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settled. Thus the accumulated debt over the last twelve years nearly equals GDP.

Compared to Southeast Asia, where Foreign Direct Investment (FDI) averages 15 per cent of GDP, or China where the figure varies from 20 to 30 per cent, Mongolia attracts FDI amounting to only 3.5 per cent of its GDP. Obviously, Mongolia must strive harder towards creating a more attractive investment climate. It has only been in the last two years that mining investors have expressed greater interest, due to the discovery of a seemingly world-class deposit of copper and gold (Oyu Tolgoi) in South Gobi. Despite ten years of efforts to build a favourable economic and investment climate, Mongolia is still failing to attract investors, both foreign and domestic. Current business taxation rates are prohibitively high and resemble those of developed Western countries, not those of developing transition countries.

WTO and trade tariffs

The wealthy countries controlling the international financial institutions have demanded that poor countries, including Mongolia, eliminate their trade barriers. This Mongolia did in 1997, shortly after joining the WTO. As Mongolia was remote, far away from markets, and highly dependent on imports – so the rationale went – there was no point in retaining import tariffs. Almost overnight, these tariffs were slashed from 15 to 0 per cent. With borders suddenly open and tariffs instantly non-existent, fledgling domestic industries were severely undercut. As a result many domestic manufacturers had to close shop. Given the weak social safety net, the unemployed rapidly fell into poverty.

For products Mongolia cannot produce, eliminating import tariffs makes sense. Meanwhile, those few industries, such as wool, leather, and some agricultural products (flower and



Irina Moresova

milk and the like), in which Mongolia can compete with its neighbours, should be protected until they are strong enough to be competitive. So-called blanket protectionism deserves no praise, but one cannot expect infant domestic industries to compete with their more advanced counterparts in neighbouring China and Russia, let alone the rest of the world, if the government does not initially support them.

Many Western countries built up their economies by protecting key industries until they were strong enough to compete internationally. Even now, the developed and supposedly free-market West annually spends USD 350 billion on agricultural subsidies (by comparison, annual ODA to developing countries totals USD 50 billion). Ironically, the very countries that push developing countries to open up markets themselves maintain trade barriers and import quotas when it suits them.

Over the last decade small and medium-sized state enterprises have been privatized; the selling off of the larger firms is now under way. As a result the private sector today constitutes over 70 per cent of GDP. In total, 440 state owned enter-

Ulan Bator 2001

prises were privatized, out of which 330 shareholding companies were created. Currently, no more than 1,500 individuals, representing 0.5 per cent of the population, own over 70 per cent of the shares of these 330 companies.

Despite certain notable achievements, many things have gone wrong with Mongolia's transition. Paralleling the experiences of other badly managed transitions from communism to a market economy, poverty in Mongolia has soared and inequality has increased. At present, 40 per cent of the population can be categorized as poor or very poor. It is time to start remedying these problems. Mongolia is at a crossroads: will its government come up with home-grown policies for economic development and introduce new, higher standards in the way it leads political, economic and social processes, or will it continue to slide on the path of imprudent policies and the weak rule of law? <



Dr Sanjaasuren Oyun is Member of the Mongolian Parliament since 1998 and leader of the Citizens Will - Republican Party since 2000. A geologist by profession, she has a PhD in isotope geochemistry from Cambridge University (UK). Oyun entered politics after the assassination of her brother S. Zorig, the leader of the pro-democracy movement in Mongolia. She heads the Zorig Foundation, a non-profit organization aiming to advance democracy and fight corruption in Mongolia.
zorigsan@hotmail.com
oyuna@mail.parl.gov.mn

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* The Gini coefficient is an indicator of inequality in income distribution with a scale ranging from 0 to 1: 0 means total equality of income, 1 signifies that one person owns everything. By comparison: Indonesia scores 0.35 on this scale, while the Netherlands comes in around 0.15.

Hating Americans: Jemaah Islamiyah and the Bali Bombings

Forum >
General

Late on the night of 12 October 2002, Ali Imron walked into the al-Khurobah mosque in Denpasar and performed a prayer of thanks. Shortly beforehand he had heard the massive bomb blast at the Sari Club and felt the ground shake beneath his feet. He had played a key role in assembling the bomb and knew that many people at the crowded club must have been killed or injured in the explosion. He would later say that he was 'pleased and proud that the device he had built had exploded horrifyingly with its blaze reaching into the sky' and that 'the bomb ... was truly the great work of Indonesia's sons'.¹

By Greg Fealy

The attitude and motivation of Ali Imron and his fellow accused 'Bali bombers' deserves close attention, not only to enable scholars of Islam and terrorism to understand the specific dynamics of Southeast Asian extremism but also to provide governments with a basis for designing effective anti-terrorism policies. Most scholars of terrorism agree that context is critical to understanding extremist activity. Factors which drive terrorism in one time or place may not be present in other periods or locations. While much is now known about al-Qaeda's thinking, we should be wary of assuming that the Bali bombers were acting from precisely the same motivations.

The bomb at the Sari Club, along with a smaller preceding explosive at the nearby Paddy's Bar, killed 202 people and seriously injured another 350, making it the deadliest terrorist attack since 9/11. Most of those killed were Western tourists, including eighty-eight Australians, twenty-three Britons, nine Swedes and seven Americans. There is now sufficient material available from police testimony and media interviews to enable a preliminary analysis of the bombers' mindset. The evidence would suggest that an extreme hostility towards the West, and the US in particular, was a critical factor.

Within a month of the bombing, the joint Indonesian and foreign police investigation began arresting key sus-

pects, almost all of whom were members of the clandestine Jemaah Islamiyah (JI) movement. JI is at the extreme fringe of the region's small radical Islam communities and is the only genuine transnational terrorist organization in Southeast Asia. Although most of its leadership and the majority of its operatives were Indonesian, it had active cells in at least four countries and had held planning meetings and training programmes across the region. There is strong evidence of JI involvement in terrorist attacks since 2000, including the 'Christmas Eve 2000' church bombings in Indonesia, which killed nineteen people, and the Metro Manila attacks of the same month, which left twenty-one dead. Jemaah Islamiyah was established by the Arab-Indonesian preacher, Abdullah Sungkar, in the mid-1990s but another Indonesian of Yemeni extraction, Abubakar Ba'asyir, took over leadership of the organization following Sungkar's death in 1999. Estimates of the organization's current membership vary from about 500 to several thousand. At the time of writing, Indonesian police have either charged or intend to charge at least thirty-three people in connection with the bombings.

Public attention has been focussed on four of the accused bombers: Amrozi, Ali Imron, Mukhlas, and Imam Samudra. The first three are brothers. Amrozi purchased the explosives and minivan into which the Sari Club bomb was placed. Ali Imron and

Mukhlas were both veterans of the war against the Soviet Union in Afghanistan in the 1980s; the former helped to design and assemble the bombs and the latter, as JI's operational head, had oversight for the attack. Imam Samudra, another former mujahidin, was the JI field commander leading the bombing.

Anti-American hostility

Police interrogation and media interviews soon established that a deep animus towards the West, the United States in particular, was a primary motivating factor for the bombers. The US was seen as embodying the anti-Islamic struggle of the Christian- and Jewish-dominated Western world. When investigators asked Amrozi why he wanted to bomb the Sari Club he repeatedly told them he 'hated Americans'. Similarly, Imam Samudra made it clear that his main target was the US. He said: 'I hate America because it is the real centre of international terrorism, which has already repeatedly tyrannised Islam'. 'I carry out jihad', he declared, 'because it's the duty of a Muslim to avenge, so [that] the American terrorists and their allies understand that the blood of the Muslim community is not shed for nothing'. He went on to say that he had chosen the Sari Club and Paddy's Bar as targets because he knew they were 'often visited by Americans and even Mossad people'. Later, when informed that many of the victims were Australian tourists, Imam was said to be 'shocked' and

'quite regretful' because they were 'not the right target'. Mukhlas was quoted as saying: '[We wanted] to terrorise the government of America'.²

Arguably, the most complete public statement of the bombers' position appeared on the Istimata (Absolute Struggle) webpage, which Imam Samudra said 'sets out the essence of my struggle'.³ It declared: 'Let it be acknowledged that every single drop of Muslim blood, be it from any nationality and from any place will be remembered and accounted for.' The site referred to thousands of Muslims who perished in Afghanistan, Sudan, Palestine, Bosnia, Kashmir, and Iraq, stating: 'The heinous crime and international conspiracy of the Christians also extends to the Philippines and Indonesia. This has resulted in Muslim cleansing in Moro [southern Philippines], Ambon, Poso and surrounding areas. It is clearly evident the crusade is continuing and will not stop...Every blow will be repaid. Blood will be redeemed by blood. A life for a life. One Muslim to another is like a single body. If one part is in pain, the other part will also feel it'.

It continued: 'To all you Christian unbelievers, if you define this act [i.e.,

the Bali bombings] on your civilians as heinous and cruel, you yourself have committed crimes which are more heinous. The cries of the babies and Muslim women ...has [sic] never succeeded in stopping your brutality. Well, here we are the Muslim men! We will harness the pain of the death of our brothers and sisters. You will bear the consequences of your actions wherever you are.' It concludes by saying: 'We are responsible for the incident in Legian, Kuta, Bali.'

The sense of avenging past brutality towards Muslims, of smiting the infidel hegemon, is common to many of the accused bombers' explanations. The Istimata declaration and testimony from police interviews suggest that the bombers saw themselves as fighting a heroic war against evil. The Christian (and Jewish) West is vilified and dehumanized and the bombers portray themselves as high-minded warriors acting according to the demands of their faith. Indeed, many JI members have stated that they are engaged in a holy struggle and are happy to die as martyrs for the cause. Imam Samudra, for example, told a journalist: 'I have

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not done anything barbaric that is prohibited by God. The precise path I have taken is God's path. Have faith that the soldiers of Muhammad will win. However, that victory will certainly have victims. Be certain that I am on the road of *istiqomah* (sincerity), the road of *jihad*. Even if I die, I'll die a martyr. I await the enemy's bullet or spear piercing my breast so that I die a martyr.⁴

Numerous scholars of the psychology of terrorism have observed that religion can impart a powerful sense of mission and purpose, which is often an important aspect of the terrorist mindset. Juergensmeyer, in his insightful study of religiously motivated terrorism, concluded that many terrorists see themselves as involved in a conflict of cosmic proportions, something that transcends ordinary human experience. Images of divine struggle between good and evil are frequently found in terrorist rhetoric. This phenomenon is not unique to Muslim extremists and can be found among violent militants of all faiths.⁵

Ba'asyir's dualism

A good example of this dichotomized, absolutist view of the world is the preaching of JI's *amir* (commander), Abubakar Ba'asyir. He told his followers that: 'Allah has divided humanity into two segments, namely the followers of Allah and those who follow Satan. God's group [Hizbullah], and Satan's group. For Hizbullah, one must be prepared to forfeit one's life for the Shariah (Islamic law). [Hizbullah] do not embrace non-believers and would rather free themselves of life than be lost in the world of

non-believers. We [i.e., Hizbullah] would rather die than follow that which you [infidels] worship. We reject all your beliefs and all your teachings. Between you and us there will forever be a ravine of hate and we will be enemies until you follow Allah's law.' He spoke of non-believers as posing an inherent threat to Islam. 'There is no non-believer who allows the development of Islam, who will allow Islam to be free; non-believers must work hard to threaten Islam and the laws thereof. Non-believers will expend large sums to destroy Islam. This is the character of non-believers.' He told his followers that *jihad* against non-believers was 'the highest form of struggle. To win in eternal terms and to lose one's life is holy. This is the character of Hizbullah.'⁶

Although Ba'asyir's sermon does not explicitly enjoin violence, it clearly conveys a sense of monumental spiritual confrontation, of a simplified 'good versus evil' and 'us versus them' world, that may attract alienated and angry young Muslims to terrorism. Moreover, the satanization of non-Muslims and concomitant endorsement of martyrdom in the Islamic cause offer a potent sanction to those seeking to justify the use of extreme violence.

Empowerment through terrorism

Most of the bombers appear to have found their involvement in the Sari Club attack empowering and exhilarating. Both Amrozi and Ali Imron, for example, were boastful that they, as poor village boys, could have struck such a blow against powerful Western

nations. The more ideologically driven Imam Samudra and Mukhlas viewed the bombing in a broader setting of global Islam fighting back against its oppressors. All had a strong sense of Islam under siege from 'mortal enemies' such as the United States and regarded terrorism as the best, if not the only, way of protecting the faith.

Events subsequent to the Bali bombings suggest that many JI members remain committed to pursuing their goals through terrorism. When asked by reporters for his reaction to the US-led Iraq war, Amrozi replied: 'It goes to show that I was not wrong to bomb [the Bali nightclubs]'. Imam Samudra responded to the same question by calling the United States a 'monster' which 'will inevitably soon be destroyed' and urged Saddam Hussein to be 'patient'.⁷ Western and Indonesian intelligence agencies reportedly have credible evidence of continuing JI planning for future terrorist attacks.

Southeast Asian terrorist groups are probably the least studied of any in the Islamic world. The approaching trials of the accused bombers will no doubt reveal new material about their thinking and hopefully the perpetrators will be subjected to intensive psychological examination in order to gain a more complete picture of their motivations and outlook. Disentangling international factors from local elements would seem a particular priority of this research. While it is clear that the ideology and rhetoric of al-Qaeda and other international terrorist groups has had a powerful influence on Southeast Asian extremists, the work of analysts

such as Sidney Jones indicate that several factors peculiar to the region have greatly shaped the dynamics of JI. These include the historical, familial, and intellectual links with Indonesia's Darul Islam rebellion of the 1940s and 1950s, as well as the role that the Suharto regime's intelligence services played in manipulating and harshly repressing militant Islamist groups.⁸

A good deal of the existing literature on JI relies heavily upon intelligence reports and briefings. A prominent example of this is the work of Rohan Gunaratna. His much-cited book, *Inside al-Qaeda: Global Network of Terror* (Columbia University Press, 2002), and his many press articles offer useful material on the operations of JI and other groups but pay scant attention to local factors. While JI is part of a global terrorist phenomenon, it also has region-specific traits that are important

to comprehending its aims and activities. Southeast Asia is home to more than 200 million Muslims, of whom only a small fraction is inclined towards violent Islamist struggle. Without a solid understanding of the local context, scholars will have trouble identifying factors that push non-violent radicals to become terrorists. We need only consider the 'confessions' of the Bali bombers to appreciate the satisfaction which terrorism afforded at least some of JI's members. ◀

Dr Greg Fealy is a research fellow and lecturer in the Research School of Pacific and Asian Studies and the Faculty of Asian Studies, Australian National University. His main research interests centre on Islamic politics in Indonesia as well as the impact of globalization on religiosity in Southeast Asia. greg.fealy@anu.edu.au

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- 1 Associated Press, 17 January 2003; *Jakarta Post*, 17 January 2003; and *Suara Merdeka*, 13 February 2003.
- 2 *Kompas*, 28 November 2002; *Time* (Asia), 20 January 2003, p. 18, and 27 January 2003, p. 16.
- 3 Istimata webpage: www.istimata.com (now shut down); and *Kompas*, 5 December 2002.
- 4 *Kompas*, 5 December 2002.
- 5 Mark Juergensmeyer, *Terror in the Mind of God: The Global Rise of Religious Violence*, Berkeley: University of California Press (2001), pp. 145 and 216.
- 6 From a transcript on the 'Four Corners' webpage: www.abc.net.au/4corners
- 7 *Laksamana.net*, 26 March 2003; and *Straits Times*, 27 March 2003.
- 8 The International Crisis Group, 'Indonesia Backgrounder: How the *Jemaah Islamiyah* Terrorist Network Operates', 11 December 2002; 'Al-Qaeda in Southeast Asia: The Case of the "Ngruki Network" in Indonesia', 8 August 2002.