Conclusion

While terrorism has refocused the attention of the U.S. government on the island nations of Southeast Asia, it would be shortsighted to allow counterterrorist efforts to overshadow other U.S. interests in the region. At the same time, U.S. policymakers must understand that military assistance is but one of the policy tools that will be necessary to achieve these objectives. More important, they must act on this understanding, providing the necessary funding and technical support not only for military and law enforcement efforts that attack the immediate threats, but also for political and economic efforts that attack the poverty and instability that, in part, underlie these threats. However, no matter how much the U.S. government increases its foreign aid, nor how broadly it engages the governments of the region, U.S. policymakers must have no illusions about the level of commitment necessary to protect our interests in the region. These interests—developing stable, democratic trading partners, bringing international shipping lanes open and safe, and reducing the opportunities for terrorist organizations to use the region as a launch pad for attacks against the United States, either at home or abroad—are long-term. So too must be the U.S. commitment to pursuing and protecting them.

Endnotes

6. Murphy, “Militant Preacher.”
7. Paul Weisman, “Big Target Pinned on Small Rebel Group,” USA Today, 1 February 2002. The numbers given reflect only the Abu Sayyaf faction currently being pursued by the governments of the United States and the Philippines on the island of Basilan. A second faction, based on the neighboring island of Jolo, has between 500 and 1,000 members.
9. Ibid.
24. Although the United States would, by some accounts, welcome the opportunity. See, for example, Jonathan Weisman, “ Pentagon Wants to Send Troops to Indonesia,” USA Today, 20 March 2002.
26. A recent defense bill appropriates $21 million for a regional counterterrorism training program in which Indonesia could participate, providing at least one loophole around the ban on military assistance.
27. In addition to its limitations, the military option has inherent risks. In the Philippines, for example, ten U.S. soldiers have already died in a helicopter accident during activities related to the operation. How would the U.S. government have responded if these deaths had come at hands of the Abu Sayyaf? Moreover, U.S. activities in the Philippines could spur increased resistance from other Islamic groups, such as the MILF.
Both Indonesia and the Philippines are threatened by separatist elements based, to varying degrees, on religion, ethnicity or, in the case of the Philippines' communist rebels, ideologies. The threat of terrorism affects all four countries, with at least one terrorist organization active in each. Geographic proximity alone increases the likelihood that the problems of one will affect all.

Indonesia, consisting of between 13,500 and 17,000 scattered islands, is the key country in Southeast Asia. With 220 million people, it is the world’s fourth-largest nation. More than 85 percent of these people are Muslims, making it the largest Muslim population in the world. Four years after the May 1998 fall of President Suharto, Indonesia’s economic and political reform process has stalled. The high hopes for full democracy and open economic policies have largely faded. The necessary tasks facing the government are many: government institutional reform, economic and political decentralization, reform of the military and judiciary, resolution of the problems the United States faces in the Southeast Asia and other areas of the world require more than military engagement and the need for increased engagement in other areas is another issue. One lesson from Pakistan and Afghanistan—a lesson to which the U.S. government has been slow to learn—is that poor nations with weak central governments are breeding grounds for extremism. Past and proposed budgets, however, demonstrate no real understanding of this lesson on the part of the U.S. government. The Bush administration’s proposed Fiscal Year (FY) 2003 budget provides the Department of Defense an additional $50 billion over FY 2002, for a total of $379 billion—an increase of almost 15 percent. However, the proposed budget increases funds for the State Department and international assistance programs by only $1 billion, for a total budget of $24.3 billion—an increase of slightly more than 4 percent—only $11.6 billion of which would go to foreign aid. The $100 million in military assistance given to the Philippines is twice the amount of funding given for other, nonmilitary efforts, such as the program to assist 13,000 former MNLF combatants become farmers.

There have been some recent indications that the Bush administration is beginning to recognize that many of the problems the United States faces in the Southeast Asia and other areas of the world require more than military assistance. President Bush recently announced that he would increase American foreign aid by $5 billion over a three-year period. The administration also ruled out deploying American soldiers to Indonesia, preferring instead to work through Indonesian law enforcement agencies. However, these policies do not go far enough. President Bush’s new aid policy would not go into effect until FY 2004 and, even if fully implemented, U.S. aid would remain well below past levels and the levels given by many of our Western allies. Far greater resources are required if the United States hopes to compete effectively for hearts and minds with groups like the Laskar Jihad, which, in addition to an outlet for anger and dissatisfaction, provides more concrete amenities like schools, hospitals and clinics. Working with Indonesia’s law enforcement agencies, while a necessary and best first step, will still address only the symptoms of the problems in that country.
Piracy. Worldwide, incidents of maritime piracy—ranging from the simple theft of items on board to the hijacking of entire ships and killing of their crews—have tripled in recent years, from 177 in 1998 to 531 in 2000, resulting in an estimated $16 billion lost annually. More than two-thirds of these incidents have occurred in Asia, concentrated around the Malacca Strait. Since the 1997 economic collapse, government corruption and higher unemployment have made piracy an attractive option. At the same time, the countries being asked to deal with this piracy have fewer resources for naval and coast guard capabilities. In Indonesia, for example, defense spending has declined dramatically since 1997, and the maritime forces are stretched thin. Admiral Dennis C. Blair, Commander in Chief, U.S. Pacific Command, has warned that there may be links between for-profit pirates and the terrorist networks in the region, exacerbating an already significant problem.

Corruption. Corruption in Southeast Asia has serious consequences for stability and security. According to the World Bank’s latest World Development Report, “higher levels of corruption are associated with lower growth and lower levels of per capita income.” Corruption has indirect political consequences as well. Corruption within the governments of these countries has frequently been the raison d’être for their removal, through legal means or otherwise. Former Philippine president Joseph Estrada was removed for his corrupt practices. Likewise, popular pressure against Indonesia’s Suharto—in part because of his regime’s corruption (and economic collapse that was aided, in part, by this corruption)—led to his downfall.

Government corruption has important consequences at lower levels of society as well. On a normative level, petty corruption on a daily basis contributes to a lack of trust and faith in government and an atmosphere of lawlessness. More concretely, it facilitates other destabilizing activities, from piracy to illegal immigration, particularly when located in the military or police forces. For example, corruption within the Philippines’ armed forces is one likely reason the Abu Sayyaf has been able for so long to evade capture and avoid destruction. When cornered, Abu Sayyaf members are believed to have paid certain officers to permit their escape. In addition, the Philippines is becoming a key source of supply and a transit point for weapons and explosives going to terrorist and rebel groups within its own borders and in neighboring countries. Corrupt Philippine government forces are believed to be one source of this supply.

U.S. Responses

In late January 2002, the United States initiated its largest and most visible action overseas since the Afghanistan campaign. In a six-month exercise called “Balikatan,” or “shoulder to shoulder,” 660 U.S. soldiers—including 150 Special Forces troops—are training 3,800 Filipino troops in counterterrorism tactics. This training is part of an estimated $16 billion lost annually. More than two-thirds of these incidents have occurred in Asia, concentrated around the Malacca Strait. Since the 1997 economic collapse, government corruption and higher unemployment have made piracy an attractive option. At the same time, the countries being asked to deal with this piracy have fewer resources for naval and coast guard capabilities. In Indonesia, for example, defense spending has declined dramatically since 1997, and the maritime forces are stretched thin. Admiral Dennis C. Blair, Commander in Chief, U.S. Pacific Command, has warned that there may be links between for-profit pirates and the terrorist networks in the region, exacerbating an already significant problem.

Corruption. Corruption in Southeast Asia has serious consequences for stability and security. According to the World Bank’s latest World Development Report, “higher levels of corruption are associated with lower growth and lower levels of per capita income.” Corruption has indirect political consequences as well. Corruption within the governments of these countries has frequently been the raison d’être for their removal, through legal means or otherwise. Former Philippine president Joseph Estrada was removed for his corrupt practices. Likewise, popular pressure against Indonesia’s Suharto—in part because of his regime’s corruption (and economic collapse that was aided, in part, by this corruption)—led to his downfall.

Government corruption has important consequences at lower levels of society as well. On a normative level, petty corruption on a daily basis contributes to a lack of trust and faith in government and an atmosphere of lawlessness. More concretely, it facilitates other destabilizing activities, from piracy to illegal immigration, particularly when located in the military or police forces. For example, corruption within the Philippines’ armed forces is one likely reason the Abu Sayyaf has been able for so long to evade capture and avoid destruction. When cornered, Abu Sayyaf members are believed to have paid certain officers to permit their escape. In addition, the Philippines is becoming a key source of supply and a transit point for weapons and explosives going to terrorist and rebel groups within its own borders and in neighboring countries. Corrupt Philippine government forces are believed to be one source of this supply.

U.S. Responses

In late January 2002, the United States initiated its largest and most visible action overseas since the Afghanistan campaign. In a six-month exercise called “Balikatan,” or “shoulder to shoulder,” 660 U.S. soldiers—including 150 Special Forces troops—are training 3,800 Filipino troops in counterterrorism tactics. This training is part of an estimated $16 billion lost annually. More than two-thirds of these incidents have occurred in Asia, concentrated around the Malacca Strait. Since the 1997 economic collapse, government corruption and higher unemployment have made piracy an attractive option. At the same time, the countries being asked to deal with this piracy have fewer resources for naval and coast guard capabilities. In Indonesia, for example, defense spending has declined dramatically since 1997, and the maritime forces are stretched thin. Admiral Dennis C. Blair, Commander in Chief, U.S. Pacific Command, has warned that there may be links between for-profit pirates and the terrorist networks in the region, exacerbating an already significant problem.

Corruption. Corruption in Southeast Asia has serious consequences for stability and security. According to the World Bank’s latest World Development Report, “higher levels of corruption are associated with lower growth and lower levels of per capita income.” Corruption has indirect political consequences as well. Corruption within the governments of these countries has frequently been the raison d’être for their removal, through legal means or otherwise. Former Philippine president Joseph Estrada was removed for his corrupt practices. Likewise, popular pressure against Indonesia’s Suharto—in part because of his regime’s corruption (and economic collapse that was aided, in part, by this corruption)—led to his downfall.

Government corruption has important consequences at lower levels of society as well. On a normative level, petty corruption on a daily basis contributes to a lack of trust and faith in government and an atmosphere of lawlessness. More concretely, it facilitates other destabilizing activities, from piracy to illegal immigration, particularly when located in the military or police forces. For example, corruption within the Philippines’ armed forces is one likely reason the Abu Sayyaf has been able for so long to evade capture and avoid destruction. When cornered, Abu Sayyaf members are believed to have paid certain officers to permit their escape. In addition, the Philippines is becoming a key source of supply and a transit point for weapons and explosives going to terrorist and rebel groups within its own borders and in neighboring countries. Corrupt Philippine government forces are believed to be one source of this supply.

U.S. Responses

In late January 2002, the United States initiated its largest and most visible action overseas since the Afghanistan campaign. In a six-month exercise called “Balikatan,” or “shoulder to shoulder,” 660 U.S. soldiers—including 150 Special Forces troops—are training 3,800 Filipino troops in counterterrorism tactics. This training is part of an estimated $16 billion lost annually. More than two-thirds of these incidents have occurred in Asia, concentrated around the Malacca Strait. Since the 1997 economic collapse, government corruption and higher unemployment have made piracy an attractive option. At the same time, the countries being asked to deal with this piracy have fewer resources for naval and coast guard capabilities. In Indonesia, for example, defense spending has declined dramatically since 1997, and the maritime forces are stretched thin. Admiral Dennis C. Blair, Commander in Chief, U.S. Pacific Command, has warned that there may be links between for-profit pirates and the terrorist networks in the region, exacerbating an already significant problem.

Corruption. Corruption in Southeast Asia has serious consequences for stability and security. According to the World Bank’s latest World Development Report, “higher levels of corruption are associated with lower growth and lower levels of per capita income.” Corruption has indirect political consequences as well. Corruption within the governments of these countries has frequently been the raison d’être for their removal, through legal means or otherwise. Former Philippine president Joseph Estrada was removed for his corrupt practices. Likewise, popular pressure against Indonesia’s Suharto—in part because of his regime’s corruption (and economic collapse that was aided, in part, by this corruption)—led to his downfall.

Government corruption has important consequences at lower levels of society as well. On a normative level, petty corruption on a daily basis contributes to a lack of trust and faith in government and an atmosphere of lawlessness. More concretely, it facilitates other destabilizing activities, from piracy to illegal immigration, particularly when located in the military or police forces. For example, corruption within the Philippines’ armed forces is one likely reason the Abu Sayyaf has been able for so long to evade capture and avoid destruction. When cornered, Abu Sayyaf members are believed to have paid certain officers to permit their escape. In addition, the Philippines is becoming a key source of supply and a transit point for weapons and explosives going to terrorist and rebel groups within its own borders and in neighboring countries. Corrupt Philippine government forces are believed to be one source of this supply.

U.S. Responses

In late January 2002, the United States initiated its largest and most visible action overseas since the Afghanistan campaign. In a six-month exercise called “Balikatan,” or “shoulder to shoulder,” 660 U.S. soldiers—including 150 Special Forces troops—are training 3,800 Filipino troops in counterterrorism tactics. This training is part of an estimated $16 billion lost annually. More than two-thirds of these incidents have occurred in Asia, concentrated around the Malacca Strait. Since the 1997 economic collapse, government corruption and higher unemployment have made piracy an attractive option. At the same time, the countries being asked to deal with this piracy have fewer resources for naval and coast guard capabilities. In Indonesia, for example, defense spending has declined dramatically since 1997, and the maritime forces are stretched thin. Admiral Dennis C. Blair, Commander in Chief, U.S. Pacific Command, has warned that there may be links between for-profit pirates and the terrorist networks in the region, exacerbating an already significant problem.

Corruption. Corruption in Southeast Asia has serious consequences for stability and security. According to the World Bank’s latest World Development Report, “higher levels of corruption are associated with lower growth and lower levels of per capita income.” Corruption has indirect political consequences as well. Corruption within the governments of these countries has frequently been the raison d’être for their removal, through legal means or otherwise. Former Philippine president Joseph Estrada was removed for his corrupt practices. Likewise, popular pressure against Indonesia’s Suharto—in part because of his regime’s corruption (and economic collapse that was aided, in part, by this corruption)—led to his downfall.

Government corruption has important consequences at lower levels of society as well. On a normative level, petty corruption on a daily basis contributes to a lack of trust and faith in government and an atmosphere of lawlessness. More concretely, it facilitates other destabilizing activities, from piracy to illegal immigration, particularly when located in the military or police forces. For example, corruption within the Philippines’ armed forces is one likely reason the Abu Sayyaf has been able for so long to evade capture and avoid destruction. When cornered, Abu Sayyaf members are believed to have paid certain officers to permit their escape. In addition, the Philippines is becoming a key source of supply and a transit point for weapons and explosives going to terrorist and rebel groups within its own borders and in neighboring countries. Corrupt Philippine government forces are believed to be one source of this supply.
From a more ideological or moral standpoint, the United States has a strong interest in the democratization of the nations in question. Indonesia’s democratization process, begun with the ouster of Suharto in 1998, is very much incomplete. President Megawati Sukarnoputri, who took over from her predecessor Abdurrahman Wahid under less than favorable circumstances, is accused by many of being an amolviolent candidate who won an election that was tainted by electoral fraud. A formal peace process over the outlying territories has weakened considerably, and the opening of political discourse, while welcome, has made control even more difficult and provided political openings to more radical elements. Meanwhile, the Philippines, a democracy since the ouster of Ferdinand Marcos in 1986, faces problems of its own. Although current president Gloria Macapagal-Arroyo is an improvement over her predecessor, Joseph Estrada, the irregular means by which she took office create difficulties for all-developing institutions of that country. People as diverse as the democratization process in Indonesia and the Philippines, it is even weaker in neighboring Malaysia and Singapore. Above all else, the United States has an interest in the stability of the region itself, as stability, or lack thereof, affects all other interests. For example, the fragmentation of Indonesia, a not unrealistic possibility given the challenges the country faces, would have grave consequences, both for the region and for the world. Internal population flows, already substantial, would increase dramatically. The resulting flood of refugees would likely overwhelm neighboring states, from Malaysia to Papua New Guinea to Australia, our strongest ally in the region, which already faces refugee problems. The refugee flows would, in turn, serve to export Indonesia’s problems to its neighbors. The collapse of Indonesia would also likely result in a significant increase in acts of maritime piracy, which would have serious consequences on international trade and, considering Indonesia’s thousands of islands, could result in the creation of dozens of potential bases for terrorist or rebel groups.

**Threats**

There are a number of threats to these interests, many of which are related or interconnected. The threats posed by terrorism, insurgency and communal violence, maritime piracy and corruption are highlighted. This list is by no means complete, but reflects those that most affect U.S. interests.

**Terrorism.** As the only threat in Southeast Asia likely to directly affect American security, terrorism is currently the most pressing. Although the Philippines has become one of the most visible U.S. anti-terrorist activities outside Afghanistan, the Philippines is still home to some of the more prominent and potentially viable Islamist groups. "Suharto’s fall has paved the way for the reemergence of political Islam on the level of the masses," says Dhimas Sunadi, the secretary general of the Indonesian Council of Ulamas, an umbrella for mainstream Muslim groups.4 This, coupled with a weakened central government and corruption at every level of society, makes Indonesia an attractive base for terrorists. This already seems to have occurred. A man arrested in late September for allegedly assisting the 11 September hijackers claims he received training in al Qaeda camps in Afghanistan.

More important, Jemaah Islamiyah (the Islamic Group), an extremist group operating throughout Southeast Asia, is believed to be headed by Indonesian cleric Abu Bakar Bashir,5 with reputed links to al Qaeda. The organization has the objective of creating a pan-Islamic state in Southeast Asia. U.S. officials claim this organization was planning to blow up Western embassies and naval vessels in retaliation for the U.S. campaign in Afghanistan when police in Malaysia and Singapore arrested members of the responsible cells. Authorities in these countries have accused Bashir of masterminding the planned bombings, but Indonesia has refused to arrest him.

The Philippines is, with U.S. assistance, currently combating Abu Sayyaf, an organization intent on creating an Islamic state in the Philippines. Down to 40–100 members (from an estimated 600 three years ago), Abu Sayyaf has degenerated into a criminal gang financed primarily by kidnapping for ransom.6 The organization is reputed to have links to al Qaeda but in truth, these links, if any existed, likely ended when Osama Bin Laden’s brother-in-law, a one-time resident of the Philippines, departed in 1995. Although Abu Sayyaf’s activities are perhaps the most notorious, the Philippines plays an unwelcome host to other terrorist-related activities. Former Philippine intelligence officers also believe that the country serves as a finance center for terrorist groups and operations through a number of charities that serve as fronts. The 1993 World Trade Center (WTC) bomber Ramzi Yousef was a longtime resident of Jakarta. The months since the 2001 World Trade Centre attacks, for example, have seen the arrested with fake identification documents and bomb-making materials have been apprehended in the Philippines. In addition, more than 50 Filipinos suspected of having trained in Taliban and al Qaeda camps in Afghanistan have returned to the Philippines. Finally, an Indonesian member of Jemaah Islamiyah was recently apprehended in Manila.7

Although Malaysia is, like Indonesia, a moderate Islamic country, it nevertheless is an ideal base for Arab terrorists. The country is a popular tourist destination for Arabs, and Malaysian law allows Muslims to enter the country without visas. Malaysia was, according to an FBI report, "one of the primary operational launch pads for the 11 September attacks."8 A former Malaysian Army captain, Yazid Sufaat, is believed to have provided money to indicated al Qaeda conspirator Zacarias Moussaoui (now awaiting trial in U.S. District Court in Alexandria, Virginia) and had contact with two of the WTC hijackers. Sufaat is believed to be a member of Jemaah Islamiyah.9 The Malaysia-Magnahedden Group, suspected to be the organization behind a string of bombings and bank robberies in Malaysia, is likewise believed to be connected to Jemaah Islamiyah. Malaysians resident in Jemaah Islamiyah leader Bashir are alleged to have ties to the Moro Muslims, Kashmir and Afghanistan to fight for Muslim causes. Unlike Indonesia, Malaysia has been aggressive in cracking down on extremist Islamic groups, arresting 23 suspected al Qaeda operatives since 11 September.

Even Singapore, initially considered an unlikely base for terrorists given its strict government and its relatively small and moderate Muslim population, has discovered terrorist activity on its soil. The Singapore government made one of the most visible arrests of potential terrorists outside Afghanistan when it apprehended 13 people plotting a series of bombings in Singapore.10 At least eight of the men arrested in the bomb plot had received training in al Qaeda camps in Afghanistan.

**Insurgency and Communal Violence.** In Indonesia, the central government has long had difficulty maintaining control over its far-flung territory and is beset by the long-standing and all-insurgent tendencies that are so heavy a hand of Suharto, but have reappeared in the four years since his forced departure. A host of religious, ethnic and regional conflicts from Aceh to the west to Irian Jaya in the east currently plagues Indonesia. Perhaps the most worrisome group in Indonesia is the well-organized militant Islamic group Laskar Jihad. Formed originally to fight Christians in Indonesia’s Molucca islands, the organization has been bolstered by small numbers of Afghan and Arab supporters and is alleged to have links with al Qaeda (an allegation Laskar Jihad leaders deny).11 Unlike other armed groups operating in Indonesia, Laskar Jihad operates with relative impunity, enjoying at least the latent support of some elements of the government. Other groups, primarily those based on ethnicity or geography, more directly challenge the Indonesian government. For example, the Free Aceh Movement (GAM), which fights for the independence of Aceh, on the northern tip of Sumatra, has conducted attacks on Indonesian government interests and facilities.12 All told, Indonesia’s communal conflicts and insurgencies have contributed to displacing one million civilians.

Like Indonesia, the Philippines has long had difficulty keeping separatist and insurgent groups in check. Two such groups—the Moro National Liberation Front (MNLF) and the Moro Islamic Liberation Front (MILF)—seek an independent Mindanao and associated islands, home to most of the nation’s Muslims, and have waged war not just against the Philippine government but also against other inhabitants of Mindanao. The MNLF negotiated a peace settlement with the government in 1996, but the leader of the MNLF renounced the treaty in November 2001.13 Shortly thereafter, 600 MNLF members attacked a Philippine military base, resulting in more than 100 dead and 80 wounded. Meanwhile, the MILF has, according to various estimates, between 3,000 and 15,000 troops in Mindanao and neighboring Basilan and Jolo. Currently in negotiations with the government, the MILF is believed by some Philippine officials to have operated training centers for militants from a number of countries, including Indonesia, Malaysia, Pakistan and Saudi Arabia.14 Although the organization denies any links to other militant organizations, four of those apprehended with Jemaah Islamiyah leaks have been identified as MILF minions experts. In addition to these religious and territorial insurgencies, the Philippine government continues to face challenges from the New People’s Army and other communist groups. These internal conflicts have taken a huge toll on the Philippines. In 2000, fighting between the government and the MILF resulted in the internal displacement of 750,000 to one million noncombatants in central Mindanao alone, according to U.S. State Department estimates, although many were resettled in 2001.15

The distinction between terrorist organization and insurgent group is, in some cases, blurred. For the purposes of this paper, the two are separated by the scope of their activities; for example, toppling a local government or establishing an independent enclave rather than promoting the creation of a regional or global Islamic state. The potential exists, however, for well-organized, well-funded groups like Laskar Jihad to graduate, as it were, from domestic insurgency to international terrorism.
From a more ideological or moral standpoint, the United States has a strong interest in the democratization of the nations in question. Indonesia’s democratization process, begun with the ouster of Suharto in 1998, is very much incomplete. President Megawati Sukarnoputri, who took over from her predecessor Abdurrahman Wahid under a great deal of difficulty after a year-long Anamolating battle of wills between the two, now finds herself at the head of a country whose political processes are weakening considerably, and the opening of political discourse, while welcome, has made control even more difficult and provided political openings to more radical elements. Meanwhile, the Philippines, a democracy since the ouster of Ferdinand Marcos in 1986, faces problems of its own. Although current president Gloria Macapagal-Arroyo is an improvement over her predecessor, Joseph Estrada, the irregular means by which she took office—casting her ballot late—has still-developing institutions of that country. People’s fear of the democratization process in Indonesia is the Philippines, it is even weaker in neighboring Malaysia and Singapore.

Above all, the United States has an interest in the stability of the region itself, as stability, or lack thereof, affects all other interests. For example, the fragmentation of Indonesia, a not unrealistic possibility given the challenges the country faces, would have grave consequences, both for the region and for the world. Internal population flows, already substantial, would increase dramatically. The resulting flood of refugees would likely overwhelm neighboring states, from Malaysia to Papua New Guinea to Australia, our strongest ally in the region, which already faces refugee problems. The refugee flows would, in turn, serve to export Indonesia’s problems to its neighbors. The collapse of Indonesia would also likely result in a significant increase in acts of maritime piracy, which would have serious consequences on international trade and, considering Indonesia’s thousands of islands, could result in the creation of dozens of potential bases for terrorist or rebel groups.

**Threats**

There are a number of threats to these interests, many of which are related or interconnected. The threats posed by terrorism, insurgency and communal violence, maritime piracy and corruption are highlighted. This list is by no means complete, but reflects those that most affect U.S. interests.

**Terrorism.** As the only threat in Southeast Asia likely to directly affect American security, terrorism is currently the most pressing. Although the Philippines has become the site of the most visible U.S. antiterrorist activities outside Afghanistan and Iraq, the threat to the United States is no less serious.1 While Indonesia is home to the well-organized, fundamentalist terrorist groups. “Suharto’s fall has paved the way for the reemergence of political Islam on the level of the masses,” says Dini Samussuddin, the secretary general of the Indonesian Council of Ulama, an umbrella for mainstream Muslim groups.4 Thus, this coupled with a weakened central government and corruption at every level of society, makes Indonesia an attractive basing option for terrorists. This already seems to have occurred. A man arrested by Spanish authorities for allegedly assisting the 11 September hijackers claims he received training at an al Qaeda camp in Sulawesi, one of Indonesia’s largest islands.5 Examinations of the site have been inconclusive. More important, Jemaah Islamiyah (the Islamic Group), an extremist group operating throughout Southeast Asia, is believed to be headed by Indonesian cleric Abu Bakar Bashir.6 With reputed links to al Qaeda, the organization has the objective of creating a pan-Islamic state in Southeast Asia. U.S. officials claim this organization was planning to blow up Western embassies and naval vessels in retaliation for the U.S. campaign in Afghanistan when police in Malaysia and Singapore arrested members of the responsible cells. Authorities in these countries have accused Bashir of masterminding the planned bombings, but Indonesia has refused to arrest him.

The Philippines is, with U.S. assistance, currently combating Abu Sayyaf, an organization intent on creating an Islamic state in the Philippines. Down to 40-100 members (from an estimated 600 three years ago), Abu Sayyaf has degenerated into a criminal gang financed primarily by kidnapping for ransom.7 The organization is reputed to have links to al Qaeda but in truth, these links, if any existed, likely ended when Osama Bin Laden’s brother-in-law, a one-time resident of the Philippines, departed in 1995. Although Abu Sayyaf’s activities are perhaps the most notorious, the Philippines plays an unwelcome host to other terrorist-related activities. Former Philippine intelligence officers also believe that the country serves as a finance center for terrorist groups and operations through a number of charities that serve as fronts.

The 1993 World Trade Center (WTC) bomber Ramzi Yousef was a longtime resident of the Philippines and of Arabia before taking to the sea and of Arabia before taking to the sea. The Philippines has played a significant role in numerous maritime piracy incidents, with fake identification documents and bomb-making materials have been apprehended in the Philippines. In addition, more than 50 Filipinos suspected of having trained in Talibin and al Qaeda camps in Afghanistan have returned to the Philippines.8 Finally, an Indonesian member of Jemaah Islamiyah was recently apprehended in Manila.9 Although Malaysia is, like Indonesia, a moderate Islamic country, it nevertheless is an ideal base for Arab terrorists. The country is a popular tourist destination for Arabs, and Malaysian law allows Muslims to enter the country without visas. Malaysia was, according to an FBI report, “one of the primary operational launch pads for the 11 September attacks.”10 A former Malay Baptist who has spoken about some of the methodology employed by al Qaeda was accused Bashir of masterminding the planned bombings, but Indonesia has refused to arrest him.

A man arrested by Spanish authorities for allegedly assisting the 11 September hijackers claims he received training at an al Qaeda camp in Sulawesi, one of Indonesia’s largest islands.5 Examinations of the site have been inconclusive. More important, Jemaah Islamiyah (the Islamic Group), an extremist group operating throughout Southeast Asia, is believed to be headed by Indonesian cleric Abu Bakar Bashir.6 With reputed links to al Qaeda, the organization has the objective of creating a pan-Islamic state in Southeast Asia. U.S. officials claim this organization was planning to blow up Western embassies and naval vessels in retaliation for the U.S. campaign in Afghanistan when police in Malaysia and Singapore arrested members of the responsible cells. Authorities in these countries have accused Bashir of masterminding the planned bombings, but Indonesia has refused to arrest him.

The Philippines is, with U.S. assistance, currently combating Abu Sayyaf, an organization intent on creating an Islamic state in the Philippines. Down to 40-100 members (from an estimated 600 three years ago), Abu Sayyaf has degenerated into a criminal gang financed primarily by kidnapping for ransom.7 The organization is reputed to have links to al Qaeda but in truth, these links, if any existed, likely ended when Osama Bin Laden’s brother-in-law, a one-time resident of the Philippines, departed in 1995. Although Abu Sayyaf’s activities are perhaps the most notorious, the Philippines plays an unwelcome host to other terrorist-related activities. Former Philippine intelligence officers also believe that the country serves as a finance center for terrorist groups and operations through a number of charities that serve as fronts.

The 1993 World Trade Center (WTC) bomber Ramzi Yousef was a longtime resident of the Philippines and of Arabia before taking to the sea and of Arabia before taking to the sea. The Philippines has played a significant role in numerous maritime piracy incidents, with fake identification documents and bomb-making materials have been apprehended in the Philippines. In addition, more than 50 Filipinos suspected of having trained in Talibin and al Qaeda camps in Afghanistan have returned to the Philippines.8 Finally, an Indonesian member of Jemaah Islamiyah was recently apprehended in Manila.9 Although Malaysia is, like Indonesia, a moderate Islamic country, it nevertheless is an ideal base for Arab terrorists. The country is a popular tourist destination for Arabs, and Malaysian law allows Muslims to enter the country without visas. Malaysia was, according to an FBI report, “one of the primary operational launch pads for the 11 September attacks.”10 A former Malay Baptist who has spoken about some of the methodology employed by al Qaeda was
Piracy. Worldwide, incidents of maritime piracy—ranging from the simple theft of items on board to the hijacking of entire ships and killing of their crews—have tripled in recent years, from 177 in 1998 to 531 in 2000, resulting in an estimated $16 billion lost annually.24 More than two-thirds of these incidents have occurred in Asia, concentrated around the Malacca Strait. Since the late 1990s, economic collapse, government corruption and higher unemployment have made piracy an attractive option. At the same time, the countries being asked to deal with this piracy have fewer resources for naval and coast guard capabilities. In Indonesia, for example, defense spending has declined dramatically since 1997, and the maritime forces are stretched thin. Admiral Dennis C. Blair, Commander in Chief, U.S. Pacific Command, has warned that there may be links between for-profit pirates and the terrorist networks in the region, exacerbating an already significant problem.25

Corruption. Corruption in Southeast Asia has serious consequences for stability and security. According to the World Bank’s latest World Development Report, “higher levels of corruption are associated with lower growth and lower levels of per capita income.”26 Corruption has indirect political consequences as well. Corruption within the governments of these countries has frequently been the raison d’être for their removal, through legal means or otherwise. Former Philippine president Joseph Estrada was removed for his corrupt practices. Likewise, popular pressure against Indonesia’s Suharto—in part because of his regime’s corruption (and economic collapse that was aided, in part, by this corruption)—led to his downfall.

Government corruption has important consequences at lower levels of society as well. As a normative level, petty corruption on a daily basis contributes to a lack of trust and faith in government and an atmosphere of lawlessness. More concretely, it facilitates other destabilizing activities, from piracy to illegal immigration, particularly when located in the military or police forces. For example, corruption within the Philippines’ armed forces is one likely reason the Abu Sayyaf has been able for so long to evade capture and avoid destruction. When cornered, Abu Sayyaf members are believed to have paid certain officers to permit their escape. In addition, the Philippines is becoming a key source of supply and a transit point for weapons and explosives going to terrorist and rebel groups within its own borders and in neighboring countries. Corrupt Philippine government forces are believed to be one source of this supply.

U.S. Responses

In late January 2002, the United States initiated its largest and most visible action overseas since the Afghanistan campaign. In a six-month exercise called “Balikatan,” or “shoulder to shoulder,” 660 U.S. soldiers—including 150 Special Forces troops—are training 3,800 Filipino troops in counterterrorism tactics. This training is part of a $100 million package that also includes 30,000 M-16 assault rifles, grenade launchers, eight troop transport helicopters, two patrol craft and night-vision equipment.27 The Philippine Ambassador to the United States announced recently that an additional 1,700 U.S. troops would be deployed to the Philippines in coming months.23 In truth, this response is likely to be an anomaly in the region. Fearful of offending the more radical Muslim groups in the Philippines, the governments of Malaysia and Indonesia are unlikely to allow such overt involvement by the U.S. military in efforts to combat terrorism and other threats to U.S. interests.28

In any case, presents a set of unique problems for U.S. military engagement efforts. Although U.S. forces frequently participate in joint exercises with and provide training to many of their counterparts in the region, Congress has barred most military assistance to Indonesia since 1999 because of the human rights abuses of the Indonesian armed forces (TNI).24 Even though the Indonesian government has been sharing intelligence with the U.S. military, it has been very reluctant to crack down on extremist Islamic groups.25 President Megawati Sukarnoputri faces opposition from a number of Islamic opposition leaders at a time when her government is already weak.

Indonesia, in any case, presents a set of unique problems for U.S. military engagement efforts. Although U.S. forces participate in joint exercises with and provide training to many of their counterparts in the region, Congress has barred most military assistance to Indonesia since 1999 because of the human rights abuses of the Indonesian armed forces (TNI).24 Even though the Indonesian government has been sharing intelligence with the U.S. military, it has been very reluctant to crack down on extremist Islamic groups.25 President Megawati Sukarnoputri faces opposition from a number of Islamic opposition leaders at a time when her government is already weak.

Indonesia, in any case, presents a set of unique problems for U.S. military engagement efforts. Although U.S. forces participate in joint exercises with and provide training to many of their counterparts in the region, Congress has barred most military assistance to Indonesia since 1999 because of the human rights abuses of the Indonesian armed forces (TNI).24 Even though the Indonesian government has been sharing intelligence with the U.S. military, it has been very reluctant to crack down on extremist Islamic groups.25 President Megawati Sukarnoputri faces opposition from a number of Islamic opposition leaders at a time when her government is already weak.
Indonesia, consisting of between 13,500 and 17,000 scattered islands, is the key country in Southeast Asia. With 220 million people, it is the world’s fourth-largest nation. More than 85 percent of these people are Muslims, making it the largest Muslim population in the world. Four years after the May 1998 fall of President Suharto, Indonesia’s economic and political reform process has stalled. The high hopes for full democracy and open economic policies have largely faded. The necessary tasks facing the government are many: government institutional reform, economic and political decentralization, reform of the military and judiciary, resolution of the government and the United States. Lifting the ban on military-to-military contact hinges on Jakarta’s bringing to justice officers and militia involved in the human rights abuses in East Timor and elsewhere, and eliminating the possibility of their repetition.

Some—including many within the U.S. military itself—have argued that Congress should allow military assistance to Indonesia to resume, that the threat of terrorism emanating from Indonesia should trump any concerns over human rights. Others argue that the United States should not sacrifice its commitment to human rights for expediency, that providing training to suspect military forces will only increase their potential for abuse. The debate misses a key point—that the provision or withholding of U.S. military assistance will go only so far in securing U.S. interests in the region. Military engagement is a very useful tool, but it has limitations.27

Take, for example, the current U.S. effort in the Philippines. At its best, the exercise provides the U.S. military a new opening to reestablish a presence in an important region of the world. At its worst, it is a public relations exercise, an easy and fairly danger-free way for the United States to demonstrate its commitment to the war against terrorism. In either case, it will have little effect on the presence or absence of terrorism in the region. The Basilaan faction of Abu Sayyaf, the ostensible target of the exercise, is a shadow of its former self, having declined in numbers from roughly 600 three years ago to less than 100 today. Even without U.S. intervention, it would likely have succumbed to the Philippine military. While the exercise will train 3,800 Philippine troops in counterterrorism and counterinsurgency tactics (and equip them with such valuable hardware as night-vision goggles), the number remains too small to take head-on the most significant group threatening the Philippine government, the MILF. Any lasting peace with the MILF will have to be negotiated. Even if the Philippine military were successful on the battlefield, the fruits of that success would, in all likelihood, be short-lived—Mindanao and the neighboring islands have for centuries proven difficult to govern.

The president of the Philippines, for one, acknowledges that there is no purely military solution to the problems facing her country. While recognizing and seizing the opportunity to jumpstart U.S. military aid to the Philippines, which had been lagging since the Philippines ousted the U.S. military from its bases in 1991, President Macapagal-Arroyo recognizes that the effort must be more broadly based. She has indicated that the current coalition against terrorism must be kept together and must become a coalition against poverty. “Where you have poverty, it’s easier for the evil of terrorism to spread.”28 While perhaps not the root cause of Muslim separatism, poverty and underdevelopment certainly create conditions in which Islamic fundamentalism can flourish. Long denied resources by the government of this largely Catholic country, Muslim areas in the Philippines tend to be the poorest and least educated in the country.

Both Indonesia and the Philippines are threatened by separatist elements based, to varying degrees, on religion, ethnicity or, in the case of the Philippines’ communist rebels, ideologies. The threat of terrorism affects all four countries, with at least one terrorist organization active in each. Geographic proximity alone increases the likelihood that the problems of one will affect all.

The debate misses a key point—that the provision or withholding of U.S. military assistance will go only so far in securing U.S. interests in the region. Military engagement is a very useful tool, but it has limitations.27

Take, for example, the current U.S. effort in the Philippines. At its best, the exercise provides the U.S. military a new opening to reestablish a presence in an important region of the world. At its worst, it is a public relations exercise, an easy and fairly danger-free way for the United States to demonstrate its commitment to the war against terrorism. In either case, it will have little effect on the presence or absence of terrorism in the region. The Basilaan faction of Abu Sayyaf, the ostensible target of the exercise, is a shadow of its former self, having declined in numbers from roughly 600 three years ago to less than 100 today. Even without U.S. intervention, it would likely have succumbed to the Philippine military. While the exercise will train 3,800 Philippine troops in counterterrorism and counterinsurgency tactics (and equip them with such valuable hardware as night-vision goggles), the number remains too small to take head-on the most significant group threatening the Philippine government, the MILF. Any lasting peace with the MILF will have to be negotiated. Even if the Philippine military were successful on the battlefield, the fruits of that success would, in all likelihood, be short-lived—Mindanao and the neighboring islands have for centuries proven difficult to govern.

The president of the Philippines, for one, acknowledges that there is no purely military solution to the problems facing her country. While recognizing and seizing the opportunity to jumpstart U.S. military aid to the Philippines, which had been lagging since the Philippines ousted the U.S. military from its bases in 1991, President Macapagal-Arroyo recognizes that the effort must be more broadly based. She has indicated that the current coalition against terrorism must be kept together and must become a coalition against poverty. “Where you have poverty, it’s easier for the evil of terrorism to spread.”28 While perhaps not the root cause of Muslim separatism, poverty and underdevelopment certainly create conditions in which Islamic fundamentalism can flourish. Long denied resources by the government of this largely Catholic country, Muslim areas in the Philippines tend to be the poorest and least educated in the country.

Whether U.S. policymakers recognize the limitations of military engagement and the need for increased engagement in other areas is another issue. One lesson from Pakistan and Afghanistan—a lesson to which the U.S. government should pay careful attention, particularly in Indonesia—is that poor nations with weak central governments are breeding grounds for extremism. Past and proposed budgets, however, demonstrate no real understanding of this lesson on the part of the U.S. government. The Bush administration’s proposed Fiscal Year (FY) 2003 budget provides the Department of Defense an additional $50 billion over FY 2002, for a total of $379 billion—an increase of almost 15 percent. However, the proposed budget increases funds for the State Department and international assistance programs by only $1 billion, for a total budget of $24.3 billion—an increase of slightly more than 4 percent—only $11.6 billion of which would go to foreign aid. The $100 million in military assistance given to the Philippines is twice the amount of funding given for other, nonmilitary efforts, such as the program to assist 13,000 former MNLF combatants become farmers.29

There have been some recent indications that the Bush administration is beginning to recognize that many of the problems the United States faces in the Southeast Asia and other areas of the world require more than military assistance. President Bush recently announced that he would increase American foreign aid by $5 billion over a three-year period.30 The administration also ruled out deploying American soldiers to Indonesia, preferring military assistance. President Bush recently announced that he would increase American foreign aid by $5 billion over a three-year period.30 The administration also ruled out deploying American soldiers to Indonesia, preferring instead to work through Indonesian law enforcement agencies.31 However, these policies do not go far enough. President Bush’s new aid policy would not go into effect until FY 2004 and, even if fully implemented, U.S. aid would remain well below past levels and the levels given by many of our Western allies. Far greater resources are required if the United States hopes to compete effectively for hearts and minds with groups like the Laskar Jihad, which, in addition to an outlet for anger and dissatisfaction, provides more concrete amenities like schools, hospitals and clinics. Working with Indonesia’s law enforcement agencies, while a necessary and best first step, will still address only the symptoms of the problems in that country.
Conclusion
While terrorism has refocused the attention of the U.S. government on the island nations of Southeast Asia, it would be shortsighted to allow counterterrorist efforts to overshadow other U.S. interests in the region. At the same time, U.S. policymakers must understand that military assistance is but one of the policy tools that will be needed to protect these interests in the region. These interests—developing stable, democratic trading partners, keeping international shipping lanes open and safe, and reducing the opportunities for terrorist organizations to use the region as a launch pad for attacks against the United States, either at home or abroad—are long-term. So too must be the U.S. commitment to protecting and supporting them.

Endnotes
6. Murphy, “Militant Preacher.”
7. Paul Weisner, “Big Target Pinched on Small Rebel Group,” USA Today, 1 February 2002. The numbers given reflect only the Abu Sayyaf faction currently being pursued by the governments of the United States and the Philippines on the island of Basilan. A second faction, based on the neighboring island of Jolo, has between 300 and 1,000 members.
9. Ibid.
24. Although the United States would, by some accounts, welcome the opportunity. See, for example, Jonathan Weisman, “Pentagon Wants to Send Troops to Indonesia,” USA Today, 20 March 2002.
26. A recent defense bill appropriates $21 million for a regional counterterrorism training program in which Indonesia could participate, providing at least one loophole around the ban on military assistance.
27. In addition to its limitations, the military option has inherent risks. In the Philippines, for example, ten U.S. soldiers have already died in a helicopter accident during activities related to the operation. How would the U.S. government have responded if these deaths had come at hands of the Abu Sayyaf? Moreover, U.S. activities in the Philippines could spur increased hostility from other Islamic groups, such as the MILF.
29. National Security Watch was designed to provide news and analysis on pertinent national security issues to the members and leaders of the Association of the United States Army and to the larger policymaking community. The content may represent the personal opinions of the author(s) and not necessarily the position of the Association or its members. For further information, please visit the AUSA website at www.ausa.org.
National Security Watch is published on an occasional basis by AUSA’s Institute of Land Warfare. Reproduction and distribution of this document is encouraged.