



Bali II: Will it be a Turning Point?

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Theme: This ARI reviews the measures being taken, in addition to those that ought to be adopted, for Indonesia to develop a satisfactory response to the threat of Islamist terrorism following the bomb attack in Bali on 1 October 2005.

Summary: The Indonesian response after the first terrorist incident in Bali in 2002 was decisive although not firm enough. Despite the fact that there was no lack of intelligence material before the second terrorist attack in Bali, perpetrated on 1 October 2005, the Indonesian authorities failed to respond adequately to the threat. The success in preventing a terrorist attack is the best test to gauge whether a counter-terrorist strategy is functional or not. Bali II signalled Indonesia's lack of understanding of the threat and the government's inability to develop a comprehensive strategy to fight a rapidly growing jihad movement in the country. The Bali II attack also demonstrated Indonesia's continuing lack of counter-terrorist leadership and its failure to invest in developing the appropriate legislation, training and intelligence. This ARI reviews the measures being taken, in addition to those that ought to be adopted, for Indonesia to develop a satisfactory response to the threat of Islamist terrorism. Will Bali II be another turning point?

Analysis: *The Bombing Season*

On 1 October 2005 three suicide bombers of Jemaah Islamiyah (JI) again struck at two sea-food cafés in Jimbaran beach resort and at a three-story noodle and steak house in downtown Kuta, Bali, Indonesia's most popular tourist destination, on a Saturday night. Although the attack this time was less lethal, killing 22 and maiming and injuring 104, it was a repeat of the 12 October 2002 attack that killed 202 tourists and nationals and maimed and injured 200.

Among the regional law enforcement and intelligence community the months from August to December are identified as the 'bombing season'. Other JI attacks in Indonesia during this period include those on the Philippine Ambassador's residence in Jakarta (1 August 2000), on 11 churches (25 December 2000), Bali I (12 October 2002), on the Jakarta Marriot (5 August 2000) and on the Australian Embassy (9 September 2004). After each attack and the government's reaction, JI took about a year to recover, plan, prepare and strike again. As the threat is more widespread today, this classic JI operational cycle may not be as predictable the next time.

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Intelligence Failure or Operational Failure?

Every successful terrorist attack is a failure of intelligence. But in the case of Bali II, was it an intelligence failure or an operational failure? As there was intelligence that an attack was imminent, was there an operational failure on the part of the Indonesian authorities to act?

In the three months preceding Bali II, there was an abundance of general or strategic intelligence that a western target in Indonesia would be attacked during the period. There was no specific or tactical intelligence that Bali was to be attacked in October 2005. Hence, the focus of the Indonesian authorities was to prevent an attack in Jakarta, the most likely target location. Ideally, the Indonesian police and the intelligence community should have used this foreknowledge to develop their contact intelligence on the ground to prevent an incident like Bali II.

Unlike political, diplomatic and military targets, tourist and economic targets are too numerous to protect. By investing in target hardening alone, Bali II could not have been prevented. The sound strategy for fighting terrorism is to proactively disrupt terrorist plans and preparations in the making, not reactively conducting brilliant post-blast investigations. After JI attacked the Australian Embassy in Jakarta in September 2004, the Indonesian authorities, working with their Australian counterparts, conducted an impressive post-event investigation. A number of potential suicide bombers were arrested, terrorist safe houses neutralised and a large quantity of terrorist material was recovered. Even in the case of Bali II, it is just a question of time before the Indonesian authorities identify the suicide bombers, their recruiters and facilitators and the safe houses used for the operation.

In the case of Bali II, there was no intelligence failure. It is very rarely that governments are able to develop precise tactical intelligence as to the venue and the time of an attack. What is clear is that in the lead-up to Bali II there was an operational failure, ie, a failure to act. The Indonesian authorities were not sufficiently focused on the real threat. By failing to penetrate the terrorist network, the Indonesian authorities were unable to develop tactical intelligence from the strategic intelligence they had received indicating that a terrorist operation was in the making. But to develop such effective operational practices, Indonesia must have a dedicated counter-terrorist leadership, structure and doctrine and a specialist counter-terrorist intelligence wing with the exclusive task of recruiting and infiltrating both JI's core and its periphery. The Indonesian government has no such organisation.

Counter-Terrorist Strategy

Has Indonesia developed a national counter-terrorist policy, a strategy and a plan to reduce the threat of terrorism and extremism? Is Indonesia's counter-terrorist strategy working on the ground? The success in preventing a terrorist attack is the best test to gauge whether a counter-terrorist strategy is functional or not. Bali II signalled Indonesia's lack of understanding of the threat and the government's inability to develop a comprehensive strategy to fight a rapidly growing jihad movement in the country. The Bali II attack also demonstrated Indonesia's continuing lack of counter-terrorist leadership and its failure to invest in developing the appropriate legislation, training and intelligence.

Three years after the Indonesian government started to fight JI, the terrorist group still remains a credible threat. Until the deadly attack in October 2002, Jakarta denied the

presence of JI on its soil. Despite an attack every year since Bali I, the Indonesian government's strategy to combat JI continues to be flawed. What are JI's real strengths and the weaknesses of the government's strategy? First, by penetrating like-minded groups during the past five years, JI has developed strategic depth. A fractured JI is operating by co-optation and regeneration. JI has even created front organisations to survive. The existence of the Majelis Mujahidin Indonesia (MMI, Mujahidin Council of Indonesia), the public face of JI, is a case in point. Secondly, Indonesia is targeting only JI members that have been involved in violent action or that are about to engage in violence. Terrorism can never be opposed successfully by only targeting terrorist operational or attack cells.

The soundest strategy for neutralising a terrorist group is to target both its non military support and its operational structures. The JI support structures that are currently intact in Indonesia are their networks for disseminating propaganda, recruitment, fund-raising, procurement, safe houses, transport, communications, training and falsifying identities. JI's operational structures include initial and final surveillance and reconnaissance, rehearsal and attack. Due to their lack of understanding of the threat, the Indonesian authorities' focus is to target the operational and not the support and conceptual infrastructures. In many ways, the real fight against JI has not yet begun in Indonesia. Unless Jakarta recognises the need for appropriate and immediate action and far reaching measures, the country is likely to suffer further from terrorism.

Review of Counter-Terrorist Policy and Strategy

To reduce the threat to both Indonesia and the region as a whole, the leaders in Jakarta must consider three issues.

First, JI is still a legal organisation in Indonesia. It is not a criminal offence in Indonesia to be a member of JI. It is legitimate for Indonesians and foreigners to disseminate propaganda, recruit, raise funds, procure supplies and engage in other support functions for JI. If Indonesia is serious in fighting terrorism, it must proscribe JI as a terrorist group and dismantle both its support and operational infrastructure. For instance, the MMI is also led by Abu Bakar Bashir, is gaining a significant number of recruits, raising funds and engaging in other forms of support for JI. Without building a robust counter-terrorist legislative framework, many JI leaders and members, including its supremo Abu Bakar Bashir, will go free in the coming months.

Second, Indonesia's intelligence services and police are seriously lacking a specialist counter-terrorism structure. The Indonesian police is primarily using its Criminal Investigation Division to fight terrorism. As terrorism is a vicious by-product of extremism, Jakarta must create an organisation dedicated to fighting both terrorism and extremism. Although there have been significant arrests, there are over 400 Afghan- and Moro-trained JI members still at large in Indonesia. As long as the masterminds behind the attack, Dr Azahari Hussein and Noordin Mohommed Top, remain free, it is likely that JI will mount another attack in the immediate future.

Third, the threat of jihadism is spreading in Indonesia. Although less than 1% of Indonesians actively support terrorism, it is a threat that is growing day by day. As groups that engage in political violence do not require any large-scale support, they can count on sufficient aid in Indonesia to sustain a successful terrorist campaign in the foreseeable future. As JI is actively recruiting from other Jihad groups, it will be a mistake for the government to focus exclusively on it. Rather than treating the terrorist threat as a purely JI

problem, it will be necessary for the government to increase its intelligence coverage of like-minded groups. For instance, the Australian Embassy bomber Heri Golun was a member of Negara Islam Indonesia (from West Java). Furthermore, JI is penetrating both mainstream and Islamic political parties. To counter a regional trend in favour of Islamic militancy, the government must work with religious and educational leaders. A norm and an ethic must be built up in society against groups that advocate violence to achieve a political goal. JI and like-minded groups must be exposed as non-Koranic. The government has not invested in building up a structure to challenge the rise of jihadism in Indonesia.

International Response

The rise of terrorist and extremist networks in Indonesia is due to domestic and global developments. While some Jihadists want to establish an Islamic state in Indonesia, a smaller number of Jihadists want to establish an Islamic caliphate in the region. Increasingly, many Indonesian Jihadists are driven by the international environment. Some even want to go to Iraq to fight the Americans. Jihadist groups in Indonesia are not a monolith but JI ideology is increasingly bringing at least some of the groups together to work on a common platform. The US invasion of Iraq has not reduced but rather increased the threat of extremism and terrorism in Indonesia and in the region.

Today, the world is not fighting well-defined and tightly-structured groups but loosely-organised non-hierarchical networks. As borders become ever more porous, there is an increasing flow of ideas, personnel and resources across countries, regions and continents. Like any other country in South-east Asia, Indonesia itself cannot fight terrorism on its own. Today, terrorism's centre of gravity in South-east Asia is in the Southern Philippines, where terrorist training camps are still intact, and in Indonesia, where terrorist ideologues recruit members to join a dozen jihadist groups including JI. Although the bulk of Indonesians actively oppose terrorism and extremism, support for jihadism is growing at a considerable pace.

As terrorist and extremist networks in Indonesia are externally funded and instigated, the burden of fighting them must be shared by the governments in the region and beyond. While counter-terrorist cooperation between ASEAN countries has increased since Bali I, the right type of counter-terrorist assistance to affected states –Indonesia and the Philippines– is still inadequate. Nevertheless, open and covert assistance from external partners –Australia, Japan and the US– has helped.

In response to Bali, where Australia lost 88 of its citizens, Canberra developed a prudent offshore counter-terrorist policy. A key component of this policy has been the offer of sustained support to build robust counter-terrorist capacity and capability in Indonesia. The bulk of this assistance has been used to train the Indonesian police at the tactical and operational levels. Through the Jakarta Centre for Law Enforcement Cooperation (JCLEC) in Semarang, the Australian Federal Police and the Indonesian police have jointly trained several thousand police officers, intelligence personnel and other Indonesians to fight terrorism. JCLEC counter-terrorism training assistance has helped to significantly reduce the threat to Indonesia. But as Indonesia is a vast country, an investment in counter-terrorist capacity and capability building is required, especially outside Java.

In visits to Poso and Maluku in August and September 2005 allowed the author to confirm that there were no specialist counter-terrorist units in these two conflict zones, where JI is

operating in strength. The police were using their general- and serious-crime units to fight terrorism. Although the provincial police in Maluku is highly committed to fighting terrorism, it lacks the training and resources. To build up skills, expertise and technology, counter-terrorist assistance must be provided throughout Indonesia and not only in Java. Had Jakarta invested in resources throughout Indonesia, there would have been a possibility that Bali II would have been detected in the pre-launch or launch phases.

In addition to continuing to build up Indonesia's tactical capability, Australia, the US, Japan and other countries in the region must seek to build up its strategic capability to fight terrorism. As Australia is Indonesia's most reliable and closest partner, the first step should be for Australia to assist Indonesia in getting its counter-terrorism legislation right. Due to the pressure from civil liberties and human rights groups, Australia itself has been too slow in developing the appropriate legislation to manage the terrorist threat. However, as Australia has suffered as much as Indonesia as a direct result of terrorism, its political leaders and officials must work even more closely with their counterparts in Jakarta to legally criminalise JI. By building such a strategic counter-terrorist capability in Indonesia, the police and the intelligence community in the country will be able to perform their missions more effectively. Tactical counter-terrorist forces, such as Detachment 88, are only as good as the legal powers they are given. Indonesia's listing or proscription of JI as a terrorist or illegal group will strengthen the hand of the government leaders and organisations that have the task of dismantling and destroying JI and its associate groups.

The Future of JI

Despite key losses, JI's intention and capability to strike Western targets in Indonesia and overseas will remain intact in Indonesia in the immediate (one-two years) and mid-term (five years). JI itself has morphed and grown into a movement. More than ever before, JI is working with like-minded groups. The composition of a meeting JI leaders hosted in Java in early September 2005 reflected the new face of terror.

JI has also developed strategic depth in conflict zones where it is keen to revive sectarian violence. JI and its associate groups maintain a robust presence in three conflict zones: Mindanao in the Philippines and Maluku and Poso in Indonesia. Indonesia's fight against JI's organisation in these zones both at an ideological and operational level has yet to begin seriously. Unless the Indonesian leadership invests significantly in developing a comprehensive and robust counter-terrorist agenda beyond Java, JI will survive and strike back. Another attack in the coming months is likely to humiliate the government and embarrass the Indonesian President even more.

Conclusions: Bali I was a turning point. In early 2001, when regional governments presented Indonesia with irrefutable intelligence that a strong terrorist network was operating in Indonesia, the then Indonesian President Megawati refused to act. Many Indonesian officials smiled and said there were no terrorists in Indonesia! Had Indonesia acted in a timely fashion the lives of 202 Indonesian and foreign nationals could have been saved. But the Indonesian response after Bali was decisive, although not firm enough. The JI leader Abu Bakar Bashir was arrested only after Bali I but he is due to be released shortly!

Will Bali II make Indonesia take a longer view of the threat it is facing? Will Indonesian national leaders be willing to put aside their personal and political interests to advance

long-term national and strategic gains? Has Indonesia now suffered enough to move forward in a serious and sustained manner to dismantle JI and its associate networks?

Terrorism is a serious business! There is no appeasement with the terrorists. The threat of terrorism must be intelligently and seriously managed.