germany's domestic security apparatus). Salafist groups have been kept under surveillance for some time now. Source: © Kai Pfaffenbach, Reuters.



Islamic State fighter in Raqqa: The motives of those joining IS are manifold, varying from religious fervor to prospects of climbing the social ladder, a goal which did not seem attainable in their home countries. Source: © Stringer, Reuters.

desire to feel a sense of belonging and to be able to identify with a group was associated in this instance with the search for respect and recognition.10 In particular, those who perceive themselves as society's underdog - without this necessarily being borne out by their sociodemographic key data - appear to be particularly receptive to the proclamations of Islamic State. IS propaganda often casts it in the role of David in the fight against the Western Goliath. This makes it potentially even easier to identify with the terror organisation. At the same time, Islamic State promises those individuals to whom it appeals that they can leave behind their former existence - including all their personal problems - and discover a new emotional and social home in the emergent "state". Against this backdrop, it is hardly surprising that through the emergence of Islamic State, which is by far the "most attractive" group for Germans travelling to Syria, the foreign fighter phenomenon also acquired previously unprecedented dimensions.<sup>11</sup>

## How Should This Phenomenon Be Addressed?

The foreign fighter phenomenon represents a challenge in a number of respects that call for an urgent response. For Syria and Iraq, the foreign fighters have become a major part of the spiral of violence of their internal conflicts. Often, they fight on the most exposed front, and European citizens in particular have in many cases acted as suicide bombers in Islamic State military offensives. Therefore, they are a military threat and not to be underestimated, and most notably they give the Iraqi Government a justi-

fiable reason for complaints about the European security authorities' apparent lack of success in stemming the flow of travellers.

Security experts regard those who return as a particular threat, and with good reason, as the Paris and Brussels attacks have shown. Returnees often possess military training and have become more brutal as a result of their experiences in the Syrian civil war; moreover, usually they have access to jihadist networks in Europe and can carry out potentially complex plans of attack. Recent cases also show that even if they are not themselves the perpetrators of attacks, they can function as facilitators who disseminate Islamic State jihadist ideology more widely across Europe and provide information as well as logistical support for future fighters to travel to other countries.

#### Global Answers to Curb the Phenomenon

This assessment of the threat leads to a strong interest among all participants to stem the travel flow of all foreign fighters. Numerous initiatives of this type have been set up on a domestic German and European level, and also internationally due to the global dimension of the phenomenon. The main development here is the UN Security Council's Resolution 2178 of September 2014, which defines a series of anti-terror measures for Member States to adopt to counter foreign fighters and specifically to stem their flow of travel. The resolution describes terrorism as one of the most serious threats to international peace and security - making it possible to adopt this resolution under Chapter VII of the UN Charter. The agreed measures therefore became legally binding provisions that Member States are obliged to comply with. To enable Member States to put the measures into action, a number of sub-committees and organisations offer technical support, training and consultancy.12

Germany adopted Resolution 2178 into domestic law in June 2015. Apart from strengthening its criminal law to address the financing of terrorism, the revised laws concentrate on preventing the travel activities of foreign fighters. Thus, the new rules regulate criminal offences for travel abroad "for the purpose of committing a serious act of violence that endangers the state" (or for preparation, support or training for such offences). In suspicious cases, it is now also possible to confiscate the personal ID papers or passports of the individuals concerned. 14

Resolution 2178 is merely one more measure within the United Nations' extensive counter-terrorism system.15 Yet, it is the first resolution specifically devoted to the issue of foreign fighters. Nonetheless, the initiative has attracted controversy. In addition to certain legal objections, the strong emphasis on criminal measures has attracted particular criticism. Has this focus led to Resolution 2178 neglecting prevention and post-rehabilitation support, and so merely treating the "symptom" yet not tackling the "disease"? The adopted legislation refers to the obligation to prevent radicalisation, develop counter-narratives, integrate civil society, promote political and religious tolerance, and facilitate rehabilitation. However, the specific legally binding provisions to be enforced in domestic law refer in great detail only to criminal procedures for the prevention of immigration, migration and travel of foreign fighters. The provisions concerning prevention or post-rehabilitation support are cursory and vague, thus they provide Member States with no pragmatic and binding enforcement measures.

## In Search of a Multidimensional Approach

The emphasis on purely criminal procedures is seen as one-dimensional, but a phenomenon as complex as foreign fighters seems to call for multidimensional responses. On the German and European level, almost as much attention has been devoted to prevention and rehabilitation support as to criminal detective and prosecution work. This applies for at least two reasons:

Firstly, Europe's experience was that the returnees from Syria were not the perpetrators of all terrorist attacks that were committed in recent



Salafists in Berlin: With their campaign "Read!", in which free copies of the Quran are distributed, Salafists have been trying to gain followers in Germany since 2011. Meanwhile, the campaign has been extended to other countries. Source: © Tobias Schwarz, Reuters.

months and years. Instead, it has emerged that perpetrators can become heavily radicalised even without the experience of the Syrian Civil War, so much so that they are prepared to commit acts of violence in their countries of origin. <sup>16</sup> As such, prohibiting travel activities alone offers no protection from attacks.

Secondly, the prevention strategy also seems so important because in Germany there is immense potential for radicalisation that cannot be dealt with by criminal procedures. Considering that almost all German travellers to Syria were drawn from Salafist sympathisers, and given that Salafism is regarded as the breeding ground for radicalising young Muslims, the trend towards extremism must offer serious cause for concern. The number of Salafists has risen from 3,800 to 7,900 within just a few years.

Presumably, this is also owed to their aggressive recruitment activities, for example, which became clear during the "Lies!" ("Read!") campaign.<sup>17</sup> It is not surprising that the President of the BfV, Hans-Georg Maaßen, has appealed for further efforts to address this challenge, to rectify an existing shortfall in social integration and – particularly considering the present influx of refugees – to further intensify endeavours in this area.

## Prevention and Anti-Radicalisation on the Internet

To augment basic integration policy initiatives, further measures have now been put in place that focus specifically on anti-radicalisation and prevention strategies. Since the online activities of jihadist groups, particularly of the Islamic State group, were identified as a key influencing factor, a raft of measures has been adopted on this level. For example, the German Federal Agency for Civic Education (bpb) was tasked with launching a virtual media campaign to introduce a counter-narrative to jihadist propaganda and juxtapose Western values and the meaning of democratic freedom. A variety of projects are under preparation or have already been launched in this field. Their objective is to develop online services that disseminate a counter-narrative and prevent radicalisation.<sup>18</sup>

Similar initiatives are being set up on a European level where the consensus is to counter violent extremism in future with strategic communications. The European Union (EU) has therefore set up the Syria Strategic Communications Advisory Team (SSCAT). In future, this team should help ensure that counter-narratives to Islamist extremism are publicised on

the Internet as well as on television in order to counteract the further radicalisation of young people. The aim is to reach out to and engage teenagers and young adults – in part by gaining the cooperation of popular young YouTube personalities and bloggers. This is just one of many such projects on a German and European level.

While these measures are highly relevant, it still seems inadequate to focus exclusively on virtual media. Numerous studies refer to the fact that, although the Internet is an important medium of radicalisation, it is not the only decisive factor. The report compiled by the German authorities (BKA, BfV and HKE) concluded that online propaganda indeed plays a key role in the early days of radicalisation and seems to have been relevant in 30 per cent of cases analysed in the study. However, the report still assigns far greater importance to the influence of friends (37 per cent) and contacts in



War 2.0: On 9 April 2015, Islamic State hackers attacked the Facebook page of the French TV channel TV5 Monde. The online activities of jihadist groups – especially those of IS – are regarded as a key factor, thereby inducing the introduction of countermeasures on the part of security agencies worldwide.

Source: © Christian Hartmann, Reuters.

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mosques (33 per cent) – particularly at the point when those involved take the step from purely verbal/theoretical radicalisation to active foreign travel. Hence in the vast majority of cases it appears that those who travel abroad depart in groups. This usually involves close circles of friends or individuals who rally around a main, charismatic figure.<sup>19</sup>

While these measures are highly relevant, it still seems inadequate to focus exclusively on virtual media. Numerous studies refer to the fact that, although the Internet is an important medium of radicalisation, it is not the only decisive factor.

This underscores the continued importance of geographical contacts and networks. It indicates that solutions must also be found in the real world. The perpetrators' multifaceted motivations must be taken into account once again. If those recruits claim to discover a home in Islamic State, if they believe that a feeling of group belonging is conveyed here that they perceive as lacking in Germany, then it is doubtful whether a counter-narrative with a purely intellectual basis is adequate to deter them from their plans. Research analysis instead highlights that the task of convincing hearts and minds for jihadist ideology is essentially reinforced by the emotive force and appeal of the extremist community and its rituals as recruitment mechanisms.20 In this context, intellectually influenced counter-narratives that appear to suggest a balanced interpretation of Islam are likely to be less relevant for emotionally driven individuals. The allure of emotively crafted messages can in such instances be considerably more important.

On the basis of such assumptions, the BKA commissioned a media psychology study with the aim of examining the impact and effectiveness of counter-narratives in preventing radicalisation. Although the results of this study are not anticipated until autumn 2016, it seems appropriate to re-examine the portfolio of traditional social work approaches and to offer "alternative activities" within this context. Such activities certainly have high aims; they are designed to create emotionally engaged situations for young people that match up to the sense of belonging to jihadist underground cells. These leisure activities designed for youngsters must convey a group dynamic that also appeals to those considering joining the Islamic State group. These strategy measures are incidentally nothing new: a basic aim of every leisure activity in the context of social work with teenagers and young adults - in particular, those from migrant backgrounds - has always been to facilitate integration and prevention. In this case, it seems crucial that leisure activities are not withdrawn. Instead, they should be vigorously expanded with the deliberate aim of providing a structural context for counter- and de-radicalisation.

## Work in Progress: Anti-Salafism Prevention Networks

This means that as well as traditional measures the services should also be made available to the concerned parents or family members who observe signs of radicalised behaviour in their children or other relatives. In the early days of the radicalisation wave, these advisory sessions were considerably underdeveloped and mainly supervised by the BfV and various groups within the Christian church. Since the end of 2011, however, the Federal Office for Migration and Refugees (BAMF) has been involved in setting up an advisory network. A telephone hotline refers cases to regional partners who manage counselling interviews with individuals. Although it has had limited effectiveness to date, this is no easy task and depends on the skills of trained experts who ideally also have a migrant background, or at least are fluent in the relevant language and familiar with the Islamic faith, as well as with Muslim family structures, customs and so forth. It is essential that they are able to establish trusting relationships with family members. Faced with such challenges, the experts incessantly highlight the continued lack of trained staff in their field. In summary, despite numerous vital initiatives, it should be noted that there is still no adequate nationwide prevention network against extremism in Germany.<sup>21</sup>

#### **Breaking the Cycle**

Nevertheless, social work will hardly be enough to reach out to those recruits who have already been radicalised. The same applies for those returnees who travelled back to their countries of origin with the intent of carrying out attacks in Germany or Europe. In this case, traditional criminal detective work and, in particular, efforts to protect domestic security are also vitally important. Incidentally, this also applies for the close collaborative work with foreign security services such as America's National Security Agency (NSA). Almost all the attacks on German targets which have so far been averted were exposed with the help of tip-offs and information that the German authorities received from the NSA. This collaborative work seems indispensable if there is to be a further guarantee of the highest level of security in Germany. The same goes for data retention: while this gives no guarantee of preventing attacks, it facilitates fast-track and comprehensive investigations in the event of a terrorist incident. Generally, the enquiries quickly lead to successful manhunts and in case of doubt also to the prevention of further attacks.

The security authorities still need an effective response to a new challenge in this field. Since the revelations by Edward Snowden, it has become evident that terrorist networks increasingly use encryption software to send messages. Apps for smartphones like Wickr or Telegram Messenger are easy to operate and make it possible to send encoded text messages ("end-to-end encryption") with an expiry deadline (for instance, within one minute of receiving and reading the message, if required also on both chat partners' devices). They neither require



any login or contact details nor the provision of geographic locations; they also have a shredder function that totally wipes clean the devices and deletes all the data history. The security services have so far been unable to decode messages sent via these apps. The same holds true for direct access to smartphones. This became clear when the FBI tried to unlock the iphone used by one of the assailants of last December's terrorist attack in San Bernadino. Only after several months did the investigators manage to success-



German Chancellor Merkel visiting a youth sports center in Frankfurt: Sport programs can also be part of a comprehensive strategy to prevent radicalisation. Source: © Kai Pfaffenbach, Reuters.

fully access the data stored on the iphone. This clearly demonstrates that security authorities are only at the early stages of searching for an answer to these technical innovations, and thus face a massive obstacle to their investigative work.

## Conclusion

In general, given the sheer number of challenges which the foreign fighter phenomenon represents for Germany and Europe, it is vital to deal with the task of breaking a full cycle – from radicalisation to the potential return of those who travelled to Syria. One positive factor is worthy of mention: namely, the overall number of foreign travellers has fallen, yet at the same time the number of returnees has increased. The report by the BKA, BfV and HKE therefore concludes that "the zenith of jihadist travel flow to Syria / Iraq [seems to have been] surpassed according to current assessments".<sup>22</sup> In further

support of this trend and in order to adequately address the foreign terrorist fighter phenomenon, a multidimensional approach should be adopted. This should involve reliance on the integrated tools of prevention, criminal prosecution and post-rehabilitation support that places each element on an equal footing.

During recent years, Germany and Europe have learned a great deal through painful experiences. The process of adjusting to the new challenges is in full swing and has already led to a number of successes. At the same time though, the Brussels attacks made clear that there is still a huge need for enhanced cooperation and exchange of information among EU member states. Irrespective of the numerous endeavours and terror plots that were foiled in Germany, however, there will not be any absolute guarantee of public security in Germany and Europe. The recent attacks have shown that it only takes a comparatively small group of perpetrators to cause maximum devastation. The same applies as it did 30 years ago with regard to the Irish Republican Army (IRA) and their terrorist campaign against British democracy: "You have to be lucky all the time. We only have to be lucky once." This perverted logic of violence still applies today. European societies will have to learn to live with this and to face with fortitude the attacks on their liberal system of free and democratic government. Those who want to defy terrorism ought to avoid allowing themselves to be terrorised. However, this simultaneously means that by adhering to the principles of a liberal society there is a continual search for answers to these challenges and to guarantee the highest level of protection possible for citizens. This report about the potential learning processes suggested one ray of hope for Western free societies and democracies: their capacity for learning. If they reflect on their values and never lose sight of them, they can master this challenge.

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- 1 Resolution 2178 of the UN Security Council defines foreign terrorist fighters as "individuals who travel to a State other than their States of residence or nationality for the purpose of the perpetration, planning, or preparation of, or participation in, terrorist acts or the providing or receiving of terrorist training, including in connection with armed conflict ..." See United Nations Security Council: Resolution 2178 (2014), 24 Sep 2014, in: http://un.org/depts/german/sr/sr\_14/sr2178.pdf [25 Nov 2015].
- 2 Cf. Neumann, Peter R. 2015: Foreign Fighter total in Syria/Iraq now exceeds 20,000; surpasses Afghanistan conflict in the 1980s, 26 Jan 2015, in: http://icsr.info/2015/01/foreign-fighter-totalsyriairaq-now-exceeds-20000-surpassesafghanistan-conflict-1980s [25 Nov 2015].
- 3 Cf. INTERPOL 2015: Statement by Secretary General of INTERPOL Jürgen Stock at the United Nations Security Council Ministerial Briefing on Foreign Terrorist Fighters, 29 May 2015, United Nations, New York.
- 4 Cf. Maaßen, Hans-Georg 2015: Speech by BfV President Dr. Hans-Georg Maaßen on "Brennpunkt Nahost - eine neue Gefahrendimension?" (Flashpoint Middle East - A New Dimension of Risk?), 29 Sep 2015, in: https://verfassungsschutz.de/de/ oeffentlichkeitsarbeit/vortraege/rede-p-handelsblatt-konferenz-2015 [30 Nov 2015].
- 5 BKA/BfV/HKE: Analyse der Radikalisierungshintergründe und -verläufe der Personen, die aus islamistischer Motivation aus Deutschland in Richtung Syrien oder Irak ausgereist sind. (Analysis of the Context and Cycles of Radicalisation of Individual Travellers from Germany bound for Syria or Iraq because of Islamist Motivation.) Updated 2015, http://innenministerkonferenz.de/IMK/DE/ termine/to-beschluesse/2015-12-03\_04/anlage\_ analyse.pdf [21 Dec 2015].
- 6 Cf. Mascolo, Georg 2015: Klug, kriminell, großer Freundeskreis: So ist der deutsche IS-Kämpfer (Smart, Criminal and with a Large Circle of Friends: This is the German IS Fighter), Süddeutsche Zeitung, 23 Sept 2015, in: http://sueddeutsche.de/ politik/-1.2661697 [20 Nov 2015].
- 7 This applies, for example, to probably one of the most infamous Western Islamic State terrorists, Mohammed Emwazi, who gained global notoriety under the nickname of "Jihadi John" and due to the brutal murder of Western hostages. He was a reputed graduate in IT from the University of Westminster. A similar situation applies to the U.S., where on the basis of their most recent studies researchers concluded, "There is no standard recruit profile." See Vidino, Lorenzo/Hughes, Seamus, ISIS in America: From Retweets to Raqqa, The George Washington University, Program on Extremism, Washington D.C., December 2015, p.33.

- 8 Cf. further the lecture given by ICSR Director Prof. Peter Neumann at the conference "Foreign Fighters – Eine neue Herausforderung für Europa" (Foreign Fighters as a New Challenge for Europe), held by the Konrad-Adenauer-Stiftung and the American Jewish Committee in Berlin on 23 March 2015.
- 9 Cf. Kuhlmann, Jan. 2013: Salafismus als Jugendphänomen. Warum die konservative Glaubensrichtung bei Jugendlichen so beliebt ist (Salafism as a Youth Phenomenon. Why the Conservative Religious Orientation Is So Popular Among Young People), Deutschlandfunk, 1 Feb 2013, in: http://www.deutschlandfunk.de/salafismus-alsjugendphaenomen.886.de.html?dram:article\_id= 236066 [30 Nov 2015].
- 10 Cf. Maher, Shiraz 2015: The roots of radicalisation? It's identity, stupid, 23 Jun 2015, in: http://icsr.info/2015/06/icsr-insight-roots-radicalisation-identity-stupid [30 Nov 2015]. See also Barrett, Richard/Myers, Joanne J. 2014: Foreign Fighters in Syria, 23 Sep 2014, in: http://carnegiecouncil.org/studio/multimedia/20140923/index.html [30 Nov 2015] and Wahl-Immel, Yuriko 2015: Warum Jugendliche in den Krieg ziehen (Why young people are joining the war), Die Welt, 4 Feb 2015, in: http://welt.de/regionales/nrw/article137091042/Warum-Jugendliche-in-den-Dschihad-ziehen.html [30 Nov 2015].
- 11 Almost 80 per cent of German Islamists have joined the Islamic State group. See Mascolo, n. 6.
- 12 Cf. United Nations Security Council, n.1.
- 13 Federal Ministry of Justice and Consumer Protection 2015: Gesetz zur Änderung der Verfolgung der Vorbereitung von schweren staatsgefährdenden Gewalttaten (Act to Amend the Crime of Preparation of a Serious Violent Offence Endangering the State) (GVVG-Änderungsgesetz GVVG-ÄndG), Bundesgesetzblatt (Federal Law Gazette), Volume 2015, Part I, No. 23, 12 Jun 2015, pp. 926 ff.
- 14 Cf. Federal Ministry of Justice and Consumer Protection 2015: Gesetz zur Änderung des Personalausweisgesetzes zur Einführung eines Ersatz- Personalausweises und zur Änderung des Passgesetzes (Act to Amend the Act on Identity Cards and to Introduce a Substitute Identity Card and to Amend the Passport Act), Bundesgesetzblatt (Federal Law Gazette), Volume 2015, Part I, No. 24, 20 Jun 2015, pp. 970 ff.
- 15 At the heart of this system is the UN Global Counter-Terrorism Strategy dated 2006. For an overview of the 14 (or depending on the interpretation 19) legally binding instruments of counter-terrorism, see also United Nations 2006: United Nations Actions to Counter Terrorism, 2015, in: http://un.org/ en/terrorism/strategy-counter-terrorism.shtml [30 Nov 2015].
- 16 Examples of attacks that were carried out by perpetrators who had never travelled to Syria were the fatal hostage-taking at the Jewish supermarket in Paris in January 2015, the attack in February 2015 in Copenhagen, and the attempted attack on the Thalys high-speed train to Paris the following August.

- 17 The "Lies!" (Read!) campaign was actively pursued in 2012. It essentially involved individuals handing out copies of the Koran to German passers-by, with a particular focus on reaching young people.
- 18 For instance, the German Government programme "Demokratie leben! Aktiv gegen Rechtsextremismus, Gewalt und Menschenfeindlichkeit" (Live Democracy! Active Against Right-Wing Extremism, Violence and Hate) supports pilot projects for the prevention of radicalisation. This includes the pilot project "Alternativen aufzeigen! Videos zu Islam, Islamfeindlichkeit und Islamismus für Internet und Unterricht" (Publicising Alternatives! Video Shorts on Islam, Islamophobia and Islamism for the Internet and Schools) of the Hamburg University of Applied Sciences as well as the online competition of the Muslim youth initiative I,Slam, which is intended to encourage young people to tackle phenomena such as religiously motivated radicalisation.
- 19 This especially applied to those travelling to Syria who joined forces in the so-called Wolfsburg Cell and travelled together or supported the departure.
- 20 Cf. Hegghammer, Thomas 2015: Why Terrorists Weep: The Socio-Cultural Practices of Jihadi Militants (lecture), 16 Apr 2015.
- 21 Cf., for example, Mansour, Ahmad/Main, Andreas 2015: Ahmad Mansour über die "Generation Allah". Im Kampf gegen religiösen Extremismus umdenken (Ahmad Mansour on "Generation Allah". Why we need to rethink our approach to fighting religious extremism), Deutschlandfunk, 5 Nov 2015, in: http://deutschlandfunk.de/ahmad-mansour-ueberdie-generation-allah-im-kampf-gegen.886.de.html?dram:article id=335910 [30 Nov 2015].
- 22 Cf. BKA/BfV/HKE, n.5, p. 49.

# Jihad instead of Democracy?

Tunisia's Marginalised Youth and Islamist Terrorism

Edmund Ratka / Marie-Christine Roux



Five years ago, Tunisians brought down their authoritarian regime under the banner of "work, freedom and dignity", triggering a series of protests and transformation processes in the Arab World, which in turn had a great impact on Europe. Tunisia remains to be the only country in the region that has successfully transitioned from authoritarian rule to democracy. Notwithstanding, radicalization among young people is posing a threat to the country's democratic transition, as many feel barred from the country's economic, social and political life. Thus, for many of those lacking prospects, "jihad" – whether abroad or at home – is rendered an ostensibly luring alternative.

Islamist terrorism hit Tunisia in 2015 with full force. The attacks on the Bardo Museum in Tunis in March were followed three months later by another on a hotel beach in Sousse, where 59 foreign tourists were murdered. The tourism industry collapsed, together with any hope of swift economic recovery for the country. In November, a suicide bomber completed his grisly mission on a Presidential Guard bus in the heart of the capital city, taking twelve policemen with him to the grave. The attack wracked the security forces to the core, dealing further blows to the citizens' trust in their state. The organisation "Islamic State" (IS) laid claim to all three attacks. The assailants: young Tunisians.

For a number of years now several thousand Tunisians have been fighting within the ranks of the "Islamic State" and other terrorist groups in Iraq, Syria and Libya. Although jihadist radicalisation is a global phenomenon, it presents a particular challenge for Tunisia, a still infant democracy. In addition, it marks a stark contrast to the prevailing view of Tunisia, at home and in the world at large, as a haven of tolerance and modernity. In fact, the country is the only one to have made a successful transition towards democracy as part of the "Arab Spring" - a democracy that still endures in spite of all the threats the country faces both internally and externally. Owing to its strong civil society and the ability of its political elite to arrive at a consensus and share power amongst one another, the country managed to avoid a coup scenario or drifting into a civil war, as has been the case in other countries in the region. Accordingly, it has received international praise for its efforts in recent years, not least among which is the Nobel Peace Prize 2015 won by the National Dialogue Quartet, a group composed of four Tunisian civil society organisations.

The burning question that therefore arises is, despite this, why are sections of Tunisian society, especially the younger generations, susceptible to calls for violence in the name of "Holy War"? This article aims at a better understanding of the phenomenon of jihadism in Tunisia and will investigate the causes and factors of radicalisation. The basic conditions for this have proved to be the continued and multidimensional marginalisation of parts of Tunisia's youth. The interplay between psychological, material, domestic-political and international factors gave rise to dynamics of radicalisation.

## **Definitions and Analytical Framework**

The terms and analytical categories used in this article are defined below. They will be used to better understand the phenomenon of jihadism and the process of radicalisation in Tunisia and elsewhere. The conceptual starting point here is Islamism as a collective term to mean "efforts to alter society, culture, government or politics using the values and norms considered Islamic".<sup>1</sup>



← Young people and the revolution: Young Tunisians formed the backbone of the 2010/11 revolutionary protests. Yet, many have shown themselves to be susceptible to jihadist thinking. Source: © Zoubeir Souissi, Reuters.

If we define Salafism as a "holistic concept that joins together faith, law, rites, moral and ethical codes of conduct and ideals of political order", we are referring to a particularly radical form of Islamism. Scholarly literature generally distinguishes between three currents, which share a strict interpretation of religion exclusively based on the Quran, prophetic tradition and the early period of Islam. Whilst purist Salafism is considered apolitical and focuses on non-violent methods of promulgation and education, political Salafism seeks to apply Salafist beliefs to the political sphere and trough political means. Jihadist Salafism, however, may require violence and subversion.<sup>3</sup>

Whether in the form of Salafist or Muslim Brotherhood type of Islamism, varying levels of radicalism are brought to bear. As such, radicalisation can be defined as a process through which an individual or group adopts violence-based methods of political action founded on an extremist ideology and challenges an established political, social or cultural order. Jihadism, understood as the execution of Islamist objectives through violent terrorism, therefore gravitates towards the upper end of the radicalism scale. 5

In order to understand the causes and the process of jihadist radicalisation, a two-step model for analysis is put forth in this article. This first consists of an initial or basic set of conditions that enable radicalisation in principle: the multi-dimensional marginalisation of certain societal strata/population segments. Marginalisation is therefore considered a state or process by which individuals or groups on the margins of society are less able to participate in decisions affecting the economic, political, social and cultural activities of their country. The second step involves intervening factors that lead to the

radicalisation of those marginalised. Jihadist radicalisation is particularly dangerous, as it can conduce the participation in terrorist activities in Tunisia or abroad.

This broad working hypothesis will be developed and clarified throughout the course of this analysis of the case of Tunisia. In doing so, we will also refer to the existing literature on Islamist and jihadist radicalisation. Although the majority of IS' foreign combatants come from Arab countries, the current literature - with its general empirical research gap - continues to focus on Europe and the radicalisation of European youth. In addition, other qualitative and quantitative data from Tunisia will be analysed. These sources are combined with the authors' own personal observations and structured interviews with Tunisian experts and practitioners dealing with jihadism and its foundations in Tunisia. Furthermore, recently conducted representative surveys and sociological studies addressing the attitudes of the country's young people and how they relate to politics and religion will be used.

#### Heterogeneous Islamist Violence in Tunisia

Although the "Islamic State" organisation has claimed responsibility for the three major attacks of 2015 mentioned above and the focus is now on the terrorist threat in the country, the phenomenon of violence with Islamist connotations in Tunisia has proven to be of a much more complex nature. With respect to forms of organisation and action, a distinction can be made between four different categories that have manifested themselves successively and in a somewhat overlapping manner since the revolution.

The first category is Hisba violence, understood as a kind of Salafist street violence.<sup>6</sup>
 This form of violence took an increasingly aggressive course in the first few years after the revolution and is supplied by two currents, sometimes overlapping: First, the initially non-Islamist social or political violence against the old regime or the status quo that was born out of the revolution,

popularly demonstrated in particular by the so-called "Leagues for the Protection of the Revolution". These leagues emerged from or were inspired by the citizens' initiatives and neighbourhood committees during the days of revolution in January 2011. Their stated purpose was to defend the "achievements of the revolution" and bolster Tunisia's "Arab Muslim identity". To that end, the leagues specifically turned to street violence as what they now considered a legitimate "method of revolution". This meant they were targeting those they identified as representatives of the ancien régime or of a secular and liberal model of society. Second, hisba violence grew out of the initially non-violent Salafist preachers' activities organised primarily by Ansar Al-Sharia Tunisia (AST), a group formed shortly after the revolution. Over time, the first current became more Islamist, and the second became more violent.

In this context, acts of violence motivated by Islamic extremism increased – actions that were supposedly aimed at maintaining or restoring Islamic morality in Tunisia and which can be interpreted as an early form of jihadism. The nationwide targets of these groups, which also used beatings and incendiary devices to achieve their ends, included brothels, cinemas, art exhibitions, schools and universities that banned the wearing of the *niqab*, as well as Sufi shrines. The violence reached a fever pitch when the American embassy was attacked on 14 September 2012, concurrently setting the American school nearby on fire.

Paired with two politically motivated murders in 2013, this escalation increased both domestic and international pressure on the Tunisian government to address Salafist groups with renewed vigour. In May 2013, *Ansar al-Sharia* was barred from holding its conference in Kairouan, which led to violent clashes between the police and Salafists in the town of Ettadhamen, a suburb of Tunis. The organisation itself was banned in August of that same year. This, coupled with its clas-

- sification as a terrorist organisation by the Tunisian authorities, has led to fragmentation within the group. Whilst some members simply returned to their previous "civilian" lives, some followed their leaders to Libya. Others went into hiding, founding jihadist cells or joining existing ones in Tunisia, and some even made their way to Syria and Iraq. Although this has led to a significant decline in *hisba* violence in Tunisia, other more extreme forms of Islamist violence have been able to profit from this decline.
- 2. This includes a hybrid mix of Islamist and criminal violence, which can be described as "Islamo-gangsterism".7 Since the revolutions in Tunisia and Libya in 2011, smuggler networks have benefited from the relative weakness of both states and have been able to expand their influence in the border areas. In Tunisia, this affects the regions on the Libyan and Algerian borders. At the same time, jihadist groups have found sanctuary in the remote regions far from the state's reach, especially in the Chaambi Mountains near the Algerian border. Although smugglers and jihadists do not necessarily share the same objectives, they may share common interests. Jihadist groups benefit from the material and financial resources of the smuggler networks, which in turn benefit from protection by jihadist groups and the weakening of state security organs. Also beyond the border regions, radical Islam and organised crime seem to be coalescing with one another quite strongly, even in the suburbs of the capital city. This has created fertile ground for jihadism, in the sense of political terrorism, to flourish.
- 3. Jihadist terrorism is not a new phenomenon in Tunisia. Al-Qaeda in the Islamic Maghreb (AQIM) carried out an attack on the El Ghriba synagogue on the island of Djerba in 2002. What is new, however, is the sheer scale it has taken on in recent years. From 2011 to 2015, the targeted use of force has been brought to bear against at least 320 representatives of the Tunisian State, espe-



Bolstering jihadist morale: Ansar Al-Sharia followers convening in Kairouan in May 2012. The organisation has been banned by now. Source: © Anis Mili, Reuters.

cially soldiers and police, with nearly one hundred people killed. In 2015 alone, jihadists in Tunisia furthermore killed 62 civilians, most of whom were foreign tourists.8 Key moments were the assassinations of leftist opposition leaders Chokri Belaid (6 February 2013) and Mohamed Brahmi (25 July 2013), both of whom were shot in the open on the streets of Tunis. Another great shock was triggered by the attacks and ambushes on security forces at the beginning of Ramadan in 2013 and 2014, presumably carried out by supporters of Ansar al-Sharia. And 2015 was marked by the attacks on the Bardo Museum (18 March), the hotel beach in Sousse (26 June) and a suicide attack on a Presidential Guard bus in the capital (24 November), all culminating to form the tragic climax of jihadist terror in Tunisia to date.

As regards the organisational structure of jihadism, al-Qaeda in the Maghreb was the dominant force until 2014, as was their associated brigade (katiba in Tunisian), Oqba ibn Nafaa. This group's origins date back to the 2000s, and it has been active since 2012, primarily in the region bordering Algeria and includes experienced fighters from there. Coinciding with the final split between al-Qaeda and "Islamic State" and the proclamation of the Caliphate in Iraq and Syria, the first signs of a split in the brigade in Tunisia began to show in June 2014. This led to the emergence of a new jihadist organisation, Jund al-Khalifa, which is associated with IS. The presence of two organisations competing for monopoly over jihadist legitimacy contributed to an escalation of the violence in Tunisia. The jihadist violence shifted

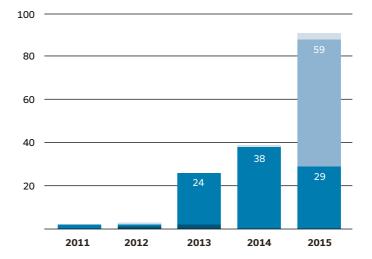
from combating what Islamists consider to be illegitimate state structures (taghut) to attacks on civilians. The circulated video of the beheading of a young Tunisian who was accused of cooperating with security forces was likely intended to intimidate the local population and was reminiscent of the methods in use by IS in Syria and Iraq. Although all of these forms of violence serve the common goal of weakening Tunisia's new democratic government, including its institutions and economy, ultimately bringing about its downfall, they indicate an increasing "IS-isation" of jihadist terrorism in Tunisia.

4. The fourth category of jihadism entails foreign combatants, or Foreign Terrorist Fighters (FTF). With more than 5,500 Tunisians in combat areas - mainly Syria, Iraq and Libya - the nation is one of the main countries of origin for international jihadism. According to Tunisia's Ministry of the Interior, more than 12,000 Tunisians looking to participate in the "jihad" have been prevented from leaving the country in recent years.9 Back in the 1960s Tunisians fought alongside the Palestinians against Israel, in Afghanistan in the 1980s and against the U.S. troops stationed in Iraq in the wake of the Iraq War in 2003. The outbreak of civil war in Syria in 2011 saw a resurgence of this phenomenon, which can be distinguished

in three separate waves. The first was characterised primarily by the fight against the Assad regime in 2012 and 2013, with many choosing to fight for revolutionary or humanitarian reasons. The second wave, which began mid-2014, was triggered by the emergence of "Islamic State", thus rendering - in addition to Iraq - Syria as the fighters' destination as well. The third wave is currently making its way through the neighbouring country of Libya. In the wake of the disintegration of Libyan statehood, with IS coming under increasing pressure in its Syrian-Iraqi stronghold, the organisation's focus now also is on Libya, thereby changing the destination of Foreign Terrorist Fighters. For Tunisia, this means an increased risk - one that extends beyond the potential "returnees" whose numbers are now estimated at more than 700 in Tunisia; the first IS training camp in Libya is located just 70 kilometers from the Tunisian border. Those who carried out the attacks on the Bardo Museum and the hotel in Sousse were likely trained in one of the Libyan camps as well.

Islamist violence in Tunisia is therefore expressed in a variety of different ways, some of which converge and reinforce one another. Overall, the situation since 2011 can be characterised as one of escalation, both with respect to the number of attacks and the targets chosen.

### Fatalities from Islamist Violence in Tunisia, 2011–2015



Tunisian security forcesTunisian politicians

Tunisian civilians

Foreign civilians

Source: Author's own research.10

As yet, there are no official statistical data on the profile of Tunisian jihadists, or if there is, the Tunisian officials are keeping this information to themselves. Nevertheless, we can determine some recurrent features based on the cases known. Notwithstanding the few veterans of Afghanistan or Iraq who often hold leadership positions, such as AST founder Abu Iyadh, Tunisian jihadists are largely in their early to mid-20s, virtually none over the age of 30. Although there are some cases that involve those from middle or upper-middle-class backgrounds, these largely involve students of technical subjects. The majority of jihadists come from poor backgrounds, or at least socially disadvantaged ones. They are almost all men, although women continue to join the ranks of IS.11

What is striking is the often rather short radicalisation phase, sometimes taking just a few months. Take, for example, 23-year-old Seifeddine Rezgui who committed the attack on the hotel beach in Sousse: he was enrolled as an engineering student in Kairouan, where he was known as a passionate break dancer. By contrast, Houssam Ben Hedi Ben Miled Abdelli, who blew himself up on the Presidential Guard bus, had been radicalised since the revolution through his contacts with Ansar al-Sharia. In the working-class district of Douar Hicher on the outskirts of Tunis, the 26-year-old had muddled along as a day labourer and worked in a shop stall. He can be considered the prototype of multidimensional marginalisation we are regarding as the fundamental condition for radicalisation.

## Multidimensional Marginalisation as a Basic Condition for Radicalisation

"There will come a day when I shall turn against you, my old country. You were so hard on me that it caused me to lose my soul. Oh, my land, I shall forever be unemployed and those villains you harbour are the reason why people are split in two." 12 These lyrics by Marwan Gabos are a testimony to the anger and disappointment of a younger generation who feel just as disparaged under the young Tunisian democracy as they did under the authoritarian regime of Ben Ali.

Six dimensions of marginalisation can therefore be distinguished: economic, social, political, civic, geographic and cultural.

- 1. The clearest case for this is the continuing economic marginalisation taking place. This is due to the condition of the Tunisian economy, which has deteriorated since the revolution. Although, the regime change put an end to the kleptocratic interventions in the economy committed by la famille, the group of relatives and those favoured by former president Zine el-Abidine Ben Ali, the political uncertainty of the transitional period, which saw a total of six different governments, as well as the instability of the region, particularly in Libya, and the collapse of tourism and foreign direct investment following the terrorist attacks have all converged to bring economic growth to a halt. The official unemployment rate has been at a steady 15 per cent for several years now, but is twice as high for university graduates. At the same time, the majority of young Tunisians are working in low-skilled jobs in less productive sectors, such as the service sector or tourism industry.13
- 2. The lack of economic prospects especially in the more conservative classes affected in rural areas and outlying urban districts - is accompanied by social marginalisation: no work means no marriage and therefore no separate household, individual emancipation and/or place in society. A solicitor who represents the families of Foreign Terrorist Fighters who have left the country for Syria speaks of a fundamental "problem of existence" for these young people.14 In fact, it is striking that, according to surveys, more than two-thirds of all Tunisian youth do not pursue any particular leisure activity neither of a sporting nor cultural nature.15 In rural areas, only three per cent of adolescents and young adults are involved in associations or clubs.16

Just how weighty the feeling of socio-economic marginalisation strikes a chord with those segments of the population not even



Tourist guide on a Star Wars site in the desert near Nefta; the 2015 terrorist attacks in Tunisia dealt a fresh blow to the country's tourism industry. Source: © Zoubeir Souissi, Reuters.

directly affected by it is demonstrated by the nationwide success of the 2013 song "Houmani". It describes the monotonous life of young people devoid of prospects in disadvantaged suburbs (*houma* in Tunisian): "We live like rubbish in a bin. Poor, no money, not a penny. We get up late, we don't feel the time passing, I don't have a watch. Nobody studies here. You feel suffocated here." Corruption and nepotism have survived the revolution in many places and are doing their utmost to undermine the faith of young people in the prospect of breaking away from this lethargy and advancing a career.

3. Broad swathes of Tunisian youths remain excluded from the nation's political life, even though this issue was at the heart of the civil protests in 2010 and 2011, which paved the way for free political participation in the first place. Neither the student and urban activist scene nor the rebellious unemployed youth and day labourers from the interior regions succeeded in organising themselves into sus-

tainable political structures after the regime change nor in decisevly integrating the country's nascent democratic institutions. The political transition was largely organised by the establishment. Traditional non-governmental organisations led by trade unions initiated and moderated the National Dialogue Quartet, composed of all major parties to lead the country out of the 2013 political crisis.18 Consensus has been considered the recipe for success of Tunisian politics ever since. This approach is being continued by the broad coalition between Nidaa Tounes a more secular coalition movement that decided the presidential and parliamentary elections in late 2014 - Ennahda and two smaller liberal parties.

However, this "middle class compromise" 19 between the national-modernist camp and pragmatic Islamists has yet to guarantee real societal political inclusion and (at least subjectively speaking) political representation for all segments of the population and

the nation. The low voter turnout, especially among young people, is an indication of this. In 2014, less than 20 per cent of those under the age of 29 participated in the parliamentary and presidential elections. Many citizens do not even know who their MPs are, especially in the interior regions, nor do they accept them as dialogue partners or representatives of their electoral district's interests once they have been elected and sent to Tunis. Generally speaking, political institutions enjoy low levels of confidence among rural youth, measuring below nine per cent (however, the military, family and local religious organisations are trusted by more than 80 per cent of the same demographic).<sup>20</sup>

4. Especially in the neglected regions of the back-country and the problem areas of major metropolitan regions, relations with state authorities are partly so shattered that the situation goes beyond political apathy and instead has to be characterised as civic marginalisation. Just a few days after a 16-year-old shepherd had been beheaded by jihadists on 13 November 2015, his cousin gave an emotional television interview that shocked the nation. In it, he not only lamented the miserable living conditions his family endured, but also the absence of the state in his mountain village in the central Tunisian region of Sidi Bouzid. He said that there were neither any public institutions available within reach, nor were the security forces able to protect the region's residents from the terrorists: "I'm 20, I've never seen a state official visiting the region. I've never met even one. I only know the 'State' from my ID."21 For the marginalised youth in urban regions, however, they do share a relationship with the state, albeit a conflictual one. "For young people here, the state is



Silent protest: A large portion of Tunisia's youth is socio-economically marginalised. Out of protest against the high unemployment rates, this young man sew his mouth shut in January 2016. Source: © Zohra Bensemra, Reuters.

the police officer who knocks them down," explains a teacher from Kasserine.<sup>22</sup> Significantly, this impoverished town in western Tunisia that lies at the foot of the Chaambi Mountains claimed the largest number of victims of violence from the regime in the entire nation during the 2010-2011 protests. A sociological study has shown that in Douar Hicher on the outskirts of the Tunis metropolitan region, young people feel the police systematically discriminate against them. For example, young people say they are prevented from reaching the city center by the arbitrary checkpoints in place.<sup>23</sup> This hatred of the police is reflected not least in the popular culture of Tunisian youth, in their rap and hip-hop music. "You want my ID? I won't give it to you. For the sacrifice feast I'm slaughtering a policeman" are the lyrics to the song, Boulicia Kleb, ("Police are Dogs"), a 2013 song by rapper "Weld El 15" that glorifies violence. And it is not unheard of for these words to turn to deeds: Police stations in towns like Kasserine or Sidi Bouzid regularly go up in flames. Some observers speak of a veritable "war" between young people devoid of prospects and the police - a war that was already being waged during the Ben Ali regime and continues even now.24

5. In many places, this socio-economic and political marginalisation coincides with a geographic marginalisation that dates back even further in the history of Tunisia. Even when the country was a French protectorate, the authorities preferred to recruit their administrative elite from the capital city of Tunis and the eastern coastal region (known as the "Tunisian Sahel" with Sousse at its center). The country's founder, Habib Bourguiba, who prevailed against the "Youssefistes" (i.e. the supporters of Salah Ben Youssef, who originated from Djerba) anchored mainly in the south during the independence movement, also came from this region, as did his successor in the presidency, Ben Ali. Aside from the economic center of Sfax - a southern coastal city - the

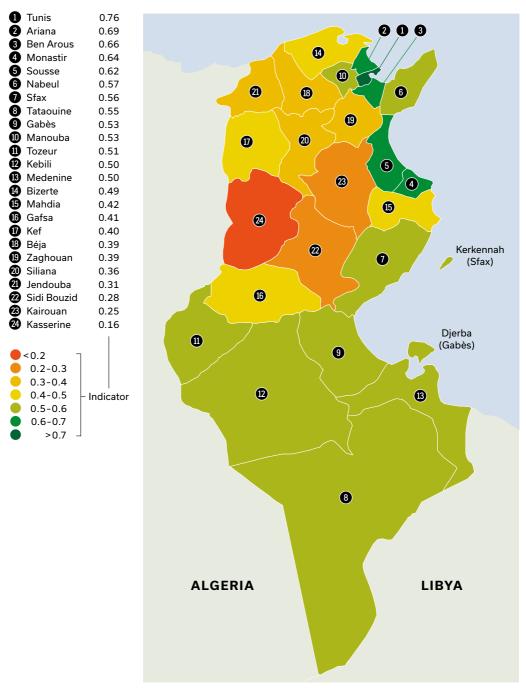
regions beyond the capital and the Sahel are largely less developed both with respect to the economy and political infrastructure. People there feel traditionally disadvantaged by the central government, and feel they have been cheated out of the gains won from local natural resources, such as phosphate. Not least due to this economic imbalance, internal migration has been seen for decades, especially in the peri-urban belt of coastal towns. And in terms of culture, a gaping chasm exists between the south, with its traditional ties to neighbouring Libya, and the northern and eastern coastal region, which is oriented more towards Europe.

6. Finally, the feeling of a cultural and identityrelated marginalisation can be observed especially for young people who have already been affected by the dimensions mentioned above. This feeds on the suppression of Islamic practices under the Ben Ali regime and, in the words of a Tunisian sociologist, a "collective memory of humiliation and the decline of the Arab Muslim world".25 In fact, the Tunisian population casts the greatest suspicion on Western and American, French and British foreign policy in particular - conspiratory suspicions that are openly articulated, even in the mainstream press.<sup>26</sup> Under this worldview, the Arab Muslim world is being exposed to attacks by foreign powers and is primarily seen as the victim in this conflict.

Jihadism is making Tunisia's marginalised youth an offer. It promises supposedly simple answers to their material and moral existential crises.

The marginalisation described here in six different dimensions certainly does not necessarily lead to Islamist radicalisation or terrorist activity. It does, however, create a fertile sounding

### Disparities in Regional Development in Tunisia



The regional development index – made up of 18 socio-economic development variables such as education, communication, employment, standard of living, population, health, justice and equality – is based on a scale from 0 to 1 (highest level of development). Source: Author's own research.<sup>27</sup>

board for the factors of radicalisation and the dynamics Tunisia has been confronted with since the revolution.

### **Intervening Factors of Radicalisation**

Jihadism is making Tunisia's marginalised youth an offer. It promises supposedly simple answers to their material and moral existential crises. The weakness of the State since the revolution and the political tolerance of radical groups in the initial period of transition have provided jihadism with the space necessary to advertise this offer. Since finally declaring war on jihadism, state authorities have continued using the still unreformed security apparatus with its well-known agents of repression, which only further stokes the anger of Tunisia's youth. Meanwhile, on the regional and international levels, a dynamic has developed that has served only to promote the jihadist phenomenon, in Tunisia and abroad. Four categories of radicalisation factors can therefore be determined for Tunisia.

## For a large portion of Tunisian jihadists the financial incentives now play a crucial role in their recrutement.

1. Psychological and ideological factors are generally considered to play a key role in the radicalisation process, especially when this involves adolescents and young adults.<sup>28</sup> Radical ideology, in this case jihadist ideology, provides individuals with answers to their existential problems - answers that resonate with individuals' own experiences. In this sense, jihadist organisations act as "entrepreneurs of identity", promising individuals radical life changes both immediately and in the long term. This is particularly true of IS, whose ideology is accessible even to those without a distinct knowledge of Islam and which uses its sophisticated propaganda system based on social media to enable anyone to join. It offers a utopia - a

new revolutionary, religious and supposedly more just social order adherents can take an active role in bringing about and in which they can actively participate. These persons will belong to a group of their peers, a community that provides a place for them in this new social order and therefore promises them a sense of belonging and a new sense of self-confidence. In the over-simplified worldview of IS, this person is always part of the good and the great, and is always victorious. Furthermore, IS' apocalyptic Internet propaganda promises participation in the liberation of Islam in the final battle against the crusader nations - thus providing the ultimate sense of existence.

This mixture of religious (good and evil, apocalypse) and political, revolutionary ideology (utopia, new social order) gives their hatred of government institutions and their use of violence a double legitimacy, in their eyes. In all its various forms (whether in Tunisia or abroad), "jihad" can therefore be considered to be the final outlet young Tunisians have at their disposal to vent their continued frustration in the form of resistance against their own helplessness and the (at least perceived) continued humiliation they suffer at the hands of the state and society. For some, like the revolution was before it or like illegal immigration to Europe, "jihad" is an opportunity for people to try their luck again elsewhere.

2. In addition, IS also takes advantage of the economic weakness of the marginalised youth. According to some analysts, the financial incentives now play a crucial role for the majority of Tunisian jihadists recruited.<sup>29</sup> Depending on their qualifications, IS will offer a potential candidate anything between 400 and 4,000 U.S. dollars a month, including appropriate safeguards for survivors in case of death. This makes IS' "minimum wage" higher than the average salary in Tunisia. Against the backdrop of high inflation since 2011, this incentive has been even more effective, promising recruits support



"Listen and Obey": Young warriors in an IS propaganda magazine. Jihadist ideology makes the promise to provide every individual with a sense of belonging and new self-confidence. Source: Dabiq.

not only for themselves, but for their families as well. The cafés in which young, unemployed men while away their time have now become prime territory for "recruiters", who receive high bonuses themselves.

3. By contrast, the first few years after the revolution often saw mosques as the prime sites of radicalisation and recruitment. They were able to gain power on account of the post-revolutionary weakness of the state and its penchant for political tolerance until mid-2013. By early 2011, in the wake of the continuing revolutionary protest movements and the general amnesty being shown for political prisoners, radical Islamists were released as well who then played a key role in establishing Salafist-jihadist movements, such as Ansar al-Sharia. With the collapse of the ancien régime and the associated de-legitimisation of state authority, the public sphere in general and mosques in particular slipped the bonds of state control. During

this period, groups ranging from radical Islamist to Salafist-jihadist tendencies took control of an estimated 500 mosques, or almost ten per cent of all mosques in the country.<sup>30</sup>

The so-called troika government (a coalition made up of Ennahda and two smaller social democratic parties) elected in autumn 2011 in the first free elections initially did little to combat this loss of control. Reasons therefore might be found in the revolutionary, and thus state-sceptical, attitude of president Moncef Marzouki or with regard to the "engagement strategey" and ideological association with preachers of Salafism, as displayed by at least some sections of Ennahda. Members of its radical wing were not only part of this group of Salafist preachers surrounding the mosques, but even appeared as speakers at the Ansar al-Sharia conferences in 2011 and 2012.31 Although the troika began changing its policies in this regard as of mid-2013 and the technocratic interim

government appointed six months later took an even harsher stand against Salafist groups, the genie had by that point already been let out of the bottle. At the same time the focus of Ennahda on politics and its increasing participation in governing the country, based on consensus and compromise with secular groups, contributed to creating a "religious vacuum", which benefited radical movements.<sup>32</sup>

In general the state has yet to succeed in striking a balance between security and freedom. The political indecision and weakness of the security apparatus, which was initially de-legitimised by the broader public in the first few years following the revolution in the wake of Ben Ali's fall from power, has been transformed into an all-out crackdown by the security forces - something that has affected young people in particular. This ranges from frequent arrests for drug use (nearly 8,000 Tunisians are currently imprisoned for this) to humiliation in police custody. Human rights organisations have reported the continued practice of torture and at least six unresolved deaths in prisons since 2011.33

Especially with those segments of Tunisian youth particularly affected by socio-economic marginalisation there is a kind of confrontation taking place which, from their point of view at least, resembles that of the police state against which they revolted more than five years ago. State violence, which is perceived to be unjust and arbitrary, spurs on this vicious cycle of repression, humiliation and radicalisation. This can be seen in the trajectory of some of the members of the ultra-groups of Tunisia's main football clubs, who had already come to blows with the police under the Ben Ali regime and then played an important role in the revolutionary protests in 2010 and 2011; some of them are now turning to jihadism.34 The form in which violence is expressed is the only thing to have been shifted by repression, whilst the phenomenon as such persists or is even intensified through a spiral of radicalisation.

On the run: Prior to the fall of the Gaddafi regime, tens of thousands of Tunisian migrant workers were earning a living in Libya. The turmoil in February 2011 drove them back home. Source: © Yannis Behrakis, Reuters.



Besides these domestic political elements, international factors have as well benefited jihadist radicalisation in Tunisia in recent years. Particularly serious for Tunisia is the failure of the transition in Libya after the fall of the Gaddafi regime. There, the collapse of the state has made the country a breeding ground for jihadist groups. Beyond the security implications this involves, Tunisia, which shares a 459-kilometer border with Libya, is suffering economically from the situation in its neighbouring country. During the Gaddafi regime, thousands of Tunisians, especially those from poorer social



strata and less prosperous regions, worked as migrant workers in Libya, sending their pay back home. The emergence and success of IS with its presence in Syria and Iraq, and more so now in Libya, and its attacks in the West have bolstered global jihadism and may seem to represent a kind of utopia (now even becoming somehow real) in the eyes of marginalised young people in search of dignity. These factors for radicalisation at the international level also include the influence of foreign preachers, mainly coming from the Gulf states – an influence that has continued to spread since 2011. Building on the teach-

ings that have already been widely available through satellite television since the 2000s, these preachers travelled to Tunisia following the revolution and have contributed to the Salafist and Wahhabist orientation of the mosques ever since.

### **Conclusions and Outlook**

Of course, not every "marginalised" young person in Tunisia will become a terrorist. After all, the jihadist groups recruit their leading cadres from privileged backgrounds as well. However, we can assume that the likelihood of jihadist

radicalisation increases the more dimensions of marginalisation identified in this article are faced by individuals. Although the character of this marginalisation is specific to Tunisia, parallels can be drawn to the dynamics of radicalisation elsewhere – be it in regards to Boko Haram's recruitment potential in Nigeria given the "break with authorities and identities" or the "Islamisation of radicalness" as the jihadist phenomenon in France has been described.

For Tunisia and its still fragile democracy international jihadism presents an existential threat if it continues along the spiral of radicalisation set forth in this article and if the escalation of terrorist violence that is associated with this cannot be stopped. Meanwhile, it has become clear that Tunisia and its international partners must develop and implement a comprehensive strategy to tackle several of the foundations for this simultaneously. In addition to the various forms of marginalisation, whether economic, social, political, civic, geographical and cultural-identitarian as a basic condition for radicalisation, the psychological, ideological, material, domestic and international factors identified in this article can also be used as starting points for developing counter-measures. But time is of the essence. Originating in Kasserine, nationwide protests broke out in January 2016 to demand work and regional development. The hunger strikes and self-immolations are acts of desperation which make clear that, for many Tunisians, the desire for dignity remains unfulfilled.

All told, this is a Herculean task for the Tunisian government and the country's political class to take on (even more as it has not yet completed the process of consolidation and maturation after the revolution). Yet there are signs of hope on both the state and, in particular, the non-governmental level. The Constitution of 27 January 2014, which was adopted almost unanimously by the country's first freely elected parliament, requires the state to increase the participation of young people in politics, society and the economy as well as to establish a regional balance. It promises decentralisation and local self-governance – a revolutionary claim in a centralist

state such as Tunisia, yet one the government has only just begun to address. The media coverage on the fifth anniversary of the revolution also began detailing the continuing unsatisfactory situation in the inland regions and with the country's younger generation. The political and media elite in Tunis is very aware of the need for deliberate action. In his speech on 14 January 2016, President Essebsi announced a national youth congress. The aim would be to define strategies "together with young people for young people" in order to better "integrate them into their own country".37 At the same time, the president established a commission of jurists to revise the criminal code in order to adapt it to the constitutional liberties guaranteed-a demand that has been repeatedly raised by young activists.

Nevertheless, many younger generation Tunisians across all socio-political classes and all regions are not waiting for change to be translated from the constitutional provisions or political rhetoric into the reality of their everyday lives. Despite their fate, they often seem to be taking these administrative hurdles into their own hands. One example of this is the Centre des Jeunes Dirigeants d'Entreprises (CJD), a young entrepreneur's association in which reformminded entrepreneurs and executives have joined forces, with several regional branches being founded last year across the country. Given the deficient state educational structures, a night school was launched with international aid providing members with the opportunity to advance their management skills.38 In Kasserine, residents are working to "take back" Mount Chaambi, which is considered a stronghold of jihadist cells, through the establishment of a cultural center and a hiking trail for alternative tourism. Residents of El-Guettar, a town in the district of Gafsa in central Tunisia where the pro-regime mayor was expelled in the wake of the revolution, did not have time to wait for the repeatedly postponed local elections. Through neighbourhood committees and councils, citizens there quickly appointed a manager of local business as their mayor.<sup>39</sup> These kinds of bottom-up initiatives cannot replace the

political, economic and security conditions that are needed. However, they are evidence of the potential of a country that has, as yet, survived the lack of material dividends promised by democracy in much the same man as it has survived the recurrence of terrorist attacks. Supporting this civic potential is not only a contribution to the development of Tunisia, but also to the fight against international jihadism.

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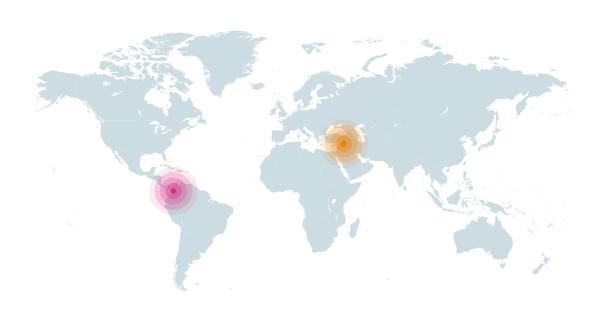
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### Dirty Entanglements

Global Terrorism and Organised Crime

Louise Shelley



Terrorist financing is now heavily reliant on diverse forms of criminal activity and illicit trade. Funding can result from petty crime such as seen in the recent attacks in Western Europe to multi-million dollar financing resulting from the Islamic State's (IS) oil smuggling. Only multi-faceted approaches can seek to curtail this funding.

### **Introduction: Funding Global Terrorism**

Terrorism in the Cold War period was predominantly funded by states, even referred to as "state-sponsored terrorism". Yet even in this period there were linkages between crime and terrorism. The funding of terrorism by the drug trade, "narco-terrorism" was a reality in many regions of the world and was particularly pronounced in Latin America, especially with the Sendero Luminoso and the Revolutionary Armed Forces of Colombia (FARC), also known as Fuerzas Armadas Revolucionarias de Colombia in Spanish. Seized data from the FARC reveal that in 2003 its total income was approximately 170 million U.S. dollars with its largest source drug cultivation (46 per cent) followed by extortion (42 per cent).1

The rise of al-Qaeda was based on another funding model for terrorism. It was neither primarily state-sponsored nor crime-supported. Rich individuals and supporters from different countries, primarily in the Gulf region, provided financial support. Before 9/11, al-Qaeda's budget was estimated at 30 to 35 million annually.<sup>2</sup> Osama Bin Laden, coming from a wealthy Saudi family contributed his own resources but he was only one of many to do so. Yet, over time, as funding was not sufficient to meet expenses, al-Qaeda and its affiliates began to engage in criminal activity to supplement their income.<sup>3</sup>

The problems of terrorist funding through crime were aggravated by the enhanced financial controls on the international banking system following 9/11 and the enactment of the *Patriot Act* in the United States that resulted in greater finan-

cial oversight of financial transfers, correspondent banks and greater monitoring of suspicious financial transactions. Consequently, terrorist groups were forced to generate revenues outside the established financial system.

At the present time, there is almost no terrorism in the world that is not funded by criminal activity. The United Nations Security Council, starting in late 2014, has recognised the very important link between terrorism, organised crime and corruption in four separate Resolutions. Crime is no longer just a concern of the justice system but a phenomenon – through its links with terrorism – that undermines national, regional and international security.

In contrast, petty and transnational crime are not necessarily linked with terrorism. Rather, the preponderance of transnational crime and illicit trade are not a funding source for terrorism but instead these crimes benefit criminals, corrupt officials and business people who often serve as fronts or facilitators for the criminals. Therefore, finding a terrorist-related crime in the midst of much larger illicit financial flows is sometimes challenging. It can be hard to identify because it is often small-scale or because the illicit is blended with the licit as is the case with oil flowing out of IS-controlled territory.

→ FARC-fighter: Despite the organisation's control over large parts of Colombia, it does not intend to form a state of its own. Source: © Rodrigo Abd, picture alliance / AP Images.



Regarding IS, it is important to note that the criminal funding that supports ISIS in the Middle East is very different from that which has funded the recent attacks in Europe and the United States. IS in the Middle East requires hundreds of millions of U.S. dollars annually to meet its budget whereas IS-inspired terrorist attacks in the West are low-cost and locally generated. It received a large financial base by taking the cash held in Mosul, a sum estimated at 400 million U.S. dollars.<sup>5</sup> The United States government estimates in 2015 that ISIS was deriving 500 million U.S. dollars annually from illicit oil trade<sup>6</sup> although that sum is believed to have declined as a result of the decline in oil prices and military action. There is evidence of only one financial transfer from the Middle East of 5,000 euros to fund this activity, much less than in the case of the 9/11 attacks.7 Rather, as has been shown through investigations in Europe, it is small-scale criminal activity in Western Europe that has funded terrorist attacks and provided the operational funds for foreign fighters to join IS.8

However, the IS superstructure that recruited and in some cases trained the terrorists who executed the attacks is expensive to maintain. Therefore, IS requires not only large sums for its governance of a vast territory with eight to ten million people and its military operations but also for its efforts to foment terrorism globally.

IS requires large sums for its governance of a vast territory, its military operations and for its efforts to foment terrorism globally.

Although the FARC, at its height, controlled significant territory in Colombia, it did not control as many people nor did it seek to set itself up as a model system of governance. Neither did it seek to inspire terrorism outside its region. In



Syrian currency: The prevailing chaos of the civil war is exploited by IS in order to move around large sums of money. Source: © Bassam Khabieh, Reuters.



Burning drugs: Drug trafficking provides by far the largest funding for terrorism worldwide. Source: © Mariana Bazo, Reuters.

contrast, IS – with its greater financial responsibilities on its territory in addition to its global ambitions – needs to generate more money from criminal activity and illicit trade than any preceding terrorist group. Fortunately, for IS, it controls a region rich in energy resources and has sophisticated personnel capable of arranging the smuggling of the large quantities of oil that it generates. Yet it also has a diversified funding model generating resources from many diverse activities including but not limited to: extortion, kidnapping, human smuggling and trafficking, smuggling of antiquities, smuggling

of consumer goods as well as financial fraud. In this respect, ISIS activities epitomise the diversified model of the "business of terrorism", which will be outlined in the following paragraphs.<sup>9</sup>

### **Terrorists as Business People**

Like business people terrorists seek a product mix, professional services, conduct cost-benefit analyses, employ tax strategies and exploit supply chains. <sup>10</sup> They seek market dominance, strategic alliances, competitive advantage, targets of opportunity and try to employ innovation and

technology effectively. They seek ways to obtain access to the best human capital through their global networks. IS illustrates all these concepts but it is only one of many terrorist groups that share these attributes. It is just the most successful of these.

Terrorists are always looking for new ways to fund themselves. In this way, they resemble multi-national businesses that need to diversify to survive in the competitive global economy. To survive, they are proactive and are fluid and flexible, like the most nimble of businesses. We must appreciate their capacity as business people and not just explore their past streams of funding.

### **Exploiting Comparative Advantages**

Terrorists exploit their comparative advantage. Terrorists near natural resources use these commodities to fund their activities, those near weapons stockpiles become weapons traders, and terrorists in border areas tax the crossborder flow of goods. They take advantage of their critical location. For example, al-Qaeda was involved in the diamond trade, particularly in Sierra Leone, Liberia and Tanzania.11 The FARC and the National Liberation Army (also known as Ejército de Liberación Nacional or ELN) use their territorial control in different regions of Colombia to extort money (approximately 70 million U.S. dollars)12 and to lead attacks against energy infrastructure, 13 such as has also been seen in Algeria and in territory controlled by IS and Boko Haram. Terrorist and insurgent groups located near populations of elephants sought for their tusks, thus leading to the mass slaughter of these animals and irreversible damage in ecosystems.

### **Securing Supply Chains**

Terrorists share a major concern of legitimate businesses – supply chains – as they need to ensure the safe and timely delivery of goods without disruption. Terrorists are concerned with supply chains for illicit goods, such as narcotic drugs, counterfeit pharmaceuticals, minerals and natural resources and cigarettes or high-value diverted goods, such as oil.<sup>14</sup> They seek to trade goods that generate significant financial resources but do not intersect with the international financial system. They often rely on trade-based money laundering to transmit goods of value.<sup>15</sup>

Terrorists make substantial money by controlling supply chains for delivery of their products, such as drugs, as well as by taxing the smuggling of others that pass through borders or territory that they control. The ability to tax the transit of commodities and people is one key to their financing. IS and al-Nusra, according to a retired high-ranking Jordanian military official, have cease-fires in the afternoon in order that they can extort money from the human smugglers and the refugees departing from the war-torn territory.16 According to documents obtained from IS, their rate of taxation on goods and services ranges from ten to 30 per cent.17 They create the conditions that force individuals to migrate and then tax them and benefit from the goods that they are forced to leave behind.

Terrorists make money by trading and by taxing trade passing through territory they control.

Organised crime groups' extortion of trade has been known for a significant period, which is why they are so deeply involved in ports and the trucking industry. Yet terrorist groups on many different continents also profit from exploiting supply chains and taxing trade. This has been seen for years on the Turkish border as the PKK has taxed everything from cigarettes to oil. These same smuggling routes, as well as many new ones, have been adapted by IS.<sup>18</sup>

Terrorists often generate revenues by taxing the supply chains that move legitimate and illegitimate products across territory they control. Through corruption of officials and application of violence, terrorist groups undermine state presence and bolster their own in key border areas, ports, and other transport hubs. Therefore, they have learned from organised crime the importance of controlling territory and have capitalised on the corporate world's need to move commodities long distances in the increasingly globalised economy.

### **Securing Personnel**

IS is the first terrorist group to have a global recruitment strategy. It has done this by developing diversified messages for potential recruits in different regions of the world. It uses new technology such as twitter<sup>19</sup> to identify potential jihadists and then follows up with them on online chatrooms and other forms of new media

to recruit fighters or women to marry and provide support services to fighters. Its well-developed communications and marketing strategy in some respects mirrors that of legitimate multi-national companies.

### **Heterogeneity of Businesses**

All terrorist groups do not function the same way in business. Cultural, historical and geographic conditions shape their approach to terrorist financing. For example, in the Middle East where trade has been at the heart of the economy since the first recorded language, trade or taxing trade is the major funding source of IS and other groups such as the PKK operating in the region. Trade-based money laundering is an important means to move money.<sup>20</sup> The



Mineworkers in Sierra Leone: Terrorist organisations are keen to make use of whatever resources they may find. Source: © Dylan Martinez, Reuters.



Poppy fields: Drug cultivation in Afghanistan was used by both al-Qaeda and the Taliban as a source of income. Source: © Stefano Rellandini, Reuters.

long-standing growth of drugs in Afghanistan and in the Andes has contributed to a reliance on crop production and drugs when it comes to terrorist financing in these two diverse regions.<sup>21</sup>

Terrorists choose the crimes they will commit not only by profitability and ease of entry into this business sector, but also by the extent of competition in this sphere of criminal activity and the costs of corruption.<sup>22</sup> Yet, determinations of risk of detection and asset loss are also associated with the calculations of the more sophisticated hybrid of criminals and terrorists. Such analyses help explain the rapid rise in antiquities theft and trade because there is a market for these treasures in the Middle East and online. Terrorists exploit their strategic advantages, just as legitimate business people do. Understanding the comparative advantage

of a terrorist group within this financing framework is key to determining their sustainability and deriving strategies to deprive them of revenues. Almost every known form of criminal activity has been used to fund terrorism.

### **Funding Activities**

Terrorists use crime as a means to generate needed revenues, to obtain logistical support, and use criminal channels to transfer funds. Criminals provide operational tools, such as falsified documents, new identities and transit across borders to terrorists in need.<sup>23</sup> Criminals can pay off officials, thereby providing terrorists and their commodities safe passage across borders. The criminal support structures can include either petty criminals or developed crime groups, such as the Camorra in Naples.<sup>24</sup> The attacks in



France in November were committed, in part, with weapons obtained from the Balkans revealing that the illicit arms trade of the criminal world can be exploited by terrorists.<sup>25</sup> The cost of the attack is estimated at 10,000 U.S. dollars<sup>26</sup> whereas the costs of the attack to France in enhanced security costs, decline of tourism and related businesses in many millions.

### **Product Mix**

Almost every known form of criminal activity has been used to fund terrorism. The choice of criminal activity reflects the geographic location of the group, its human capacity and the profitability of the crime. Crimes are selected based on the ability to evade detection or prosecution, access corrupt officials, and obtain profits. Terrorists prey on ordinary citizens as well as smaller and larger businesses through extortion and kidnapping. They commit fraud against legitimate financial institutions through credit card abuse and other financial manipulation of markets.<sup>27</sup>

Apart from these high-profit and large-scale sources of criminal activity, terrorists and insurgents participate in a diverse range of criminal actions, including ones used by earlier generations of terrorists and guerillas, such as kidnapping, extortion and bank robbery.<sup>28</sup> But they also are at the forefront of technology, relying on credit crime and Internet fraud. ISIS has also acquired personal data of federal workers obtained through cybertheft.<sup>29</sup> They may also use new technologies such as cryptocurrencies (e.g. bitcoin) to move money.<sup>30</sup> The dark web is believed to be used to communicate undetectedly and to sell commodities.<sup>31</sup>

### **Small-Scale Illicit Trade**

The concept of narco-terrorism had meant that counter-threat financing has focused on such large financial generators as the drug trade. But increasingly, smaller-scale illicit trade in commodities such as counterfeit goods, fuel, cigarettes, food, medicine, textiles and clothing are used by terrorists to fund themselves in the United States, Europe, North Africa and the Mid-

dle East. Weapons trade, another dual-use crime is particularly prevalent in North Africa, especially flowing out of Libya.<sup>32</sup> In aggregate, the funding from such activities is substantial, and rivals that of drugs, but entails much lower risk of prosecution.

Increasingly smaller-scale illicit trade in commodities are used by terrorists to fund themselves.

Money generated by illicit trade within the U.S. from the illicit cigarette trade is sent out of the United States to fund terrorist groups in the Middle East.<sup>33</sup> Recent terrorist attacks in Europe, such as the recent train attack between Brussels and Paris, have been perpetrated by terrorists with backgrounds in small-scale illicit trade. One of the Kouachi Brothers who killed the cartoonists of Charlie Hebdo had traded in counterfeit Nike sports shoes and smuggled cigarettes. This phenomenon is not confined to Europe. The New York Police Department (NYPD) is focusing on many smaller scale crimes, including cigarette smuggling and sale of counterfeits that are used by many diverse terrorist groups to fund themselves.

### **Professional Services**

Terrorists, when functioning as criminal entrepreneurs, require a variety of services.<sup>34</sup> They are also aided by the facilitators from the legitimate world such as accountants, bankers, and lawyers that intentionally or inadvertently assist in the perpetration or the funding of terrorism.<sup>35</sup> But they also need corrupt officials and often witting and unwitting facilitators from the corporate world. Corrupt military personnel can serve as suppliers of weapons to criminal and terrorist groups.<sup>36</sup> Therefore, they have multiple forms of interaction with the legitimate economy. They also require professional services from the criminal world as they retain the services of human smugglers and specialists in



Confiscated cigarettes: IS derives its funding from the illegal tobacco trade, but it does not penalise authorised smuggling. Source: © Stringer, Reuters.

"non-traceable communications, forgers, and money launderers".<sup>37</sup> Without hiring this expertise, they cannot make their business function.<sup>38</sup>

As terrorist entrepreneurs, they are always looking for new product lines and seek to learn from regional successes in one area that can be transferred elsewhere. Therefore, the FARC, known as narco-terrorists, are really a much more diversified business that even generated income from the exploitation of hydrocarbons, approximately 19 million U.S. dollars annually.<sup>39</sup> Diversification is as much a key to survival as it has been to the legitimate business world.

Terrorist businessmen share a key concern of their legitimate counterparts - the retention of professional services. These service providers allow them to move their money, bribe needed officials, and obtain falsified documents.

### Conclusion: Follow the Money!

The linkages between terrorism, petty crime and organised crime are not uniform but they are omnipresent. Therefore, finding the criminal activity or "following the money" that is linked to terrorism is a significant challenge. But it is an important objective because it can deny terrorists the funding they need to recruit and maintain their operations. Moreover, following the money exposes the composition of terrorist networks making it more possible to disrupt their activity.



This insight has not merited sufficient attention from the counter-terrorism community. The relationship between crime and terrorism requires more than a military strategy because a diversified and often covert global financial network is now supporting terrorism. Moreover, the reliance on trade for the funding of terrorism, a problem, particularly prevalent in the Middle East, suggests that we cannot rely on treasury departments or conventional financial institutions, such as banks, to reveal the funding sources of terrorism. Rather, as the United Nations Security Council has identified in four different Resolutions, we are facing a great diversity of crimes that are funding terrorism in general and IS in particular.

We need police work combined with counterterrorism activity to help counter the smallerscale funding of terrorism in Western Europe, the United States and other locales. To counter the larger-scale funding such as that which funds IS, we need an approach that combines the insights of many different sectors of government, multinational organisations, the private sector and civil society. Corporations and business people can more readily identify the anomalies of international trade data that may be indices of illicit trade. Civil society groups can help us understand the illicit markets they observe and where they may be consumers and/or victims of its fraudulent products. Only with a multi-faceted approach to terrorist financing and its relation to criminal activity do we have a hope of stemming its revenue sources.

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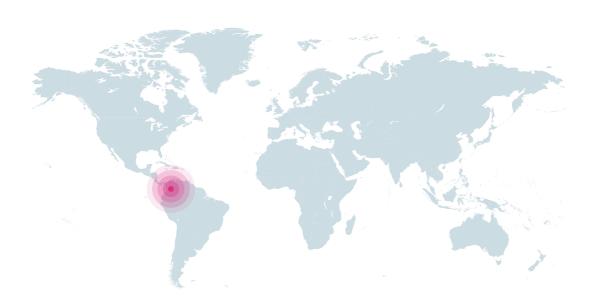
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# On the Path from Failed State to OECD Member?

Colombia's Way towards a Brighter Future

Hubert Gehring / Maria Christina Koch



Colombia is currently in the world's attention because of the peace agreement between the government and the FARC guerrilla. However, it is not only progress in addressing this decades-old conflict which makes prospects for the Andean country pretty bright at the moment.

In November 2014, Colombian President Juan Manuel Santos acknowledged that a good 20 years ago Colombia was well on the way to becoming a failed state. During his speech at the El Futuro de las Américas forum held by the Clinton Foundation in Miami, however, he painted a completely different picture of the country's present and future, namely that the country was now in the midst of a peace process, that it was seeing economic growth and that is was generally being perceived quite differently at the international level – that is to say, positively. Santos was proven right. By late September 2015, a major breakthrough had occurred in the peace negotiations between the Colombian government and the FARC guerrillas when Santos concluded a preliminary agreement with the supreme leader of FARC, "Timochenko", in Havana, Cuba.2

And even if by 23 March the original long-awaited agreement between the Government and the oldest guerrilla in the world was not signed, it is expected that by the end of 2016, the so-called "armed conflict" will be at least formally over. Now it is up to the international community not to reduce Colombia to its internal armed conflict and drug trafficking problems. The country's efforts must also be appreciated.

After all, important political and economic progress has been made in many areas over the last decade, even beyond the peace negotiations. Colombia's international image is increasingly shifting from bad to good. The country is ready to assume a more prominent role in the international community both now and in the future. In this context, it is the will of Colombia to become a member of the "elite club" that is the OECD.

This paper will begin by illustrating Colombia's recent development before dealing with the political challenges the country is facing. Overcoming these challenges is directly related to the requirements of OECD accession. The paper concludes with a realistic assessment of whether and how quickly Colombia could achieve its goal of OECD membership.

### Plan Colombia - Despite Criticism, First Steps to Improving the Economic and Security Situation

With his security policy, former President Andrés Pastrana Arango (1998-2002) paved the way for the rise of Colombia and for his successors to carry out further reforms. In 1999, the Colombian government developed Plan Colombia as a strategy to meet the country's key challenges: the peace process, the drug trade, economic growth and the consolidation of democracy. The plan incorporated 7.5 billion U.S. dollars. The Colombian government put up four billion U.S. dollars and urged the international community to contribute the remaining 3.5 billion U.S. dollars. The U.S. contributed 1.6 billion U.S. dollars in additional aid tied to five points:<sup>3</sup>

- Strengthening the State and respect for human rights: Financing of programs by the United States Agency for International Development (USAID) and other institutions in order to strengthen human rights and the judicial institutions in the country;
- 2. Expanding the operations to combat drugs in southern Colombia;
- 3. Alternative economic development: Financial resources allowing small farmers who previously cultivated coca and poppy plants to switch to legal farming activities;



Hope for peace: The planned peace agreement with FARC would not only put an end to decades of bloody conflict, it would constitute a crucial step towards the international community. Source: © John Vizcaino, Reuters.

- 4. Increasing monitoring mechanisms, particularly in terms of combating drug trafficking in a more efficient manner;
- Reinforced co-operation with the "National Police" in Colombia.<sup>4</sup>

Although it enjoyed broad public support, *Plan Colombia* has been heavily criticised by the political left, trade unions and human rights organisations. They accused the United States of taking a neo-colonial stance since the plan would solely serve to promote the strategic interests of the United States. The U.S. military would prejudge Colombian citizens as potential terrorists and control many areas of strategic importance in Colombia with respect to its natural resources, biodiversity, and mining and oil production. In

addition, Plan Colombia would worsen the risk of violence and endanger the peace process along the way. Colombia's neighbouring countries have also raised concerns that the military presence in the border areas would be greatly increased.<sup>5</sup>

When President Álvaro Uribe entered into office in 2002, he launched a security model that combined the military and economic components of *Plan Colombia* in order to reduce drug trafficking and defeat the guerrillas. To this end, the Colombian armed forces engaged in an ideological and military struggle. First, a media campaign was launched on television and in national newspapers to secure the sympathy and support of the civilian population. Civilian and military campaigns were also held in remote areas of the

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Presidents: As his country maintains close relations with the U.S. as is has traditionally done, Colombia's President intends to boost relations with other countries. Source: © Joshua Roberts, Reuters.

country to provide medical treatment and raise money for infrastructure. Second, the armed forces underwent restructuring and modernisation, and investments were made to equip forces with U.S. technologies for espionage and intelligence activities. The rationale behind the restructuring and modernisation process was to enhance military operations.

What did *Plan Colombia* achieve? The most important points are as follows:

- The government of Álvaro Uribe succeeded in significantly weakening FARC militarily.
- The goal of cutting cocaine production in half has not been reached: Colombia remains one of the main exporters of cocaine into the United States.
- The so-called "alternative development" programs have not succeeded in modifying the production schemes of large companies,

- such as the palm oil industry and other export products. Smaller cocaine producers were not provided with any adequate alternatives to earn their livelihoods, for example, in the form of cocoa or other fruits.
- The justice programs have indeed shown success, but there are still problems in terms of efficiency and effectiveness in investigation and trying paramilitary groups, criminal army units and corrupt officials.

Despite criticism and the fact that some goals have yet to be met, the overall results were encouraging for the Colombian state: It has achieved greater control of its territory, secured its industry and reduced the influence of the guerrillas. These achievements were the first steps towards improving the country's economic and security situation, and some of Colombia's current successes would not have been possible without them.

### The Santos Presidency - Internationalising Colombia and Improving Relations with Neighbouring Countries

The foreign policy of incumbent Colombian President Juan Manuel Santos, who has been in office since 2010, is distinctly different from that of his predecessors. The most significant difference is the fact that Santos has marked the diversification of Colombia's international relations as indispensable for democratic prosperity.

Whilst Colombian foreign policy has been dominated for decades by its very close relations with the U.S. to the detriment of its relations with other countries and regions, Santos is making efforts to address this deficit. He considers it a priority to strengthen bilateral relations with previously neglected countries. He hopes to establish new mechanisms for political rapprochement and more opportunities for trade and technological exchanges. The aim is to specifically strengthen economic, social, political and trade relations with Latin America and the Caribbean. Another aim is to engage in comprehensive dialogue to normalise the country's relationship with its neighbours, Venezuela and Ecuador. On a related note, this should allow for improvements in terms of social and economic development along the border regions. Colombia's participation in the Unión de Naciones Suramericanas (UNASUR), the Andean Community, the Mesoamérica project, el ARCO del Pacífico and the Comunidad de Estados Latinoamericanos y Caribeños (CELAC) is to be expanded.

Another specific example of Colombia's shifting external relations lies in customs. The Pacific Alliance, founded in 2012, has strengthened the country's relationship with Mexico, Peru and Chile. These countries are ideologically aligned with Colombia in terms of international trade and strategies of internationalising business. Membership of the Pacific Alliance forces the Colombian state to invest in infrastructure, particularly in its ports. If this challenge is successfully met, Colombia will be able to benefit greatly from the Pacific Alliance in future. Moreover, Colombia can now be distinguished as

a "bridge country" that mediates between different regions and political viewpoints through the Pacific Alliance. Furthermore, the Pacific Alliance can be used to develop relations with China, which enjoys an observer status.

However, this reorientation is not intended to neglect traditional partners. On the contrary, it aims to continue to strengthen relations with Colombia's strategic partners: the U.S., Europe and Canada. Relations with these countries are regarded as fundamental, not least as they are the country's main trading partners. However, in addition to these economic components, political dialogue is of great relevance.

The goal is obviously to include Colombia in the international community to a greater extent in a more positive light/manner. So, for example, Colombia intends to contribute to peace and international security via the UN. Colombia also aims to project its foreign policy guidelines through regional and sub-regional forums. In addition, Colombia hopes to expand its representation in other states and international organisations to increase its participation in decision-making at the international level.

Colombia has concluded free trade agreements with numerous (groups of) countries, from the Andean Community (1993) to Canada (2011) to the U.S. (2012). In August 2013, the free trade agreement between Colombia and the EU also came into effect. After the U.S., the EU is Colombia's main trading partner. The accord would mean significant growth in bilateral trade with EU countries, particularly with Germany, which is already considered Colombia's most important trading partner within the EU.

This development co-operation is an increasingly important aspect of Colombia's foreign policy. This complements national efforts in terms of economic, social and environmental issues and allows the country to position itself as an international player.

Accordingly, the Colombian government considers it a success that its international agenda,

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Roses from Colombia: Upon finalizing the free trade treaty, trade with the U.S. and the EU is expected to rise sharply. Source © John Vizcaino, Reuters

which has long been dominated by the fight against terrorism and drug trafficking, has become more versatile. It now includes issues like social development, the environment, science and technology. Whilst Colombia previously found itself in the position of asking for aid and assistance, the country is now able to join other states in providing assistance, for example, in the case of abductions or natural disasters. In doing so, Colombia is able to benefit from its own experience. One example here is the earthquake in Nepal in April 2015. Santos immediately announced that Colombia would be ready to send 45 experts to the earthquake region. Many European States, which were much more highly developed economically speaking, did not demonstrate this same willingness. For Colombia, this obviously represents a significant step from being considered

a country requesting aid to one considered an equal partner able to share its experience with other countries, thereby gaining more recognition.

In September 2014, Santos received an invitation from UN Secretary General Ban Ki-moon and U.S. Vice President Joe Biden to attend a summit on global peace missions. Peace missions can be supported either financially or by sending troops. Colombia evidently pursued the objective by contributing armed forces. A necessary prerequisite of participation in peace missions is the end of the guerrilla conflict. As a result of decades of armed conflict, Colombia's army is considered particularly well-formed. Santos wants the army to increasingly turn its attention to peace-building in the post-conflict era whilst at the same time maintaining the

knowledge and experience it gained during the Colombian conflict. Another reason is sure to be the continued employment of personnel beyond the end of the armed conflict. The *fuerza pública* in Colombia has some 455,750 personnel enlisted in its ranks (as of 2013).<sup>6</sup> The armed forces are currently still deployed for fighting against the guerrillas. However, once the conflict ends, there will no longer be a need to maintain such a large number of armed forces.

For Colombia, this obviously represents a significant step from being considered a country requesting aid to one considered an equal partner able to share its experience with other countries, thereby gaining more recognition.

In June 2013, Santos also announced that Colombia was seeking accession to NATO. The Colombian army has already begun participating in several NATO military training programs. However, it is doubtful at the moment whether this desire of Colombia's is realistic. What is certain, though, is that Colombia is piquing interest due to its geostrategic location: The country has access to both the Atlantic and the Pacific, connects Central and South America and borders five countries: Brazil, Venezuela, Peru, Ecuador and Panama.

### Colombia's New Self-Confidence – Hopes to Accede to the OECD

Likely the best example of Colombia's new self-image is its desire to join the OECD. The OECD currently comprises 34 countries and maintains working relationships with more than 70 others. Since the organisation combines the world's most major economic players, it is often referred to as an elite club. Accession to this club is considered by experts to be a distinction of the economic efforts of a state.

For Santos, joining the OECD is an important step towards Colombia establishing a new image in the political world. After Mexico (accession: 1994) and Chile (accession: 2010), Colombia would be only the third Latin American country to join the OECD. The decision as to whether a country is accepted is up to the Member States, which also set out the conditions for accession.

Membership in the OECD would encompass numerous advantages for Colombia: First, it would allow Colombia to acquire mechanisms to monitor the quality of public policies, which would strengthen efforts in various areas. Santos has commented that the OECD is not only a club you join, but one in which you must maintain a certain standard, thereby gaining the opportunity to tackle the necessary structural tasks. And the consequences? Growth could be promoted and poverty reduced. In addition, OECD membership is seen as a "seal of quality" and a sign of confidence in a country's economic policies, as well as recognition of its role as a rising economic power. In addition, OECD member status would attract investment and strengthen relations with OECD countries and other states as well. In the medium term, membership would therefore have a positive impact on economic growth. Overall, Colombia's image throughout the world would significantly change.<sup>7</sup>

On 30 May 2013, OECD member countries voted in Paris to begin accession negotiations with Colombia. In September, the conditions of accession were then set before Ángel Gurría, OECD Secretary General, officially setting the accession negotiations on 25 October 2013 in motion.

The negotiations are characterised by close co-operation between the OECD and Colombia. During the accession process, Colombia must demonstrate that it is committed to aligning its policies and economic performance to OECD standards. The OECD has not set any deadlines for Colombia. Instead, the date of accession depends on Colombia's ability to fulfil the required conditions.

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Illegal mining: The high proportion of informal labor makes workers more liable to exploitation and does away with their pension entitlements. Source © John Vizcaino, Reuters.

Colombia has experienced some success since accession negotiations were opened. As a result, the country was invited by the OECD to sign two major conventions: the "Convention Against Corruption in International Trade Transactions", which adds greater transparency to trade and recognises Colombia as a relevant actor in the fight against corruption, as well as the "Convention on Tax Matters", the primary tool used to combat tax havens. Colombia has already signed the "Declaration on International Investment and Multinational Enterprises", has joined the directive on responsible mining, the "Declaration on Green Growth", as well has the "Principles of Internet Policy". At the invitation of the OECD, Colombia is now also a member of four committees: the Investment Committee.

the Anti-corruption Committee, the Competition Committee and the Consumer Protection Committee. Colombia has therefore already achieved considerable progress in these areas.

### OECD Recommendations – Despite Initial Success, a Long Way to Go

Despite all these achievements, the fact that Colombia still has a difficult road to travel to meet the requirements of the OECD must not be overlooked. In many areas, such as environmental protection, the instability of the labour market and the weakness of its public institutions, Colombia lags far behind OECD countries. Despite its successes in combating violence – for example, reducing the number of

murders from 69 per 100,000 inhabitants in 2002 to 31 in 2012<sup>8</sup> – acts of violence still present a major challenge for Colombia.

OECD experts have fully investigated and evaluated different political and economic aspects of Colombia and have made recommendations to help Colombia meet the requirements. Here are some examples:<sup>9</sup>

Social Security and Pensions – Need for Improvement

Compared to OECD countries, income insecurity in old age in Colombia is very high. Half of elderly people there live below the poverty line and fewer than 40 per cent receive pensions. Women and low-skilled workers are particularly affected by this. The pension system's low population coverage primarily reflects the high share of the informal work. Only workers who are formally employed may enrol into a pension scheme. Access to a public pension requires 25 years of contributions.

Colombia has introduced various social security and pension programs to improve the situation. Among them is *Beneficios Económicos Periódicos* (BEPS), which aims at reducing old-age poverty amongst those in unofficial work. The *Colombia Mayor* program sees the government providing an income for older people living in poverty.

Economy and Trade – Improvements, but Still Volatile

Since the early 2000s, Colombia has achieved significant progress in improving living conditions. Sound macroeconomic reforms – an inflation-targeting regime, flexible exchange rates, sound financial regulations – have created growth and macroeconomic stability. Colombia has gradually opened up trade and investment and improved the security situation. Investments in the oil and mining sectors saw industrial and export booms, at least until oil prices collapsed in 2015, and have also had an impact on national demand. The proportion of people living below the poverty line has been reduced

from one-half to one-third. The steady reduction in unemployment has created investment and brought higher household incomes.

However, the decline following the boom in raw materials requires political action: Investment outside the resources sector is necessary to provide official employment. Productivity is still at a low level, which reflects weak infrastructure conditions – for example, informality, a poor educational system, skills shortages and low investment in research and development.

Infrastructure, Tax System and Education – Key Issues for Future Development

There is one area in which expenditure is sorely needed in Colombia: Investments in infrastructure are essential for economic growth. Poor transportation constitutes a barrier to competitiveness and should therefore be improved. In addition, the planned expansion of social policy as well as peace with armed groups that finally seems attainable after the preliminary agreement in September 2015 and the further expected final outcome in 2016 represent important expenditure items. Increasing government revenue is therefore essential. Deficits are caused by widespread tax evasion, a high rate of informal employment, a high number of tax exemptions and an inefficient tax administration. The armed conflict previously contributed to this as well, as it was difficult to tax land and agricultural activities.

The most efficient way forward would be a major reform of the tax system. Corporation tax should be extended, the rate lowered and the tax system simplified. VAT will also play a particularly important role here as it could generate additional leeway. Environmental taxes should be increased as well. The high rate of tax evasion should be combated systematically and penalties should be increased based on the model of OECD countries. The bilateral and multilateral agreements recently concluded regarding the exchange of information on tax evasion are an important step in this direction.

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The increased budget for education and early childhood education is a step in the right direction. In Colombia, the percentage of children in kindergarten is only 50 per cent, compared to the OECD average of 90 per cent. Although access to tertiary education has tripled in the last 20 years, only 45 per cent of the population take advantage of it (OECD: 70 per cent). Furthermore, the quality of education must be improved and investment must be made in professional development for teachers.

Colombia follows a good governance framework that includes regular budget processes and significant improvements in the institutionalisation of the civil service. Nevertheless, systematic evaluations are recommended as, in spite of the positive developments seen in transparency and government accountability, corruption still presents a major obstacle to business in the country. Along with the ratification of the OECD Anti-Bribery Convention in 2013, the National Public Procurement Agency was established in 2011. However, even more capacity and resources must be applied to achieve a significant reduction in corruption.

### The Labour Market - Too Much Informality

Despite improvements, the labour market is still lacking efficiency and thereby reinforces inequality. Since 2011, employment has hovered around 64 per cent (women: 48 per cent, men: 73 per cent). Since 2001, the unemployment rate has fallen from 15 to approximately nine per cent. Nevertheless, this is still high compared to other Latin American and OECD countries. The fact that protection against unemployment has recently been strengthened is considered an initial step in the right direction, even if it is still too early for its effectiveness to be analysed. However, enforcing workers' rights still faces a number of challenges in Colombia. There are too few inspectors, they are too poorly trained and they lack authority.

Colombia has one of the highest rates of labour informality in Latin America. This creates inequality as the informal sector has limited access



to financial and public benefits. Depending on the definition, informal employment comprises 50 to 70 per cent of total employment. Young people, women, poorly qualified and displaced persons are particularly affected by this. Nonwage labour costs also contribute to informality. After the 2012 tax reforms, which reduced social security contributions, more formal jobs have been created.

Colombia's market regulations, in particular its trade barriers, are still slightly more restrictive



Under heavy criticism: Student protesters in Bogotá calling for a better education system in 2011. The OECD sees a need for improvement here as well. Source: © John Vizcaino, Reuters.

than the OECD average. Productivity is hindered by the lack of competition in areas such as telecommunications, food and clothing.

Environmental Protection in Colombia – Still Much to Be Done

Colombia is facing a number of challenges in terms of environmental protection as well: The rapid expansion in the mining, energy and agriculture sectors and the high emissions associate with this (especially due to transportation) must be mentioned here. The OECD considers strengthening the role of the Ministry of Environment and Sustainable Development to be of great importance, as the main body for environmental protection along with stronger inter-ministerial cooperation and the creation of environmental units in the various ministries. Laws and standards must be aligned to create a coherent and congruent framework for an effective environmental policy. At the same time, popular involvement must increase.

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The sheer wealth of resources, species and biodiversity in the country is one of the areas of greatest potential for Colombia. However, renewed efforts are needed if this wealth is to be maintained and used optimally.

### The 2014-2018 Development Plan: Santos' Ambitious Project Involving OECD Demands

The "National Development Plans" (*Planes Nacionales de Desarrollo*) form the basis for the president's governmental work in Colombia and span a period of four years, the same as the president's term of office. The current plan covers the years 2014-2018 and is based on three pillars: peace, equality and education.

Peace is considered one of the goals - if not the most important goal - in Colombian history since the armed conflict is perceived both as a cause and consequence of a lack of development. The successful conclusion of the peace negotiations, which is expected by 2016, is therefore one of the government's priorities. Nevertheless, the development plan makes it clear that even after any peace agreements have been signed, a number of challenges will remain: the demobilisation and reintegration of combatants and a reduction in the general propensity to violence. A peace agreement would therefore not automatically bring an end to all the country's problems, though it would make an important contribution towards de-legitimising violence and consolidating democracy.



Back and forth: In one of the poorest neighborhoods in Medellín, an outdoor escalator was installed to help people get around. Still, plenty of work remains to be done in the fight against poverty. Source: © Fredy Builes, Reuters.

The second pillar, equality, is also of fundamental importance. A lack of equality is diametrically opposed to potential development and deprives many people of suitable living conditions. The most important tool for greater equality is education, which also represents the third pillar of the development plan. Along with reducing inequality, education is important for progress and improving the overall quality of democracy.

The development plan defines five interdisciplinary strategies: 1. infrastructure and strategic competitiveness; 2. social mobility (health, education, work); 3. rural areas and green growth (reduce iniquities between urban and rural areas, sustainability); 4. consolidating the social rule of law (democracy, human rights, justice); and 5. good governance. 10

These goals are ambitious as there are still so many problems to overcome. Yet the "National Development Plan" is seen as a way to end the armed conflict and promote the country's development. The recommendations of the OECD can make an important contribution to its implementation. According to Santos, 44 items on the "National Development Plan" are based directly on the recommendations of the OECD.

### Colombia in the OECD -How Realistic is that Goal?

In an interview in January 2015, OECD Secretary General José Ángel Gurría said that it is hoped that Colombia would join the OECD in 2016. <sup>11</sup> But how realistic is that goal?

The mere fact that accession is even being considered for 2016 demonstrates Colombia's potential to align itself with OECD countries and be inducted into the organisation in the foreseeable future. However, the question remains as to whether this potential can and will be exploited in the near future. A lot has been achieved thus far: Colombia is amongst the countries with the highest average incomes, with high economic growth and low inflation; (informal) unemployment, poverty and vio-

lence have been reduced, not to mention the great progress that has been made in the peace process with FARC. Nevertheless, although so much progress has been made, an enormous amount remains to be done. This is especially true for the fight against inequality. To reduce inequality, the OECD considers a fundamental reform of the pension and tax system in particular to be vital, among other reforms. Yet few economic and social policy topics in Colombia are as sensitive as those of taxes and pensions. Profound reforms have been nearly impossible due to the strong reactions seen in recent years—something the government considers a major challenge.

Neighbouring countries are lamenting the fact that Colombia seems more interested in richer countries like the United States instead of them.

The government's awareness of the difficulties associated with pension reform have meant, for example, that it has tended towards more minor reforms, which are steps in the right direction but are not nearly enough to tackle the issue at hand. Profound reforms are necessary to meet the OECD's requirements for membership. Attaching conditions to membership by the OECD may indeed act as an engine for important yet unpopular reforms.

However, the Colombian government's pursuit of OECD membership is also facing criticism. For example, its neighbouring countries are lamenting the fact that Colombia seems more interested in richer countries like the United States instead of them. This would mean that, through accession to the OECD, Colombia is hoping to build an identity as a country increasingly aligned with northern countries—the established powers. As a result, Colombia would be forced to turn its back on the South and its regional regimes. Its critics also accuse

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2013 OECD conference in Paris: Membership in the OECD is one of Colombia's top items on its foreign policy agenda. It is hoped that the membership will bring economic revival and an improvement of living standards. Source: © Pool, Reuters.

the Colombian government of wanting to use the OECD as a platform to integrate the country into the TPP or TTIP mega-blocs, which Colombian elites would consider preferable to South-South Cooperation. Within Colombia, criticism has been levied that OECD membership would be considered by the international community to mean that the country has risen to the ranks of the richer countries, and Colombia would therefore lose out on opportunities for development cooperation as this would no longer be considered necessary. At the same time, allegations have also been made that the Colombian government would then be willing to help other countries (as it did after the earthquake in Nepal) whilst rejecting the ongoing needs of its own country.12

In addition to Colombia's interests, the question must be raised as to the value the OECD considers in allowing Colombia to gain membership. Colombia's geostrategic location plays an important role here. It is also one of the world's most biodiverse countries and has one of the greatest number of different species of any country. It is rich in natural resources, such as oil, coal, gold and rare earth minerals. Germany and the EU are interested in Colombian membership since the country is an important trading partner.

In addition, although Colombia is a major trading partner for the United States as well, strategic considerations are also particularly crucial here. Latin America is at times referred to as "the backyard of the United States", and the U.S. does not want to lose any control there. The advent of leftist and populist governments in Latin America that are critical of U.S. policy and want to reduce their historical dependence have meant

U.S. influence in Latin America has waned overall. Many countries are instead increasingly turning towards Europe and China. To counteract this loss of influence, the U.S. relies on Colombia as the Colombian government has proved a friendly and reliable partner to the U.S.

To maintain its significance, the OECD must relinquish its image as a "club of the rich" and engage in enhanced cooperation with "middle-income countries" like Colombia.

Another reason, according to some experts, is that the OECD is dealing with a loss of significance. Whilst a few decades ago OECD countries accounted for more than 80 per cent of world trade volume, they currently only make up around 60 per cent. This percentage is likely to fall even further without expansion. In this vein, the emerging BRICS countries earned the status of countries benefiting from "enhanced engagement" in 2007 and have been "Key Partners" since 2012. However, they have yet to display any interest in OECD membership. To maintain its significance, the OECD must therefore relinquish its image as a "club of the rich" and engage in enhanced cooperation with "middleincome countries" like Colombia.13

Overall, Colombia is able to see OECD accession as an opportunity to implement long overdue reforms and restructuring and therefore gain more positive international recognition. However, this in-depth analysis should not result in the value of the accession process being underestimated since Colombia would not have had the opportunity to have so many political spheres undergo this kind of analysis by international experts, nor would it have benefited from any of the many specific recommendations offered to it. In terms of implementing the "National Development Plan" it is important to focus not only on the peace process, but also

on equality of opportunity and education. It is now up to the government of Colombia to take advantage of this opportunity. If Colombia continues to trend towards favouring industrialised countries, this must also be taken into account in its policies – not only in its foreign policy but in its domestic policy as well. The emphasis should be on reducing social iniquity.

Despite the fact that the political sphere in Colombia seems willing to undergo these changes, implementation in 2016 seems unrealistic. This should not discourage Colombia, however. For example, it took Chile ten years to become an OECD member. If Colombia makes the effort, accession will take place much faster. Ultimately, the reforms necessary for accession to the OECD may provide the Santos government with a good opportunity to demonstrate that it is dedicated to tackling its people's fundamental problems, making this government's success dependent on more than just the success of the peace negotiations. Possible OECD membership can therefore be seen as an incentive to implement urgently needed reforms in Colombia on issues such as improving infrastructure, education and equal opportunities.

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# Between Vision and Reality

Perception of the ASEAN Economic Community in Thailand, Cambodia and Indonesia

Denis Schrey/Michael Winzer/Thomas Yoshimura



On 22 November 2015, the ten member states of the Association of Southeast Asian Nations (ASEAN) decided to form an economic community. The integration process thus initiated might unleash further growth potential in the already dynamic region. However, whether a regional consciousness or even a common regional identity will develop in the process, remains to be seen.

At the end of 2015, a new economic community came into being - initially at least by name - in one of the most dynamic regions of the world. By founding the ASEAN Economic Community (AEC), Brunei, Indonesia, Cambodia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam, with a total population of over 600 million and a combined economy ranking seventh in size worldwide, took a major step to create a common market for goods, services, investments and jobs in Southeast Asia. While this does not mean that the regional integration process has thereby been completed, the AEC will provide new impetus to the realisation of the undeniable potential offered by greater integration between the countries. According to estimates, the region will have a middle class comprising 400 million people by 2020 and, by simultaneously acting as a single manufacturing base and sales market, will become even more attractive to domestic and foreign investors through measures including the abolition of all customs duties and non-tariff trade barriers.

#### The ASEAN Way

The Association of Southeast Asian Nations (ASEAN) looks back on a history of almost half a century. On 8 August 1967, Indonesia, Malaysia, the Philippines, Singapore and Thailand founded the organisation to further development in and cooperation between the member states in economic, social and cultural matters. A further important objective was to make a contribution to security and stability in the region, which all the participating parties considered to be under threat above all from communist forces.

While discussions continue about the extent of what has actually been achieved under the auspices of ASEAN, and about the influence the organisation is in fact exerting on regional developments, the association has survived, regularly voicing new objectives – particularly following and prompted by the accession of new members (Brunei in 1984, Vietnam in 1995, Laos and Myanmar in 1997, Cambodia in 1999) – and making a name for itself as an actor and frame of reference for regional concerns in the areas of security and the economy, among others.

Subsequent to the end of the Vietnam War, the first ASEAN meeting at the level of the heads of state and government was held in 1976, at which the "ASEAN Concord" and the "Treaty of Amity & Cooperation in Southeast Asia" were adopted; recognition of the latter represents a condition for participating in the "East Asia Summit" (EAS) today.<sup>2</sup>

1994 saw the first meeting of the ASEAN Regional Forum (ARF),<sup>3</sup> then the first multilateral security policy forum in Asia, which has since been complemented by the ASEAN Defence Ministers Meeting (ADMM) and the ASEAN Maritime Forum (AMF).

Against the backdrop of the Asia-Pacific Economic Cooperation (APEC)<sup>4</sup> initiated by Australia with the backing of the USA, the idea of a purely Asian "Economic Caucus" emerged for representing the ideals and values specific to the region (ASEAN Way). Among other things, this produced a proposal, put forward in 1992 and finally realised in 2003, for the establishment



Summit: The AEC attracts international interest. This picture shows the heads of government of the ASEAN member states along with U.S. President Obama in California in February 2016. Source: © Kevin Lamarque, Reuters.

of the ASEAN free trade area, which took on a more concrete form following the end of the Asian financial crisis in 1997 with the initiation of the ASEAN+3<sup>5</sup> process and the Chiang Mai Initiative (CMI).<sup>6</sup>

At the turn of the millennium, the now ten ASEAN members announced the Initiative for ASEAN Integration (IAI), intended to counter the developmental disparities in the region and promote greater and deeper integration. At the 2003 ASEAN summit, ASEAN Concord II was adopted, which not only confirmed the original resolutions, but also announced the establishment of an ASEAN Community comprising three pillars: the ASEAN Economic Community (AEC), the ASEAN Political-Security Community (APSC) and the ASEAN Socio-Cultural Community (ASCC). We shall now take a closer look at the AEC, which soon attracted international attention.

#### The ASEAN Economic Community

In 2007, on the occasion of the organisation's 40<sup>th</sup> anniversary, the so-called "AEC Blueprint" was adopted in Singapore in conjunction with the ASEAN Charter, defining the objectives of the Economic Community as follows:

"The AEC will establish ASEAN as a single market and production base, [which] shall comprise five core elements: (i) free flow of goods; (ii) free flow of services; (iii) free flow of investment; (iv) freer flow of capital; and (v) free flow of skilled labour."

In addition, the competitiveness of the region is to be increased by development and integration in the areas of competition policy, consumer protection, intellectual property rights, infrastructure, taxation and e-commerce. Measures to further the SME sector and specific steps to

assist with the integration of the economically weaker member states Cambodia, Laos, Myanmar and Vietnam (CLMV) are intended to help to close the developmental gap in those countries. Further objectives include a more coherent approach to handling foreign trade relations and better integration into global supply networks to help the member states integrate more effectively into the global economy.

### The launch of the AEC must be considered as one more step in the process of integration and not its conclusion.

The AEC has now been launched officially. Assessments of the current state of affairs and prospects regarding the realisation of the ambitious objectives vary greatly, within and outside the region on the one hand, and between and within the individual member states on the other. However, even the most ardent supporters do not expect all the goals to be reached in full. In any case, it is more appropriate to consider the launch of the AEC as a step in the integration process and not its conclusion. Established ASEAN practice differs from the EU model, which did not lend much to its modus operandi, contrary to popular belief. Bowing to the principles of sovereignty and non-interference, economic integration in Southeast Asia has only ever been deemed appropriate in areas where it was undisputedly considered to be of benefit to all. Consequently, it has mostly been a case of gradual change, taking into account individual circumstances, rather than the prompt implementation of clearly defined sets of rules for all parties and strict provisions to enforce compliance.8 But even when one takes into account these limitations, one is bound to have some doubt about the AEC achieving immediate success.

In Thailand, for instance, it is becoming increasingly obvious that structural reforms are urgently required to prepare large parts of the economy and population for the impending intensification of regional competition through measures to raise the level of the country's currently inadequate competitiveness. This applies to an even greater extent to a country such as Cambodia, which is intent on becoming more attractive as a manufacturing base and an investment location on the one hand, which will require an upskilling of its labour force, yet simultaneously faces the challenge of limiting the exodus of this human capital to the more developed neighbouring states. In Indonesia, fuller realisation of the benefits of regional integration and an open economic policy would provide opportunities to revitalise the recently stagnating economic growth by measures to implement essential extensive reform projects.

#### **Thailand**

The political conflict, which has repeatedly led to bloody confrontation for a number of years, and the resulting political instability have increasingly pushed important economic topics down the political agenda in recent years. Public perception and media reporting have focused very strongly on the political conflict with the result that other important topics, such as the launch of the ASEAN Economic Community and the associated consequences, have not been afforded appropriate attention in these quarters either.

Relations between Thailand and the EU and the USA deteriorated after the military coup of 22 May 2014. It is now unlikely that a free trade agreement, which could bring about a significant improvement in economic cooperation, will be signed between the EU and a Thai government that lacks democratic legitimacy.9 In addition, economic growth has been impacted strongly over the last two years, particularly by the political unrest. After growth had not even reached one per cent in 2014, fears grew that Thailand would not even achieve the forecast of three per cent in 2015, which the Bank of Thailand had already downgraded several times.10 One of the reasons is the fact that Thailand's exports had fallen for five consecutive months since the beginning of 2015.11

This illustrates that the Thai economy urgently requires new impulses for growth and that it will have to open up new markets to return to adequate growth as soon as possible. The launch of the AEC is an important occasion for revitalising Thailand's ailing economy, particularly given the current situation.

In Thailand, which was never colonised and was therefore frequently isolated from foreign influences, public attention is increasingly being directed to the neighbouring countries. It has become possible for the well-off middle class, which has been emerging over the last few decades, to travel to other ASEAN countries on holiday and thus get to know them. Thailand has also changed from a recipient of foreign aid to a donor country in recent years. It is increasingly becoming involved in development programs in poorer ASEAN countries, which in turn increases public attention and interest in the living conditions in these countries and in cooperation with them.

#### Free Movement of Goods and Services

Due to the introduction of the minimum wage in Thailand in 2013, wages rose in some industry sectors. As a result, some parts of labourintensive production in poorer and less-developed ASEAN countries have become significantly more price-competitive. Agriculture in particular is currently struggling with comparatively high costs and low productivity. While farmers in Vietnam produce 862.4 kilograms of rice per rai, 13 for instance, the yield in Thailand is only 448 kilograms.14 Due to such large differences, it is likely that people with a low standard of education and those working in agriculture in Thailand in particular will face massive problems by the stronger competition resulting from the launch of the AEC.15 While there are still some exceptions for a number of agricultural products, the AEC will not be able to avoid abolishing such exceptions in the medium or long run.

This example shows that, on the one hand, Thailand will have to conduct far-reaching structural

reforms, and particularly a reform of the education system, in order to take advantage of the opportunities offered by the AEC. Otherwise, the launch of the AEC will result in unproductive industries collapsing and unemployment rising if the Thai economy does not succeed in rising to a higher level in the value chain, enabling it to compensate for higher production costs through improved productivity.

On the other hand, there are, of course, many industries that can benefit massively from the opening up of markets and from economic integration. Through the further development and fostering of highly-developed manufacturing and service industries, Thailand could succeed in taking the final step in its transition from an emerging economy to an industrialised country. Thailand is, for instance, already one of the world's most popular medical tourism destinations due to relative low costs and high medical standards. The health sector in particular is therefore expected to benefit from the AEC and the anticipated associated economic growth in the region as well as from the free movement of people. That said, the boom in private hospitals has already resulted in a shortage of doctors at public hospitals, where salaries are lower. As Thai society is also set to age considerably over the next few decades, urgent efforts will have to be made to improve the training of doctors and nurses in Thailand and to simplify the recognition of foreign qualifications.16 As this further example shows, the AEC may entail numerous opportunities for Thailand, but first, political decisions will need to be taken urgently to minimise the risks and to implement the necessary adaptation processes and reforms.

#### **Investment Freedom**

Over the last few decades, Thailand has managed the transition from an agricultural state to an upper-middle income country<sup>17</sup> in impressive style and made substantial improvements in important areas such as economic output and access to social services. While as many as 82.5 per cent of the labour force were still engaged in agriculture in 1960, the figure had dropped



Protest: A young protester covers his head with a plastic bag to protect himself from the police's tear gas. Thailand's year-long political unrest is taking a serious toll on the country's economy. Source: © Damir Sagolj, Reuters.

by over half to 40 per cent by 2000.<sup>18</sup> Although vehicle production experienced a significant year-on-year reduction of 23.5 per cent, Thailand still manufactured 1.88 million units in 2014, exceeding output in France.<sup>19</sup> However, Thailand has not always attracted investment in future technologies in the desired volume in recent years. The country was at the bottom of the economic growth ranking in the ASEAN region in 2015 and is likely to remain there for several years to come.<sup>20</sup>

Consequently, new investment is urgently required in Thailand, particularly in future technologies and in growth sectors. This illustrates how important the AEC and the associated improvements for investment, trade and the free movement of workers currently are for Thailand's future economic development. With new investment in other ASEAN countries, the Thai economy will be able to expand its pro-

duction networks and thereby improve its own competitiveness. The free movement of capital that the launch of the AEC entails will facilitate this development considerably. The longer the economic stagnation that began with the political unrest in 2014 will last, the stronger public awareness of the need for new investment and modernisation in the Thai economy will become.

#### Free Movement of Workers

According to official statistics, there is virtually no unemployment in Thailand. The official unemployment rate for 2013 was just 0.7 per cent, the same as in the previous two years.<sup>21</sup> In this scenario, the freedom of movement for skilled workers under the rules of the AEC can help to alleviate the skills shortage that has been impeding economic growth to date. There are currently already an estimated two to three mil-

lion migrant workers from neighbouring Myanmar, Laos and Cambodia in Thailand, albeit in many cases lacking official status and a valid residence permit.<sup>22</sup> The launch of the AEC entails extensive legalisation of labour migration for skilled workers, which should result in Thailand's unemployment rate coming more into line with that of other ASEAN countries, leading to greater supply and competition in the Thailabour market.

Reforms are required particularly urgently in the education sector, where the consistent implementation of reform measures has proved difficult in recent years because of the political instability. Both the Thai school system and the university system came relatively low in the rankings of a number of international comparisons.23 There is consequently an urgent need for reforms to equip Thai school-leavers and graduates for the ASEAN labour market, where they will be up against very strong competition. It is also important for Thailand as a provider of tertiary education to have good universities to attract students from other ASEAN states. If good students and academics from Thailand were to move to other ASEAN countries without a sufficient flow in the opposite direction, this would pose great problems for Thai universities, which will suffer from the coming demographic changes in any case.

There is a tangible scepticism among the Thai population regarding the question if the country is well prepared for the AEC.

As the launch deadline for the AEC approached, public attention increasingly also turned to the potential disadvantages and risks involved. In a survey conducted by the Bangkok Post newspaper in January 2015, only 5.2 per cent of respondents stated that Thais were well prepared for the AEC. 94.8 per cent thought that

Thais were nowhere near ready.<sup>24</sup> While this was only a non-representative survey of just under 2000 people, the results indicate that scepticism towards the AEC among the Thai population was increasing as the launch deadline was approaching and people were becoming more aware of the concrete implications. At an event in Bangkok back in December 2014, Finance Minister Sommai Phasee had already stated that Thailand was not ready for the AEC and that many regulations still needed to be amended and adapted.25 At the same event, Yu Jienyoenyongpong, Chairman of the Land Transportation Federation of Thailand, stated that Thailand's willingness to begin engaging in the AEC by the end of the following year would depend on the readiness of the small and medium-sized enterprises (SMEs). In his view, SMEs, which make up 90 per cent of Thailand's businesses, were not yet ready because they lacked the necessary knowledge and financial resources.26

Interim Conclusion: Thailand

Thailand can only overcome the current weakness in economic growth through structural changes and further economic integration. These are also the requisites for Thailand's rise from being an emerging economy to joining the group of industrialised countries. For a country that is already highly economically advanced by comparison with its regional partners, the AEC offers excellent opportunities for taking measures to increase efficiency and improve competitiveness in the country while helping to alleviate the skills shortage. On the other hand, the launch of the AEC means that industries that are already uncompetitive will - together with large numbers of low-skilled workers - come under even greater pressure. The accelerated structural changes, which are urgently required for Thailand's future development, would entail further problems in the short and medium run. They would, in particular, result in greater unemployment or underemployment among the low-skilled, and the stronger competition would mean that unproductive companies and industries would either close down or become

reliant on state handouts. This could initially exacerbate social tensions and potentially also the associated political tensions in Thailand even further. However, political stability and a social consensus about necessary reforms and the improvement of the education system are required to convert the challenges the AEC entails into concrete opportunities for Thailand.

However, once the economic challenges and adjustment processes have been mastered, there will be huge potential for the Thai economy. China<sup>27</sup> and Russia,<sup>28</sup> for instance, have already worked intensively on strengthening their economic links with Thailand over recent months, including visits by some high-ranking political delegations. An essay published by the bpb, the German Federal Agency for Civic Education, described ASEAN, whose combined annual GDP in excess of 2.3 trillion U.S. dollars even exceeds India's economic power, as "the ignored giant" due to the lack of attention it had attracted.29 The Russian Industry and Trade Minister Denis Manturov made the following remark while accompanying Russian Prime Minister Dmitry Medvedev on an official visit in April 2015: "Our friends from the Western part of the world are ignoring Thailand."30 But one can probably hope and expect that the economic potential of the ASEAN region will be afforded greater attention by Germany and Europe in the future.

#### Cambodia

Cambodia is one of the CLMV countries.<sup>31</sup> Consequently, it is being granted longer transition periods for implementing the decisions taken by the ASEAN states. Hopes for an economic upturn in Cambodia associated with the "AEC Blueprint" are countered by justified fears of Cambodian small farmers, SMEs and the aspiring younger generation of not being able to withstand the competitive pressures the integration process will entail.<sup>32</sup> Consequently, large parts of the Cambodian population are developing an ambivalent stance towards the AEC, wavering between confidence and scepticism. This ambivalence is clearly evident, particularly with respect to the free movement of goods

and services, investment freedom and the free movement of workers, which are all key components of the integration process.

Free Movement of Goods and Services

Illustrating the hopes that many Cambodians associate with the "AEC Blueprint", Sok Siphana, Head of the Cambodia Development Research Institute, speaks of the deepening of the ASEAN Community representing a "golden opportunity" for Cambodia.<sup>33</sup> This level of confidence is encouraged by three developments that are becoming apparent.



The gloves are off: Cambodia's agricultural sector is to remain protected from international competition by ASEAN states until the year 2018. In Cambodia, almost every other gainfully employed person is working in the agricultural sector. Source: © Pring Samrang, Reuters.

Under AEC rules, Cambodia was due to abolish all import duties by the end of 2015. However, the CLMV states were granted a period of grace for so-called sensitive products, which means that they will not have to abolish the associated import duties until the end of 2018.<sup>34</sup> Proponents of the AEC make reference to this special arrangement in their efforts to dispel concerns about a premature opening up of Cambodia's labour and goods market, pointing out that the agricultural sector will therefore still be protected against competition from other ASEAN states to a large extent until 2018. While import duties will have to be reduced gradually in

this sector as well, they argue that it will take a customs reform introduced throughout the AEC region to improve trade controls through enhanced data exchange between the ASEAN states, to simplify cross-border trade and to ultimately put Cambodia's trade balance permanently on a new footing.<sup>35</sup>

Cambodia's export industry is limited to a small number of sectors and categories of goods. Textiles and shoes make up 82 per cent of total exports.<sup>36</sup> Due to the low level of diversification, the Cambodian economy is very vulnerable to fluctuations in global demand and to external

influences. That said, the World Bank had forecast a GDP increase of 6.9 per cent for 2015 and 2016.<sup>37</sup> The intensified integration of regional and global supply chains, a significantly larger goods market and diversification in the manufacturing sector, which the AEC is expected to bring about in Cambodia, are boosting confidence further.

Cambodia's exports to other ASEAN countries also have growth potential. The country is currently still highly dependent on the demand for textiles from the USA, Canada, Europe and Hong Kong.<sup>38</sup> In 2013, for instance, the export of these products to ASEAN member states constituted a mere eight per cent of total exports in terms of value according to official figures.<sup>39</sup> The lowering of the trade barriers between the individual member states associated with the implementation of the "AEC Blueprint" now offers Cambodia the opportunity to also increase its exports within the ASEAN Community. In view of this long-term positive impact of a further liberalisation of trade and the country's significant geographic location, Hidetoshi Nishimura, Head of the Economic Research Institute for ASEAN and East Asia, even considers it "impossible" for Cambodia not to benefit from the region's economic upturn.40

But not all Cambodians appear to share this confidence. According to statistics from the Asian Development Bank, 55 per cent of SMEs, which represent the traditional backbone of the Cambodian economy, were still not fully aware of ASEAN's plans for deeper integration, let alone the economic implications, by the end of 2013.<sup>41</sup> To obtain any benefit from the AEC and adapt their business models accordingly, it is essential for local and regional companies to begin taking proactive steps early on to ready themselves for the increasing competitive pressures the introduction of the AEC will inevitably entail.<sup>42</sup>

The agricultural sector in particular, which produces the second-largest proportion of GDP and employs almost 51 per cent of the labour force, will need some support from the government, at

least temporarily.<sup>43</sup> Without such support, Cambodia's small-scale farmers, who tend to lack the necessary capital to buy modern machinery and high-yield seed as well as know-how about efficient farming methods, will lose out in the competition with farmers in other ASEAN states in the long term.

Where the important secondary sector is concerned, government experts themselves, such as representatives from the Ministry of Industry, Mines and Energy, have also had to concede that Cambodia's producers cannot compete with the products of other ASEAN countries on price or quality.44 Because of the underdeveloped physical and HR infrastructures, the people employed in the manufacturing industry (some 20 per cent of the total labour force) will not be able to take full advantage of the sector's economic potential.45 High energy costs, a poorly developed transport network and very limited Internet access, particularly in rural areas, make for high production costs, which low labour costs can only compensate for to a limited extent.46

However, instead of taking concrete measures to strengthen the competitiveness of SMEs so that they can meet international production standards and thereby compete with businesses in other ASEAN states in the future, the government is delaying overdue reforms, such as simplified and consistent tax legislation and a lessening of red tape involved in the purchase of urgently required machinery.47 Instead, Cambodian SME owners are apparently being fobbed off with vague promises of "power connectivity" and production networks evolving as a result of the deepening of the ASEAN Community.48 Heng Heang, president of the Phnom Penh Small and Medium Industries Association, has warned that in the absence of concrete reforms to improve the economic framework many local entrepreneurs have a very critical view of the AEC.49 He believes that many SMEs have concerns about Cambodian industries being displaced and about the loss of identity this would entail, which need to be taken seriously.



Night camp: Working conditions in Cambodia's textile industry are abhorrent. This woman is sleeping with her child in a warehouse near Phnom Penh. Source: © Damir Sagolj, Reuters.

#### Investment Freedom

Over the last few years, Cambodia has developed into an attractive investment location. Particularly the energy and construction sectors have attracted investments on a large scale, with the People's Republic of China being the largest investor with a combined investment volume of 8.8 billion U.S. dollars in 2015.<sup>50</sup> But there is potential for increases in the investment volumes of other ASEAN states, particularly in the areas of agriculture, food processing, tourism and construction. In the World Bank "Doing Business Report", Cambodia is only ranked 135th, lagging behind its neighbours in most categories.<sup>51</sup>

As the Blueprint harmonises the legal framework for investors within ASEAN further and the government has already implemented some, partly quite successful reforms in the course of the integration process, further increases in direct investment are to be expected. The measures have included tax concessions for foreign investors, more effective methods to clamp down on tax evaders<sup>52</sup> and an online "one-stop shop", which should, among other things, cut red tape and make it easier for businesses to register. Government efforts to increase transparency and create a fair competitive environment have been welcomed by investors and are helping to enhance the perception of the "AEC Blueprint".

#### Free Movement of Workers

With the opening up of the labour market, jobs in Cambodia are now also becoming accessible to foreign workers. There are some 150,000 vacancies in the clothing industry, for instance.<sup>53</sup>

English-speaking personnel as well as technical experts are among the most sought after. As few people of working age are moving abroad, the hope in Cambodia is that the AEC will help to close this gap. <sup>54</sup> Cambodia's influential hotel and restaurant umbrella organisations welcomed the launch of the AEC at the end of 2015. <sup>55</sup> As one of the country's economic mainstays, particularly the tourism sector hopes that the inward movement of skilled workers will help it to quickly close the existing vacancies.

The Ministry of Labour has pointed out that both the rising numbers of foreign workers and especially the experience gained by Cambodians working abroad facilitate the transfer of knowledge and thereby benefit Cambodia as well. The AEC thereby offers opportunities for improving the competitiveness of skilled staff trained in Cambodia and of the goods produced in the country.

## Free movement of workers shall help to fill job vacancies in some industries.

However, the concerns and fears for the future, which the integration process evokes particularly among the young, qualified generation, indicate that the expectations of the AEC in Cambodia are also ambivalent where the newly enshrined free movement of workers is concerned, specifically for skilled personnel in certain sectors.

The first question is whether the implementation of the AEC alone can stimulate the hopedfor migration of labour to Cambodia. According to Chuop Narath, a high-ranking Labour Ministry official, the country currently has limited appeal for qualified job seekers from other ASEAN countries, particularly due to the relatively low pay rates compared to neighbouring countries such as Singapore and Malaysia. <sup>57</sup> To prevent a mass brain drain and ensure that the country can stand its ground in the battle for

skilled manpower, Prime Minister Hun Sen has therefore called for pay increases in the private sector. <sup>58</sup> But this call will probably meet with a lukewarm response from the employers. <sup>59</sup> The prospect of lengthy rounds of negotiation with workers' representatives or even costly strikes may severely dampen the enthusiasm for the AEC among many employers. This stance could be strengthened further as such problems would mean that Cambodia's membership of the AEC would have a double impact on SMEs. The necessary pay adjustments would make investment for lowering production costs or increasing product quality more difficult.

While the free movement of workers promoted by the AEC may well have a positive impact on the Cambodian labour market, further major efforts are required, particularly where the development of efficient, decentralised vocational education systems are concerned, to cover the high national demand for well-qualified specialists.60 There is also work required in the tertiary education sector to close the gap in educational standards. Most graduates from Cambodian universities are currently still finding it difficult to have their qualifications recognised abroad. Lower education standards at universities, persistent corruption in the education system, where connections are frequently more important than performance for people to get ahead, are putting Cambodian graduates at a disadvantage.61 It appears that the country's young educational elite shares the fear of not being able to match the better-trained competition in the regional labour market.62

#### Interim Conclusion: Cambodia

As a neighbour of Thailand and the even more populous Vietnam, with a combined population of close to 200 million, and enjoying a strategic position at the heart of the ASEAN region with access to the sea, Cambodia too has great potential for economic growth through increased economic integration. The dividends of increasing integration can already be seen in the stable economic growth with consistently low inflation over the last ten years. One can

therefore assume that Cambodia will be able to continue increasing its most important exports (tourism, agricultural products, textiles) to the ASEAN countries. Compared to its neighbours, Cambodia is becoming increasingly attractive for foreign direct investment, although there are still some deficiencies in the areas of legal certainty for businesses, investment protection and the fight against corruption. This is not, though, deterring investors, particularly those from China.

However, due to its dependence on exports and the still low level of diversification of its economic base, the country remains vulnerable to external demand shocks. And the increasingly noticeable effects of climate change on Cambodia's agricultural sector represent a further risk whose financial impact is difficult to foresee. The slow pace of physical infrastructure development (expansion of the national grid, the road network and the irrigation systems) and the delays in establishing a vocational education system aligned with the requirements of regional labour markets as well as the fact that energy costs are currently still very high compared to neighbouring countries will continue to weaken the country's competitiveness for some time to come. Integrating the high numbers of young among the population into the labour market over coming years will remain a major challenge for the government. If job prospects for the young appear bleak, the movement of low-skilled workers into the economically stronger neighbouring countries will increase further.

Cambodia will be affected by the AEC in a number of ways. The positive or negative perception of the economic integration process will be enhanced once the first winners and losers emerge. The media, civil society and interest groups will have to make greater efforts to perform their role of watchdog and act as critically analytical supporters and observers of the process. If they do, this will boost the realisation that decisions made by the ASEAN states have a direct impact on the lives of the Cambodian people.

#### Indonesia

Indonesia is by far the largest economy in Southeast Asia. And the world's largest island nation with a population of 250 million is also the region's only country represented in the G20. According to estimates, the Indonesian economy is to become the world's seventh or fifth largest economy, depending on the source, by 2030. Nevertheless, Indonesia is facing great economic challenges. Instead of the seven per cent the government forecast for the period to 2018, growth fell to 4.7 per cent in 2015. Share prices and exchange rates were also occasionally weaker than at any time since 1998. In addition to external factors (raw material prices/China's economic development, U.S. interest policy), this was put down above all to the government's reluctance to take prompt action. The new government team that took up its work as the so-called "Working Cabinet" appeared increasingly incapable of action. On 12 August 2015, just ten months after taking office, the head of state and government Joko Widodo felt forced to conduct his first cabinet reshuffle. 63 Since then, Indonesia has made efforts to reverse the trend and generate new impulses for growth by means of a number of partly promising reform packages. If Indonesia is successful in creating the right conditions, the launch of the AEC can make an important contribution. A simulation-based study of GDP development for the period up to 2030 conducted by Singapore Management University even named Indonesia the potentially largest absolute winner from the introduction of the AEC.64

#### Free Movement of Goods and Services

Despite the Asian financial crisis of 1997/1998, regional trade within the ASEAN area almost doubled in the period from 1993 to 2003 by over 400 billion U.S. dollars to over 800 billion U.S. dollars; and it has since tripled again to almost two-and-a-half trillion U.S. dollars. Especially for Indonesia, trade with and exports to ASEAN countries in particular are gaining increasingly in importance. In 2012, they accounted for over 20 per cent of Indonesia's



Reform bottleneck: Indonesia has the largest economy in Southeast Asia. The country is now facing major economic challenges, as economic growth in 2015 is expected to be lower than had been initially predicted. Source: © Beawiharta Beawiharta, Reuters.

entire exports, totalling over 40 billion U.S. dollars; in 1996, before the Asia crisis, it had been just 7.5 billion U.S. dollars. The potential of a common market in Southeast Asia with a combined GDP of approximately 2.5 trillion U.S. dollars therefore does not appear to have been exhausted yet by any means.<sup>65</sup>

Indonesian entrepreneurs have already recognised this potential and consider the AEC's beginning mainly as an opportunity. The CEO of the Indonesian Lippo Group, James T. Riady, spoke enthusiastically of the AEC at this year's World Economic Forum Annual Meeting, referring to it as "the beginning of something quite fantastic". 66 He further argued that the ASEAN common market would particularly benefit the services sector. A view shared by Suryo Bambang Sulisto, Chairman of the Indonesian Chamber of Commerce and Industry (Kadin), who added that "the ASEAN Free Trade is not a threat but a big opportunity". 67 At this year's



annual general meeting of the Association of the Indonesian Young Entrepreneurs (HIPMI), the organisation's chairman Raja Sapta Oktohari also expressed optimism about the AEC bringing huge benefits for growth in Indonesia.<sup>68</sup>

However, among the countries of the region, Indonesia maintains the most restrictive non-tariff trade barriers, adding some 30 per cent to import costs. Also, customs clearing in Jakarta takes longer than in any other regional port.<sup>69</sup> Many Indonesian businesses have very slight profit margins, which may ultimately prove to be inadequate in the new competitive environment and see them being forced out of the market. No doubt these vulnerable businesses include some of the 139 (!) state enterprises, which have enjoyed special protection from competition in the past.<sup>70</sup>

#### Freedom of Investment

Indonesia's huge population of a quarter of a billion people is considered one of the country's great strengths. Particularly in view of the average age being below 30 and the forecast that the so-called "demographic dividend" will reach its zenith in the period from 2020 to 2030,<sup>71</sup> the Indonesian market already appears extraordinarily attractive. The attraction of a common Southeast Asian free trade area is even greater, and further enhanced by existing and impending free trade agreements with countries such as China, India, Japan, South Korea, Australia and New Zealand. Correspondingly, foreign direct investment in the ASEAN area has grown by a factor of six since 2000 to almost 120 billion U.S. dollars; among the member states, total investments grew even more strongly from under one billion to over 26 billion U.S. dollars. Singapore and Indonesia alone have jointly benefited from over 80 per cent of these investments.72 The incentives to invest in Indonesia have been enhanced above all by the country's political stability, particularly compared to its regional partners, and the positive democratic developments since the end of the authoritarian Suharto era. Operating within the AEC, many businesses are planning to further increase their production capacities in Indonesia significantly, which will strengthen the country's role as a hub in the regional network.73 The World Bank estimates that overall foreign direct investments in the ASEAN region will increase by up to 63 per cent as a result of the implementation of the AEC.74 Japan, for example, the largest foreign investor in the region, already increased its funds by 120 per cent (!) to 23.6 billion in 2013, while reducing its investments in China to approximately



A new kind of living: Populous Indonesia has many incentives for foreign investment. This billboard from the year 2013 promoted luxurious apartments in Jakarta. Source: © Beawiharta Beawiharta, Reuters.

nine billion. Many German businesses have also expressed their intention to expand their engagement in the ASEAN region.<sup>75</sup>

To secure its share of these future investments, Indonesia will have to improve some trading conditions. Pervasive corruption, inefficient bureaucracy and a disastrous infrastructure in particular do not only pose enormous challenges to potential investors. According to Dr. Firdaus Alamsjah, Executive Dean of Binus Business School in Jakarta, Indonesia's infrastructure is the worst in the region, costing the country a quarter of its GDP.76 Upon taking office, President Joko Widodo abolished fuel subsidies in a much-noted act of decisiveness; these had previously constituted almost a fifth of state expenditure. The government's intention was and still is to use the freed resources predominantly for upgrading roads, ports and power grids, and the latest economic reform packages indeed focused public investments on

these areas. It therefore appears that this huge challenge has at least been placed at the very top of the agenda.

#### Free Movement of Workers

Besides the physical infrastructure, the public education system and skills training also face great challenges. In a speech he held on 14 August 2015, Indonesia's President Widodo himself stated that educational standards were (still) too low and that by February 2014 over 75 million and therefore almost two-thirds of the some 120 million Indonesian workers had at best completed middle school. Low-skilled or unskilled workers will definitely not be among the winners of the implementation of the AEC in Indonesia either.

Just short of two months later, on 9 October 2015, the so-called Manpower Conference took place in Bogor, not far from the Indonesian

capital Jakarta. There, Indonesia's Manpower Minister, M. Hanif Dhakiri, expressed his conviction that the country's human resources were adequately prepared to survive in the regional competition. Tellingly, he presented a package of measures for the introduction of new qualification and certification standards in twelve of the economic sectors prioritised by the government at the same event, aimed at further enhancing this competitive readiness. The minister also confirmed that the ministry had initiated training centers to be set up throughout the country in order to prepare Indonesian workers even better for competing with foreign workers looking for the same jobs.<sup>77</sup>

#### Interim Conclusion: Indonesia

For Indonesia as well and in particular, the potential benefits of greater regional integration through the successful introduction and implementation of the AEC are obvious and are regularly confirmed by various parties. However, particularly during the first year of President Joko Widodo's term in office, growing protectionism raised increasing doubts in the country about the government's enthusiasm for further implementation of the Economic Community. However, the cabinet reshuffle in August 2015 and the announcement of packages of economic policy measures, which will inevitably need to involve genuine structural reforms as well, have raised hopes that the necessary change of course will happen. But should Indonesia effectively become mired in short-sighted self-obsession, this may not only have a negative impact on the country's development, but derail the entire regional integration project.<sup>78</sup>

#### Conclusion

To be successful, an integration process needs to entail shared ambitions and common guidelines on how to achieve agreed objectives. It appears that this has been achieved in Southeast Asia with the IAI, the "ASEAN Charter" and the "AEC Blueprint". What is less clear is whether all those involved and particularly the populations share a regional awareness or even the begin-

nings of a common regional identity as a further criterion. Nonetheless, the potential economic and political benefits make the Economic Community and the establishment of the ASEAN Community besides the other two pillars appear to be rational and opportune.

Recognition of these potentials within the individual countries will determine the success of the AEC; after all, it is not only in democratic countries that the way foreign relations are conducted is a result of internal conflicts and compromises between the different political and society actors. Regional integration cannot succeed without influential advocates and effective majorities in the member states, let alone against organised and powerful opposition.<sup>79</sup> But if it is possible to win over these crucial majorities, further economic integration would bear great potential in Southeast Asia as well.

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- 4 Besides the ASEAN states, Australia, China, Japan, New Zealand and South Korea (ASEAN+6 excluding India) plus the USA and Russia, APEC meetings are also attended by representatives from Chile, Hong Kong, Canada, Mexico, Papua New Guinea, Peru and Taiwan. APEC's declared aim is to further free trade.
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- 6 In response to the Asian financial crisis, the ASEAN+3 states made a decision at a meeting held at the Asian Development Bank (ADB) in Chiang Mai in May 2000 to set up a number of bilateral currency reserves and ultimately a multilateral one intended to prevent a repetition of catastrophic liquidity problems that may trigger another financial crisis.
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