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ISLAMISM IN MARITIME SOUTHEAST ASIA



ISLAMISM IN SOUTHEAST ASIA

by Charles Hill

The rise of radical Islam in the Middle East over the past few decades now may be reaching the Far East. This appears along a scale of seriousness from new levels of political concern to the reality of enhanced tensions and violence from west to east along an archipelago of national territories from Thailand's Isthmus of Kra, down the Malaysian peninsula into Indonesia's Sumatra, Java, and eastern islands, and up into Mindanao in the Philippines. Taken together, indeed with Indonesia alone, these lands hold by far the largest Muslim population in the world.

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Islam has been a significant factor in this region for at least seven centuries, yet in a longer and larger global geostrategic perspective, Southeast Asia comprises a uniquely varied and extensive range of ethnic, historical, economic, cultural, and psychological dimensions beyond that of any other single area of the world:

- The ancient Hindu-Buddhist kingdoms whose religions and cultural heritage has persisted and may be in a new period of revival;
- The political legacies of Dutch, British, and Spanish imperialism and colonization;
- The Second World War's Imperial Japanese occupation, proclaimed as Asia's liberation from colonialism, but in fact replacing one form of foreign dominance with another;
- The ideological and radicalized remnants of Cold War communist guerilla insurgencies, begun to overthrow European colonial rule, then continued in attempts to overthrow nationalistic post-colonial governments;
- The ubiquitous economic and interconnected presence of the "Overseas Chinese," whose generations of arrivals preceded Europeans by centuries, first as merchants, then common laborers, workers in foreign-run mines and plantations, and often in business cooperation with foreign enterprises. The flow of their remittances made this diaspora significant to one Chinese dynasty or regime after another. Generally remaining apart and only nominally assimilated, they established "Chinese Quarters" in major cities, and operated through "secret societies." As a result, the Overseas Chinese periodically were discriminated against, but accumulated wealth and power nonetheless.

Also involved at present are the strategic ambitions of the People's Republic of China as revealed in its recent seizure and militarization of shoals and reefs in the South China Sea and its interests in the "choke points" of the Strait of Malacca, the Sunda Straits and the maritime approaches to the critical periphery of global interactions along coastal Vietnam and Borneo to the east, and down the Burmese panhandle on the Andaman Sea to the West.

China's strategic actions in and around the waters of Southeast Asia cannot but be of concern to the United States and to the international system's responsibilities to maintain freedom of the seas and related principles of international law.

All these factors affect the sovereignty and integrity of Southeast Asian nations. Along with fears of foreign encroachment have come questions of loyalty within domestic contexts. European colonialists were loyal to their far-off central governments; Overseas Chinese were considered subjects of the Qing dynasty, and later as vanguards of Mao's version of international communism; today they are claimed by the People's Republic of China regardless of what other citizenship they may hold.

Muslims, arriving as early as the fourteenth century, spread the faith not by the sword but by traders accompanied by Mughal, Ottoman and Arab teachers of Islam, making it clear that they recognized the sovereignty of Allah, not local governing authorities. The twentieth century's most influential anthropologist, Clifford Geertz, observed that, "In Indonesia Islam did not construct a civilization, it appropriated one" and maintained its attachments to another, wider world of commerce, politics, and belief through the immense number of pilgrims making the Hajj to Arabia every year.

This was vividly depicted in one of the modern classics of literature, Joseph Conrad's Lord Jim, 1899, based upon an actual catastrophe of 1880 when the ship Jeddah, named for the Arabian Red Sea port near Islam's Holy Mosque of Mecca, after taking aboard at Penang, Indonesia, over 900 pilgrims making the Hajj, was devastated by a storm at sea so severe that her boilers were torn from their fastenings. The captain, assuming his ship was doomed, lowered one of the few lifeboats and abandoned his command, taking his wife, first mate, and engineer with him. When eventually rescued by a British vessel they would learn that the Jeddah in fact had not sunk and that his dereliction of duty was known to all. In Conrad's novel, the ship is named Patna whose Captain Jim will spend the rest of his life in ignominy, seeking to atone for his cowardice toward the Muslims under his protection.

The question today for Southeast Asia involves the extent to which culture affects the spread of Islam. Is there something in Arabian culture which radically incites potential adherents to regard violence as essential to the faith? Is there something in the cultures of Southeast Asia that provides a predisposition to hold more easily to Islam as a religion of peace?

According to Geertz, writing some fifty years ago,

Indonesian Islam has been "at least until recently, remarkably malleable, tentative, syncretistic, and most significant of all, multi-voiced." In Indonesia, Islam has taken many forms, not all of them Koranic, and whatever it brought to the sprawling archipelago, it was not uniformity." Today, Islam in Indonesia may have come "to what may, without any concession to the apocalyptic temper of our time, legitimately may be called a crisis "over what those who call themselves Muslims actually believe."

In this context, two cases of conflict in the region stand out:

One is Aceh, the northwest tip of Indonesia's Sumatra, the place where the Islamification of Indonesia began over six centuries ago. Rigidly Islamic and relentlessly restive or rebellious against outside authority, Aceh was more at war than peace after the Dutch attempt to subdue the Sultanate in 1873.

After suffering unprecedented devastation from the tsunami of 2004 and then experiencing the benefits of international disaster relief efforts largely managed by the U.S. Navy, a UN-negotiated peace agreement was reached through which Indonesia recognized Aceh's autonomy and formal imposition of Sharia law as Indonesian national forces would withdraw and Aceh's rebellious militia would disarm. The tense relation of autonomy to national sovereignty has not however disappeared as Sharia-required caning of offenders in public have raised protests from human rights activists beyond Aceh's borders.

The other case is Mindanao, the southernmost part of the Philippines where, in the 15th century, Muslim settlers and proselytizers arrived from Johore to spread the faith. From Mindanao they moved north to Luzon where their advance was blocked by the Spanish rulers of the Philippines who denounced them as "Moros," akin to the "Moors" of Al-Andalus, Islamic Spain, who had been ousted from Iberia by the "Reconquista." Centuries later the Moros would fiercely battle American forces that arrived to take control of the Philippines from Spain following the U.S. victory in the Spanish-American War of 1898 in Cuba. Across the centuries the Moros have been engaged in one form or another of revolt against the national government in Manila and have adopted

jihadist tactics of terrorism and beheadings. The fighting at present in Mindanao is fiercer than ever, and U.S. Special Forces have been involved in support of the Filipino government.

How this regional challenge in its present form will be met may determine whether the Southeast Asian nations will or will not become a widening sector of the 21st century's Islamist war now waged in the Middle East and in various forms elsewhere in the world.

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WAHHABI WANNABES AND MALAYSIA'S MODER ATE MUSLIM MYTH

by Shaun Tan

Malaysia isn't usually associated with Islamic terrorism. Home to an ethnically-diverse population tending more towards torpor than unrest, Malaysia has had no major Islamic terror attack and no major outbreak of violence in more than forty years.

Indeed, the images most foreigners are likely to associate with it are those from Malaysia Truly Asia tourism adverts – the gleaming Petronas Twin Towers, quaint shadow puppet shows, kites flying in idyllic little towns, people of different races in colorful clothes smiling and dancing and living together in a somewhat cheesy harmony.

Yet in TREC, the nightlife center of Kuala Lumpur, sentries armed with automatic rifles guard against potential Islamic terrorists. The shadow puppet shows and cultural dances are labeled unIslamic and banned in certain parts of the country, along with many other traditional practices. In rural areas an increasingly intolerant strain of Islam grows amongst the Malay population, and Islamist gender-segregated madrasas sprout up, some of them openly revering jihadi militants.

Whilst not a base for Islamic terrorists, Malaysia has served as a transit point. In 2000, Al-Qaeda operatives, including two of the 9/11 hijackers, attended a meeting in Kuala Lumpur hosted by Malaysian accomplices to plan their attacks. According to a captured terrorist, Malaysia

was chosen because of its perceived lax security, and because it doesn't require visas from citizens of Gulf states. In the late 80s and early 90s, Malaysia was also a refuge for Indonesian exiles fleeing President Suharto's crackdown on Islamic militants. Some of these exiles went on to form the terrorist group Jemaah Islamiyah, which was responsible for the 2002 Bali bombings.

It's also been a recruiting ground. Malaysian authorities have detained 122 people who have either joined or tried to join ISIS. 200-250 Malaysians are estimated to have gone to fight for ISIS in the Middle East, of which 50 are seeking to return.

Most worrying of all is the rising Islamic extremism amongst the Malay-Muslim majority (Malays make up 50% of the population, and by law every Malay is forced to be a Muslim). One Pew survey found that 11% of Malaysians had a favorable view of ISIS and another found that 18% of Malaysian Muslims thought suicide bombing could sometimes be justified in defense of Islam. Whilst only a few hundred Malaysians have joined Islamic terror groups, those who sympathize with them number in the millions.

What's causing this slide into extremism? One cause is the spread of fundamentalist Wahhabi Islam from Saudi Arabia, chiefly through Saudi-funded mosques and madrasas. The pernicious effect of this influence

is well known in many countries, and the harm it's caused in Muslim communities in Malaysia, and neighboring Indonesia, cannot be overstated. Many Malaysian Muslims have taken to adopting Arab beliefs and practices, eschewing the more tolerant Islam of their heritage, and most Malay women now wear headscarves, something their mothers or grandmothers never did.

Another cause is politics. Like most governments of Muslim-majority countries, the authoritarian Malaysian government plays a double game. It markets itself as moderate, officially eschews extremism (as it defines it), and fights Islamic terrorism. Like most governments of Muslim-majority countries, its claims to moderation ring hollow, for at the same time it actively promotes the kind of extremist ideology that leads people to sympathize with Islamic terrorists.

The politicians of the Barisan Nasional (BN) ruling party use Islam to shore up support and distract from their mismanagement, constantly railing against American/ Christian/Jewish/Chinese/Communist conspiracies (they can never seem to decide on one) supposedly bent on destroying Islam. BN uses Islam to rally Muslim voters (its main support base) against the non-Muslim minority. The Islamic enforcement bodies the government funds preach intolerance, straightjacket Muslims into an increasingly narrow orthodoxy, and seek to police the morals of Muslims and non-Muslims alike. Increasingly draconian Islamic laws are being mooted in Parliament. Certain classes in public schools and universities teach the supposed supremacy and purity of Islamic civilization over all others. Politics and society, of course, feed into each other, with more Islamist politicians enacting policies that lead to more Islamist people, who then prompt politicians to become more Islamist.

As ISIS' caliphate in the Middle East disintegrates, the terrorist network looks set to metastasize into a more international organization. American policy in Southeast Asia, in a nutshell, should be to prevent it from becoming like the Middle East: a hotbed of Islamic extremism and terrorism. Because of the Muslim majorities in Malaysia and Indonesia, and significant Muslim minorities in regions like Mindanao in the Philippines, and rising Islamism in these populations, this is a real possibility. The takeover of Marawi by ISIS-linked militants may not prove to be an isolated incident. Strong American leadership is needed to avert that future.

The first thing America should do is persuade the Saudis to stop spreading their Wahhabism overseas. The spread of the Wahhabi brand of Islam has done more to increase Islamic extremism, and by extension Islamic terrorism, than any other factor I know. For too long America and the rest of the world has tolerated the Saudi policy of exporting its anti-Western, anti-liberal, anti-Semitic ideology around the world, from Kosovo to Pakistan to the UK, turning people from modernity to fanaticism, and turning potential friends into enemies.

The Saudis must be persuaded to stop funding Wahhabi mosques and madrasas overseas and to put an end to their religious scholarships for foreign students, which chiefly serve to radicalize those students, who then often return to radicalize their communities. If more vigorous persuasion is required, the US has recourse to arms embargoes and trade restrictions, as well as travel bans, targeted sanctions, and asset freezes of prominent figures. It's time to recognize that those who fund and promote Islamic extremism aren't really that different from those who fund and promote Islamic terrorism, and should be treated as such.

US policy towards the Malaysian government will need to be balanced. As long as BN remains in power, it will likely work to increase Islamic extremism in the country. Whilst the opposition coalition Pakatan Harapan is more liberal it is at present divided and rudderless, and isn't likely to dethrone BN anytime soon.

The US will have to continue to work with the present Malaysian government, and to cooperate with it on trade and security, but it can do so whilst holding the latter to account for its abuses and whilst helping to check the spread of Islamism in Malaysia. When there's a major abuse of power by the Malaysian government, top US officials have sometimes spoken out against it. The US embassy in Malaysia keeps a close tab on the situation in the country and has often condemned rights abuses. By investigating the 1MDB corruption scandal, the US Department of Justice is working to unwind the trail of embezzlement of public funds by the Malaysian prime minister and his cronies — something the Malaysian government will not do.

These things matter. They give encouragement to Malaysians who are struggling for greater freedom, who are sick of the Islamofascism and corruption of the government. The US should continue to hold to and promote its principles in its dealings with the Malaysian government, and in case of grave abuses by the latter,

should consider the use of the same diplomatic tools – trade restrictions, travel bans, targeted sanctions, asset freezes – mentioned before.

At the same time, it needs to shore up its soft power. The State Department should continue and expand its cultural exchange program, which builds ties with Malaysian Muslim community leaders. The US will benefit from its continued support of the Fulbright programs and the Young Southeast Asian Leaders Initiative, and should revive its Peace Corps initiative in Malaysia, which was discontinued in 1983.

Most of all, the US should help to fund more international schools in Malaysia. Because of the dismal Malaysian public education system, the demand for places in private schools, and international schools in particular, is huge, and growing, though only some families can afford their fees. Graduates of international schools, usually educated under the American or British curriculum, tend to be far more liberal and tolerant. Every student educated at one of these schools is one less being indoctrinated at a madrasa, or being fed Islamist propaganda at a public school.

After WWII, the Marshall Plan helped to rebuild Europe. It turned out to be one of the best investments America ever made. A fraction of that commitment could yield great returns in Southeast Asia.

Despite its claims, Malaysia has proven to be a poor model for a moderate Muslim state. Indeed, as Turkey slid into repression and the Indonesian government bowed to the Islamist mob in Jakarta this year, it's debatable whether there can be a moderate Muslim state. But if America can push Malaysia to become one, if it can help build a true model of moderate Islam in Southeast Asia with modest effort, it owes it to itself, and the rest of the world, to try.



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ISLAMISM IN MALAYSIA: POLITICS AS USUAL?

by Meredith L. Weiss

Political Islamism has a long history in Malaysia. Before independence, the Pan-Malayan Islamic Party (PMIP, now known as PAS) splintered off from the United Malays National Organisation (UMNO), retaining the latter's racial aspect, but foregrounding Islam. Over time, that competition pushed UMNO, too, to emphasize Islam more. (About 61 percent of Malaysians are Muslim, almost 90 percent of them Malay or other bumiputera, indigenous groups.) Malaysian Islamism reflects broader political configurations and alignments, including the relative purchase of overtly communal politics, the strength and coordination of opposition parties, and the power of UMNO vis-à-vis its National Front (Barisan Nasional, BN) partners. Islamism has never lost its electoral luster in Malaysia and is stronger than ever, too, across state institutions and civil society.

Malaysia has no significant recent tradition of "radicalism." Although constitutionally secular, with freedom of religion for non-Muslims, the polity prioritizes Islam. Among the most contentious contemporary political issues are the relative primacy of shariah (Islamic law) and civil courts (Malaysia has had a bifurcated civil code since colonial times), possible extension of that dualism to hudud (shariah-derived criminal penalties), and the Islamization of law more broadly. The bureaucratic apparatus over Islam has boomed since then-Prime Minister Mahathir Mohamad launched a program of penerapan nilainilai Islam (inculcation of Islamic values) in the early

1980s. Cognate initiatives since then include Abdullah Ahmad Badawi's Islam Hadhari ("civilizational Islam") and discussion now in both government and opposition of maqasid syariah, or attaining the objectives of shariah. Growth in personnel and budgets have surged, particularly of the federal Jabatan Kemajuan Islam Malaysia (Department of Islamic Development) and the lattice of state-level counterparts (detailed in Mohd Azizuddin Mohd Sani's 2015 Islamization Policy and Islamic Bureaucracy in Malaysia).

Most importantly, Islamism projects through political parties. PAS, which remains strongest on the east coast, has downplayed ethnic chauvinism since the 1980s and has a readily activated, hierarchically structured mass base. However committed to Islamization, and despite vacillation under current president Hadi Awang, PAS has been a key proponent of political liberalization, allying intermittently with other opposition parties to advocate for democratization, good governance, and social justice, since the late 1990s. (The place of Islamization in these coalitions' common platforms remained hazy and ultimately problematic.) Splinter-party Parti Amanah Negara (National Trust Party) now carries that reformist mantle as part of the latest opposition coalition; PAS plans to contest separately in elections due by August 2018. On the government side remains the behemoth UMNO.

A vibrant and intellectually diverse Islamist civil society (for instance, the several important and distinct groups Ahmad Fauzi Abdul Hamid and Che Hamdan Che Mohd Razali profile in a 2016 working paper) spans education, social welfare, proselytization, and other domains, notwithstanding an ever more managed orthodoxy in religious praxis and expression; "liberalism" and "pluralism" are increasingly verboten. Pushback risks sanction, while "deviant sects," including Shi'ism and Wahhabism, are proscribed (most formally with a 1996 fatwa, implemented across most Malaysian states). In a 2009 working paper, "The New Challenges of Political Islam in Malaysia," Ahmad Fauzi Abdul Hamid traces this mounting radicalization to changes in public school curricula, to include a more Middle-Eastern or Saudiderived mindset, more exclusivist and less tolerant of minorities, facilitated by those who have studied Salafist thought abroad on Saudi scholarships; he notes increasing insensitivity and unwillingness to engage or debate.

Yet Malaysian Islamism remains largely a domestic political force—which is not to downplay its potential to disrupt and destabilize. Current gestures toward some form of "Malay-unity" alliance between UMNO and PAS, the increasingly elaborate and authoritative Islamist bureaucracy and judiciary, and stepped-up glorification of Malaysia's hereditary sultans conjoin to elevate Islam, intertwined with norms of ketuanan Melayu (Malay dominance), and to sideline other communities. The impetus for UMNO's seeming receptivity to PAS and its priorities, Najib and UMNO face shaky odds. The BN has struggled especially among urban, mostly non-Malay (especially Chinese) voters in the past two elections; touting Malay rights and Islam may secure UMNO enough votes to win, particularly if a fractious opposition fails to consolidate.

International Islamism hovers in the background. Some Malaysians participated as *mujahideen* in Afghanistan in the 1980s; Malaysia vehemently opposes Israel (US support for Zionism is a sore point); and higher education and tourism—as a host and sending state—as well as Malaysia's role in the Organization of the Islamic Conference keep Malaysians well-connected with the global Ummah (Muslim community). Najib has sufficiently warm ties with Saudi Arabia that he could claim, however implausibly, that USD600+ million funneled to his personal accounts was a donation for UMNO from Saudi royalty, rather than siphoned from the 1Malaysia Development Berhad (1MDB) sovereign wealth fund. Regionally, Malaysia equivocates: the government

and specific actors have expressed sympathy over the years for beleaguered Muslim minority communities—Acehnese, Rohingya, and others—but eschewed significant intervention. As for Mindanao, a territorial claim by the Sulu sultanate, last exercised in 2013, as well as periodic hostage-takings and other incursions imperil Malaysia's own interests. And Malaysia has been more a conduit than base for regional terrorist networks, despite claims since the early 2000s of ties with Jemaah Islamiah, al-Qaeda, and others.

Scattered incidents have raised alarm: a violent standoff in 2000 with the armed, 1,800-strong Al-Maunah sect; the 2001 revelation of a Kesatuan Mujahideen Malaysia, comprising 1980s graduates of South Asian and Indonesian schools, including some from PAS (leading some Malaysians to doubt the charges as partisan targeting); and a June 2016 Syria-linked attack on a nightclub in a Kuala Lumpur suburb. Amid a roundup of suspected militants in 2014-15 came a Malaysian fatwa against ISIL and enhanced government programs to combat extremism—some of which, including the 2015 Prevention of Terrorism Act, double as tools to suppress political opposition.

In December 2015, Malaysia's transport minister alarmingly estimated 50,000 ISIL supporters in Malaysia, citing police intelligence. In a January 2016 USAID report, however, Greg Fealy and John Funston indicate problems with official statistics, which may be designed to provoke a response. They estimate a total of 300-450 Malaysian and Indonesian fighters in Syria and Iraq, the majority with ISIL, and 80-173 arrests of alleged sympathizers as of mid-2015. Official figures at that point for Malaysia were 154 in Syria or Irag; around 60 had died, with about twice that number arrested while joining or returning from ISIL. Recruits vary in age and background, with social media having a more galvanizing effect in Malaysia than Indonesia. Recruits from both countries join the Majmu'ah Persiapan al-Arkhabiliy unit, but there seems to be no organizational structure within Malaysia.

A 2013 Pew poll found 8 percent of Malaysian Muslims (versus 53 percent in Indonesia) worried about Muslim extremists; the lower prevalence in Malaysia may reflect fewer local attacks. Yet Fealy and Funston estimate 8.5 ISIL supporters per million in Malaysia, versus 1.4 per million in Indonesia—both figures dwarfed by the estimated 18 per million in France and 40 per million in Belgium. While the threat to regional security currently appears low, particularly given aggressive state counter-

mobilization and prevention efforts, that could change given a major shift in fortunes for ISIL, if more return home from Syria, or if those prevented from joining ISIL abroad engage in domestic attacks instead. Recent developments in Marawi have sparked concern in Malaysia and Indonesia, as well, of potential regional contagion.

Malaysia's relationship with the US, centered on an economic and security alliance, remains robust. Since 9/11, Malaysia has been keen to assert its counterterrorist credibility. The alliance appears impervious to parties or personalities in office. Political polarization around Islam and religious freedom broadly, including its ethnic implications, could have implications for governance and stability within Malaysia, but these factors are unlikely to complicate Malaysia's foreign relations at least in the short-to-medium term, particularly as the US and Malaysian governments share a commitment to countering violent extremism. However,

anti-Muslim sentiment or actions in the US, particularly in immigration policies, garner unsurprisingly poor press in Malaysia; that ball, though, is squarely in the US's court. All told, militancy should figure less prominently in the larger calculus of US strategic interests in Malaysia than other dimensions of Islamism—albeit with the understanding that fundamentally domestic political trends in Islamist thought and priorities do bear on patterns of radicalization and alignment.



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ISLAMIC FINANCE AND MUSLIM CAPITALIST MODERNITY IN MALAYSIA

by Patricia Sloane-White

Islamic finance—the premises of which prohibits riba, or the payment of interest, requires that economic action be grounded in exchanges of actual, not speculative products, and shared profits and losses—is a booming industry worldwide. Few countries have committed greater financial, institutional, and educational support to its development than Malaysia. Launching its first fullfledged Malaysian Islamic bank, Bank Islam, in 1983, today Malaysia boasts the world's third largest Islamic finance market (only Saudi Arabia's and Iran's are larger). Offering the world's first sharia-based commodity trading platform on the domestic stock exchange (Bursa Malaysia) and issuing the world's first sovereign sukuk (Islamic debt instrument) and corporate sukuk in 2002, Malaysia leads the global Islamic finance industry (IFI) in product development. Malaysia's financial metrics are also top-ranked: 54% of global sukuk; takaful (Islamic insurance) at 15% of gross written premiums, compared to the average of 8% for Middle Eastern countries; 314 Islamic investment funds (no jurisdiction has more) totaling US\$22.7 billion at the end of 2015; and an Islamic capital market that currently accounts for 60.1% of the Malaysian total. Islamic finance now makes up 25% of the country's entire banking industry, and its central bank, Bank Negara, anticipates that figure will rise to 40% by 2020.

Since liberalizing its financial regulations, Malaysia has become a global Islamic financial hub, with several major international banking institutions now locating their global headquarters or regional operations in the country. The vision of the Muslim financial professionals, experts, scholars, and state agents who make up the industry is prodigious: in interviews, they talk about becoming the transnational Islamic alternative to Wall Street, turning the axis of world attention from political Islam to Islamic finance, and proving "Islamization" can mean big business and big money for Muslims and non-Muslims alike.

That vision is not built on hope or hype alone. The country's Islamic financial industry is bolstered by massive institutional investment from such sources as the government pension fund, the Muslim pilgrims' fund, and the national sovereign-wealth fund. The government has put vast systems in place to create an environment ripe for IFI success. Bank Negara sets high standards for sharia governance. Parliament has passed dozens of IFI laws and acts to ensure regulatory compliance. Bank Negara vets all sharia scholars (known as sharia advisors) who evaluate and approve IFI products and issue obligatory fatwas, or rulings, to Islamic financial institutions. The remuneration of sharia advisors is fixed and each can serve only one bank and one takaful company. (By contrast, it has been reported that there are sharia advisors in Middle-Eastern countries sitting on the sharia boards of up to 80 institutions, and conflicts of interest abound.)

Malaysia is also a major global developer of institutional Islamic financial knowledge. In 2008, Bank Negara created an endowment of US\$5 million to fund INCEIF

(International Centre for Education in Islamic Finance), a teaching institution for Islamic economics and business, and its sharia think tank ISRA (International Sharia Research Academy). Financial professionals and investment managers and bankers from London, Hong Kong, New York, and the Arab world meet with its regulators, sharia advisors, and Islamic economists. Specialized conferences draw a large global audience to Kuala Lumpur every year.

An important result of all of these moves has been the emergence in Malaysia of IFI elites—Islamic bankers, sharia scholars, and Islamic economists. Above them are members of Bank Negara's powerful Sharia Advisory Council (SAC)—a group of highly educated, cosmopolitan scholars of figh, muamulat (sharia of sureties and commerce), and, by their reasoning, masters of ethical money-making. Scholars with impeccable Islamic and technical expertise and pedigrees—generally sharia trained in the Middle East (most often the renowned Al-Azhar University in Cairo) and PhDs in Islamic finance from universities in the West (often Loughborough or Edinburgh), members of the SAC call themselves "Islamic business developers" and "entrepreneurs." They publish their research under the auspices of Bank Negara's institutes and think tanks, write books and journal articles, and speak at international and local conferences. They travel widely: several serve on the boards and committees of Middle Eastern businesses and banks and on Hong Kong, Singapore, and London financial institutions with Islamic subsidiaries. Some advise organizations such as huge data-processing centers which are seeking to generate sharia-compliant operations for the global Islamic market. Others are actively involved in helping European and Japanese banks set up sharia-compliant divisions. Perhaps most prominent in this elite cohort is Dr. Mohammad Daud Bakar, chairman of Bank Negara's and the Malaysian Security Commission's SACs, sharia board member of the Dow Jones Islamic Market Index, the National Bank of Oman, BNP Paribas (Bahrain), Morgan Stanley (Dubai), the Bank of London and Middle East, and CEO of his own sharia and multi-service financial and management consulting firm, Amanie Business Solutions with offices in Kuala Lumpur, Dubai, Cairo, Seoul, and other world capitals. Beyond following the "one bank/one takaful" rule for its sharia advisors, Bank Negara puts no restrictions on sharia advisors to otherwise profit from their expertise and high-flyers like Daud Bakar reportedly make millions through consulting and lecturing.

Moving as easily in banks and boardrooms in the Arab world as they do in the West, Daud Bakar and other globe-traveling sharia advisors in Malaysia are

celebrated as "hybrid Muslims"—traditional sharia scholars of the highest ability and purest Islamic credentials, but with professional, technical, and global and capitalist experience that also ranks them as experts in modern finance, information technology, management, economics, and accountancy. "Hybridity" also suggests their ability to converse in all four Sunni schools of Islamic jurisprudence (not just the Shafi'i madhab or school of law traditionally used in Malaysia) as well as in secular business domains.

While they develop close relationships with Islamic banks and boards in the Middle East, Malaysian sharia advisors still privately bemoan what they claim is a lack of knowledge and professionalism in the Arab world concerning Islamic economics and business ethics. They describe "fatwa shopping" (the practice of a financial institution or customer seeking out the most favorable sharia opinion) and describe "sharia bribes" and "sharia payoffs" in other sharia jurisdictions. By contrast, sharia advisors in Malaysia insist they are incorruptible—unlike sharia advisors in Arab settings who often are "in the pocket" of banks, governments, and corporations.

Claiming the superiority of Malaysia's Islamic financial industry and regulatory standards and its ethics, sharia advisors believe they are capable of shifting Islam's economic power center from the Middle East to their own Southeast Asian shores. Malaysia's IFI policies are Westfriendly and even Arab-antagonizing because they tend to apply more flexible sharia interpretations for products than are applied in Arab nations. Malaysia's sharia advisors wear business suits, not thoubs or jubbahs. Powerful Muslim women, sometimes unveiled, also appear as sharia advisors, bankers, and regulators. Once "little brothers" to Muslims in the Arab core, Malaysian IFI experts now claim to be reversing the flow of Islamic knowledge and influence from its Arab roots to the new Islamic capitalist core in Malaysia. Theirs, they believe, is an updated, modern Islamization, which replaces, they say, Islamic economic backwardness and traditionalism with a vibrant, globally promising alternative; a "bridge" or a "handshake" to the West that is potentially worldchanging. Islam had extended its form of capitalism around the world, carrying Medina's financial principles and the riches of the Muslim empire along the Silk Road and into the far reaches of Asia, long before the crushing advent of Western capitalism and its colonial forces. But the tide, Malaysian IFI experts believe, is turning. Islam and sharia could now provide the model of responsible business practices to the point at which it rivals or even overtakes Western and conventional global finance.

Whether that happens or not is unknown. But what IFI experts in Malaysia believe is that they are rehabilitating Islam in the eyes of the West, presenting (unlike the Arab world and jihadist Islam) what one sharia advisor evocatively described to me as "business and banks, not bombs."

The growth and legal power of the "liberal" Malaysian Islamic economy and its sophisticated financial products appear outwardly to exist far beyond the illiberal politics of Islamization or Islamism, and nothing in Malaysia's IFI industry implies the conservative, repressive, and intrusive premises that sharia demands of individuals. Islamic economics is clearly the most acceptable of Islamizations, allowing a Muslim elite to operate adroitly within (and profit from) capitalism, offering hybrid figures such as Daud Bakar to the Arab and Western world, and welcoming Muslim and non-Muslim investors alike.

But for any close observer of Malaysian politics, three significant ironies emerge. First, while Malaysia touts to local and global bankers, investors, and capitalists a form of Islamization that sits easily with the pursuit of profit, opens the IFI door to the West, and hopes to overtake the Arab world in the production of Islamic knowledge and profit, Muslim lawmakers in Malaysia seek to emplace a traditional version of Islam and sharia that is increasingly conservative, authoritarian, powerful, and committed to Islamism and social control over Muslim (and even non-Muslim) public and private lives. As Malaysia invites the West to share in its Islamic economic vision and

critiques the Arab core for its economic traditionalism, it also contemplates putting in place strict hudud (Quranic punishments) law for its Muslim citizens and fashioning the nation into a full-blown Islamic state.

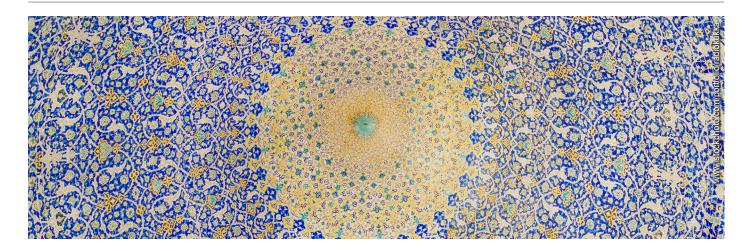
Second, it bears mentioning that Malaysia has the highest income disparity between rich and poor in Southeast Asia. While sharia advisors tout Islamic economic foundation in social justice, to date IFI in Malaysia has accomplished little in that regard.

Third, while Malaysia fashions for itself a hypermodern, globally outward-looking, and religiously regulated Islamic economy, it is important to note that investigators around the world are tracing out the trail of a billion-dollar corruption scandal that appears to lead directly to Malaysian Prime Minister Najib Abdul Razak, identified for having personally received \$731 million from a government fund under his direction. Perhaps Voltaire said it best: when it is a question of money, all men are of the same religion.



Patricia Sloane-White

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CHINESE CITIZENS BEYOND STATE BORDERS AND THE PERCEIVED THREAT OF ISLAMISM IN CHINA

by Kelly A. Hammond

Islam came to China in the seventh century when Muslim envoys in the service of the third Caliph Uthman traveled to Guangzhou (previously Canton) to discuss trade and diplomacy with the Tang Dynasty (618-907). The Emperor Gaozong had a mosque erected in their honor, and for the next few hundred years the majority of Muslims in the Chinese empire were sojourners traveling from Arabia and Persia as merchants. It was not until the Mongol Yuan Dynasty (1271-1368) that Muslims really started to settle permanently in China. The Mongols imported Persians and Central Asians to work as administrators and bureaucrats, while also deploying large embassies to places like Bukhara and Samarkand to facilitate trade and diplomatic relations.

By the Ming (1368-1644) and the Qing Dynasties (1644-1911), Muslims were an integral part of court politics and foreign diplomatic engagement with Central and South Asia. In fact, the famous Chinese admiral Zheng He whose treasure ships traveled throughout Southeast Asia and the Indian Ocean during the Ming Dynasty was selected to lead the expeditions in part because he was a Muslim. Starting in the eighteenth century, the Manchu Qing greatly expanded the territory of the Chinese state and Xinjiang (which literally translates to "new frontiers") was violently incorporated into the imperial fold. This meant

that the highly diverse and majority-Muslim populations (both settled oasis dwellers and nomadic herdsmen) inhabiting the area were brought under imperial purview. Throughout Qing rule, there were a number of highly-coordinated and successful Muslim rebellions against the Qing which were brutally suppressed by the state.

This brief history might not seem relevant to current concerns, but it provides context for both the long-standing tensions and accommodations made for and by Muslims living in both the modern nation-state and the Chinese imperial state which preceded it. When the Chinese Republic inherited the vast terrain of the Qing Empire after 1911, maintaining its territorial integrity was of utmost importance for the Nationalists who fought hard to win the loyalty of Muslims in China in the face of Japanese, Soviet, and British advances and overtures in the Chinese borderlands.

It is also important to understand that within the Islamic community in China there is a great amount of diversity. Among the fifty-five-government designated ethnic minorities beyond the Han, ten are classified as Muslim groups. The Uyghurs and the Hui, who are the only Muslim minority whose first language is Chinese, make up the sizable majority of the Muslim population. In

addition, there are other Central Asian minorities, such as Uzbeks, Kyrgyz, Tatars, and Tajiks, as well as a small population of Tibetan Muslims. Apart from the Tajiks, all the Muslims are Sunni, and the majority adhere to the Hanafi legal school of Islamic jurisprudence. There are a number of different schools of Islamic thought, some which are older, like the Gedimu (from the Arabic Qadim - The Old) and others which are newer, twentieth-century imports from the Middle East, such as the Yihewani (from the Arabic Ikhwan - Muslim Brotherhood) and the Salafiyya (orthodox Sunni Islam). Beyond these markers of distinction within the Islamic community, there are also old and active Sufi networks all over China. Clearly the Muslim community in China is extremely diverse, often leading to tensions between the different Muslims communities which can be used and exploited by the state. As China begins its re-ascension to a dominant world power in the twenty-first century and continues to push its "One Belt, One Road" (OBOR) initiative, the way that the state deals with Muslims both inside and outside the PRC will come under increasing scrutiny.

Dru Gladney, an anthropologist who works predominantly on Muslims minorities in China, has argued that the state apparatus in China has held two opposing outlooks about the place of Muslims in their domestic and foreign politics: Muslims are either accommodated or they are considered a separatist threat to the state. Similarly, Gladney points out that beyond the boundaries of the state itself, Chinese Muslims play a role in foreign policy that is disproportionate to the size of their community within the PRC. Another scholar of ethnicity in China, Michael Dillion, recently pointed out that 94% of the population in China are classified as Han, yet minorities—who make up just 6% of the population—are dispersed throughout autonomous regions that make up 64% of the landmass of the country, including Tibet and Xinjiang. The oftenprecarious hold that the PRC has over these volatile border regions coupled with the geopolitical significance of these areas also dictates how the state handles the perceived threat of Islamic separatism in Muslim-majority Xinjiang.

Many people underestimate the role that Muslims play in China's foreign relations with neighboring Muslim and non-Muslim countries. With regards to citizens of the People's Republic beyond the borders of the Chinese nation-state, there are three interrelated yet separate issues that dictate how the Chinese government pursues foreign policy and deals with the threat of increasing Islamism in the region since the beginning of the war

on terror. Firstly, a growing number of overseas Han Chinese are conducting business in Muslim countries, such as Pakistan and the Gulf States. Secondly, the number of overseas Muslim Chinese who live and work in places like Indonesia and Malaysia, but who maintain strong connections to the PRC is also increasing. These communities usually operate autonomously from the Han, and find it easier to acclimate to local surroundings given their understanding and respect for Islamic customs and rituals. Finally, there is the pressing issue of the Uyghur diaspora and the increasingly stringent crackdown on Uyghurs in Xinjiang and abroad, such as the recent roundup of Uyghur students by Egyptian police for deportation back to China. Technically, all three of these groups are citizens of the PRC, but the Chinese state's approach to dealing with them varies widely.

The PRC sees itself as the guardian of overseas Chinese, whether they are Muslim or not. The deepening presence of ISIS in Asia affects both the overseas Chinese community and Chinese diplomacy dealing with its neighbors. Recently, two Han Chinese businesspeople were kidnapped and murdered in Pakistan and ISIS claimed responsibility. This event had led to tension between the growing Chinese business interests in Pakistan and the local community who sees non-Muslim Han Chinese as an emerging threat. Analysts are skeptical that a Chinese cash infusion into Pakistan will stabilize the country, and if ISIS starts to directly target Chinese citizens, it is likely that the PRC will take a much harder line toward its Muslim neighbors where ISIS operates, such as the Philippines and Pakistan.

Beyond these threats to the Han, the particular cases of the Hui and the Uyghurs illustrate the difference between state policies or accommodation and suppression. The Hui are often touted as the model Muslim minority who resist extremism and separatism, follow state directives, and foster economic development with other Muslim countries. A recent article by Chow Bing Ngeow and Hailong Ma explains how the thriving 'overseas Chinese Muslim' community in Malaysia is made up mostly of Hui Muslims. They argue that the Hui diaspora in Malaysia maintains important business connections to China for ventures such as their growing halal food industry. During the 1980s and 1990s Muslim students from the poorer Northwest chose cheaper and majority-Muslim alternatives to studying abroad such as Malaysia, Egypt, Saudi Arabia, and Turkey. In essence, these students were re-establishing connections that had been made in the late nineteenth and early twentieth century, and in

the early 1980s the first Muslim students from China in more than thirty years traveled to Egypt to study at Al-Azhar. These communities of Hui Muslims are important for business and development in the poorer, interior of China, but they also allow the state to present itself as benevolent protector of the interests of their Islamic citizens abroad.

At the other end of the spectrum, there are the Uyghurs. The threat of terrorism from Uyghurs both inside China and outside of China is at the same time real and exaggerated. Recently, a Kyrgyz Court sentenced three men in a terrorist attack on the Chinese Embassy in Bishkek. The men were said to be affiliated with the Turkestan Islamic Party (TIP) which maintain ties to Jabhat al-Nusra. The men entered Kyrgyzstan on fake passports through Tajikistan after training with al-Nusra in Syria. There have also been a number of attacks by Uyghurs in China, however, their links to terrorist groups such as ISIS or al Qaeda outside of China are hard to prove. For careful observers of Xinjiang politics, these attacks seem more directed toward oppressive state policies aimed at Uyghur assimilation rather than indicating any sort of coordinated Islamist threat. In essence, the rhetoric of the war on terror gave the Chinese government the vocabulary it needed to institute increasingly hard-line policies in Xinjiang to resist separatism and increase its efforts to assimilate the Uyghurs. In the face of this suppression, many Uyghurs have fled China, and since it is difficult for them to get passports, many do so illegally. In recent years, countries like Thailand have extradited Uyghurs who had been smuggled in illegally, returning them to China knowing full well that they will likely face incarceration or worse. This cooperation by the Thai government speaks to the economic and political clout that China carries in the region, as it exerts pressure on its neighbors to return Uyghurs who flee oppression.

As the Chinese government continues to crack down on Muslims living beyond the borders of the Chinese nation-state and as it tightens its grip on social media within the PRC, this increased oppression could lead to a backlash abroad. Although the state is able to tightly control the movement and suppress the activities of Uyghurs in Xinjiang, their economic involvement with OBOR and the growing concern among Muslims outside of China regarding the crackdown on the Uyghurs could exasperate these fragile economic and diplomatic relationships. Recent reports coming out of Xinjiang indicate that all electronic devices including laptops and phones must be registered with police, and earlier this year a prefecture in Xinjiang ordered that all cars have GPS installed for satellite tracking. Observers of politics in Xinjiang have even warned of the emergence of a 'perfect police state' aimed at subduing all forms of Uyghur dissent. However, as China continues its reengagement with majority-Muslim countries, it may find itself compelled to develop policies of accommodation instead of escalating suppression.



Kelly A. Hammond

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ISIS IN MINDANAO: A THREAT TO THE U.S.?

by David S. Maxwell

We should be clear: Mindanao is not Syria, Iraq, or Afghanistan. We cannot approach a province of our longest standing treaty ally the same way we do in Syria or any of the other 18 or so countries to which the ISIS virus as spread.

As ISIS nears defeat in Syria and Iraq it is trying to keep its ideology alive by spreading to other countries where it is taking advantage of conditions of political resistance that weaken governments and provide safe havens for training, recruiting, and eventual resurrection of its quest for the Caliphate. This is what appears to have attracted ISIS to Mindanao. The attraction is mutual, as threat groups such as the Abu Sayyaf Group (ASG) and the Maute Group have embraced the ISIS ideology to enhance their legitimacy and gain recruits, resources, and respect.

Does this phenomenon in the Philippines and its neighboring countries pose a significant security threat to the U.S. that requires a U.S. military response?

Appreciate the Context

While the ISIS presence makes the headlines, it is important to remember that the Philippines and its neighbors are sovereign nations that are established, relatively stable, and advanced compared to Syria and other ISIS locales. However, the Philippines face myriad threats that complicate the security situation. These range from the external threat of China and the territorial dispute

to the existential threat posed by the Communist Party of the Philippines (CCP) and the New Peoples Army (NPA) which seek to overthrow the government. President Duterte's drug war also garners much of the headlines.

In Mindanao, in addition to the NPA, there is the continued friction with rogue elements of the Moro National Liberation Front (MNLF) despite the 1996 peace agreement that established the Autonomous Region of Muslim Mindanao. There are the terrorist groups of the ASG and the Indonesian based Jemaah Islamiyah (JI). There are also clan conflicts (ridos) and sometimes-violent competition among local political groups. Lastly, among the major threats, there is the Moro Islamic Liberation Front (MILF) that seeks return of its ancestral domain and has nearly reached a peace agreement with the government though it has not been fully implemented.

These conflicts together pose a serious challenge to the central government and regional structures, and this leads to sanctuary within Mindanao that allows various groups to survive and thrive. Although there is no unified resistance to the central government, the widespread but disparate political resistance creates a cauldron that breeds political violence that ISIS has begun to exploit.

Understand the Problem

The nature of the problem is not solely a security threat. Although the Marawi siege with the Maute Group is a lightning rod that brings focus on ISIS, it is only a symptom

of the underlying problem. It is a Philippine problem and a problem that can only be solved in the long term by the Philippine government at the national, provincial, and local levels.

To illustrate this, I will share one anecdote. In 2007, I participated in a meeting with US diplomats and MILF leadership in their headquarters in Cotobato. The purpose of the meeting was to express US support of the ongoing peace process and inform the MILF that a peace agreement will bring US support to the MILF just as USAID did in 1996 for the MNLF when it signed the peace agreement. The MILF leadership was quite clear that while they appreciated all the development support the U.S. and the international community would provide, if their political problems were not addressed and solved by the Philippine government, their insurgency would continue.

This can be applied to most of the threats in Mindanao. The political problems that exist, from the national to the province to the barangay or village level are exploited by groups who seek to use political resistance and political violence to develop their own political power.

The U.S. executed Operation Enduring Freedom-Philippines (OEF-P) under the authority of the 2001 AUMF which limited U.S. support to the security forces only conducting operations against Al Qaeda-linked organizations which at the time were the ASG and the JI. As described, the problems in the Philippines go beyond AQ, just as they go beyond ISIS. It is a problem when the U.S. myopically focuses on a narrow threat that is only in its interests and does not take a holistic approach to the broader challenges faced by its ally.

While ISIS does not pose a direct threat to the U.S. from Mindanao, the political and security problems of the Philippines can serve as an incubator to allow the ISIS threat and others to metastasize and spread throughout the region. If left unchecked it could use Mindanao as a sanctuary to rest, refit, and train new recruits. It could exploit the maritime routes to move extremists to new targets of opportunity when it is ready to strike again. At the very least, ISIS can use Mindanao to keep its ideology alive so that it one day can regain strength to attempt to re-establish its Caliphate somewhere.

Develop an Approach

How should the U.S. respond to the emergence of the ISIS threat in Mindanao?

First, the Philippine government must request additional

support. Despite the end of OEF-P in 2015 the U.S. has continued to provide security assistance in the Philippines to include advice and assistance with the ongoing siege in Marawi.

Second, just as in OEF-P in 2001 it must conduct a thorough assessment of the situation in complete coordination with the Philippine military that will lead to a combined campaign plan that will integrate US support to the security forces. The assessment will assist the Philippine government in determining the acceptable durable political arrangement necessary to stabilize the region. This will also ensure that Philippine and U.S. interests are sufficiently aligned.

Third, the American Embassy in 2006 coined the phrase "Diplomacy, Development, and Defense" (3D) and as in 2006 the effort needs to be holistic and led by the Chief of Mission to ensure full U.S. interagency support to the Philippines. A military only or military led mission is insufficient. The approach must focus on assisting the Philippines more broadly than simply combatting ISIS. It must support Philippine development and political solutions as well as security.

Fourth, the U.S. should act as part of a coalition of friends, partners, and allies. Recent reports indicate that Australia has made the largest financial commitment to the situation in Marawi, along with the U.S. Japan, Thailand, and the EU. China has provided the fifth largest contribution with the bulk for medical support of soldiers wounded in Marawi. Although there are complexities that come with this approach, working as part of a coalition will minimize the focus on the U.S. and allow for greater and more effective support to the Philippines rather than the U.S. being the sole focal point for political opponents.

Fifth, the U.S. must use the right tools and forces for the mission from the capabilities of USAID to the appropriate military advisory forces from across the spectrum to include civil affairs and psychological operations as well as special forces who have developed decades long relationships with members of the Armed Forces of the Philippines. These forces are well suited for operating "without being in charge" as they recognize that this is a Philippine problem and a Philippine fight. This is not "leading from behind." This is the appropriate understanding of the relationship between U.S. Special Operations Forces (SOF) and host nation forces in a sovereign nation.

A consideration for any support provided cannot be narrowly focused on ISIS and most certainly cannot use a

similar approach as the U.S. has used in Syria and Iraq. On the one hand, the challenges are bigger than ISIS, so the support to the Philippines must be broader. On the other, a myopic focus on ISIS will enhance its legitimacy and provide fuel for growth. It should be treated as a symptom and not the disease in the Philippines. This must be an important theme in a supporting information and influence activities campaign.

In conclusion, ISIS is a growing global threat that is seeking to sustain itself for the long term even as it appears on the verge of defeat in Syria and Iraq. It will exploit local political conditions in countries where it can find sanctuary so that it can live to fight another day. However, in the

Philippines, ISIS is only one security challenge. The U.S., if requested, can provide advice and assistance to support a 3D approach - diplomacy, development, and defense - that can reduce the ISIS threat by supporting Philippine political solutions.



David S. Maxwell

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ISIS IN THE PHILIPPINES: A THREAT TO US INTERESTS

by Dr. Joseph Felter

On 23 May 2017, several hundred militants acting in the name of the Islamic State seized control of a portion of Marawi City, in the southern Philippines, after months of preparation and stockpiling of arms and munitions. The group was led by Isnilon Hapilon, a member of the Islamic extremist Abu Sayyaf Group whom ISIS named its Emir for Southeast Asia. Isnilon Hapilon used ISIS's extremist ideology to galvanize support amongst several disparate extremist groups, most notably Omar and Abdullah Maute, who founded Dawlah Islamiyah. Of an estimated 700 militants involved, approximately 5-10 percent are believed to be of foreign origin — mostly from Indonesia and Malaysia- but according to Philippine Security Force reports, the militant group also included fighters from the Middle East, Chechnya, India and Morocco.

The Armed Forces of the Philippine (AFP) deployed some of its most elite forces to wrest back control of the city but have met stiff and determined resistance. The militants occupied buildings and could traverse the city via underground tunnels built by the Mautes' own construction company. Trained and experienced in jungle fighting, the AFP suffered severe casualties in the difficult block to block urban fight that ensued. While the superior forces of the AFP will most certainly clear and retake Marawi in the coming weeks, the costs in terms of government and civilian casualties- as well as damage to Marawi's infrastructure- have already been severe. At the time of the writing of this essay, over 140 government

troops have been killed and more than 1,500 have been wounded.

What does this ISIS attack and protracted siege of portions of Marawi tell us about the threats such militant groups pose to stability in the Philippines? To what extent should Islamic militancy, like that which we see in the southern Philippines, figure into the larger calculus of US strategic interests both in the Philippines and in the broader region? In this essay, I strive to provide brief answers to these questions and offer recommendations for what can be done to better address the rising threat posed by extremist groups in the southern Philippines and advance our strategic interests in the region.

In summary, I argue that the attacks in Marawi are a wake-up call that ISIS will continue to exploit opportunities to conduct attacks outside of Syria and Iraq and that the southern Philippines and other areas in the Southeast Asia region are particularly at risk. The U.S. must factor the destabilizing effects of this growing militancy in to its assessment of how it will protect and defend its long time treaty ally as well as pursue its broader strategic interests in the region. Near term support to the Philippine military operations aimed at winnowing the pool of militants is critical, but it must be accompanied by holistic efforts to address the underlying conditions that allow militants such as those in Marawi to gain footholds and continue to spread violence and instability in the longer term.

Some History

Islamic rooted militancy has a long and bloody history in the Philippines. Some argue that it dates as far back as 1521 when Ferdinand Magellan landed on Mactan island near Cebu and was killed, along with a number of his men, by Lapu Lapu, a local chieftain that some allege was a Muslim Datu.¹

The subsequent Spanish colonization of the Philippines and attempts to spread Christianity, while successful throughout much of the archipelago, faced strong resistance in the south. The centuries-long struggle of the Muslim Filipino- or Bangsamoro- for independence from Christian-dominated rule continued under US colonial rule and persists in some form today. Its more recent incarnations include the Moro National Liberation Front (MNLF) which signed a tenuous peace agreement in 1996. establishing the Autonomous Region of Muslim Mindanao (ARMM) after a bloody struggle for independence; its splinter group the Moro Islamic Liberation Front (MILF) continued to fight for a separate Islamic state after the 1996 ARMM agreement. The persistent widespread popular grievances and sense of disenfranchisement by Filipino Muslims make parts of the southern Philippines particularly vulnerable to both overt and passive support for a range of Islamic militant groups operating in the few areas of southwestern and central Mindanao island and Sulu province where a sizable Muslim majority population remains.

So what do the recent ISIS inspired attacks tell us about the threats such militant group pose to stability in the Philippines?

These attacks confirm that this threat is real- and it will not be limited to Marawi. Through its funding and unifying extremist ideology, ISIS is credibly demonstrating its global reach, and we can anticipate future attacks and violence. The Philippines, along with its neighbors Indonesia, Malaysia and other countries across Southeast Asia, are at risk, and this risk is increasing. As ISIS nears defeat in Iraq and Syria, combat experienced militants are returning to Southeast Asia. We know that ISIS recruiters are increasingly directing and facilitating aspiring militants from the region to join the Jihad in the southern Philippines a much shorter and less risky trip than traveling to far off Syria and Iraq. To date, it is estimated that between 40-60 fighters from Indonesia and Malaysia have traveled to the southern Philippines. Foreign fighters from the Middle East, Central Asia and Africa are also believed to have traveled there as well, but so far there has been no physical evidence to back up these reports.

How should we assess threats to US strategic interests posed by Islamic militancy both in the Philippines and in the broader region?

As the recent anniversary of the tragic events of 9/11 reminded us, safe havens that allow terrorists to train and prepare for attacks can pose an existential threat to the United States and its interests around the world. The numbers of ideologically committed militants operating in the southern Philippines may be relatively small, but it only takes a small number of trained and motivated extremists to do significant harm. Consider the 19 terrorists responsible for the execution of the 9/11 attacks. For a regional example, look to Jemaah Islamiyah - an Indonesian terrorist group known to have members train in the southern Philippines. A handful of JI militants executed the deadly Bali bombing in 2002 which killed 202 people, including 88 Australians.

But the threat to US interests posed by these militant groups extends well beyond terrorism. The Philippines is an important treaty ally, and the US partners with her to pursue a range of mutual strategic interests in the region. Militant groups like ISIS are exacting a huge toll on the Philippines' military capabilities and costs to its economy – capabilities and resources that could be directed towards providing external security and protecting its sovereignty.

As this century's threats to international security and the rules based order unfold, it is clearly in our strategic interests to maintain the health and viability of our alliance partners like the Philippines and to work closely with other partners in the region like Malaysia and Indonesia

While the flow of foreign fighters and funding from outside the region is of grave concern, the vast majority of militants fighting in Marawi, and the funds and resources supporting them, are local in origin. It is estimated that approximately 90% of the ISIS militants in Marawi are native to the Philippines and while ISIScentral is believed to have provided sizable infusions of cash in excess of one million dollars, the overwhelming majority of the funding comes from local sources such as kidnap for ransom operations, criminal extortion, low-level narcotics trafficking, and local donations from those disillusioned by the central government and sympathetic to the militants' cause. Of particular concern, ISIS provides a narrative and unifying cause that has been able to attract members and support from across other Islamic extremist groups in the Philippines such as the Abu Sayyaf Group (ASG), Bangsamoro Islamic Freedom Fighters (BIFF), Maute Group (Dawlah Islamiyah), and Ansar al-Khilafah in the Philippines (AKP).

¹ Whether Lapu Lapu was in fact a Muslim Datu is subject of debate.

to interdict terrorists and other transnational threats and to enforce international law. Stronger economies and militaries mean more capable and effective partners in this global fight. Extremist terrorists threaten these interests.

What can be done to address these threats?

The militants fighting in Marawi have crossed the line and will cause trouble wherever they go if they are able to escape. Those captured and imprisoned may also be a problem, should they contribute to radicalization efforts from within prison. In the near term, the US and other partners should continue to respond to Philippine requests to provide enablers such as intelligence and surveillance support to help the Philippine military identify and locate these terrorists and improve their capacity to interdict them.

Following the end of the fighting in Marawi, the US and other partners will have the opportunity to support reconstruction and resettlement efforts in this conflict ravaged town. Swift and concerted efforts will be needed to rebuild Marawi's infrastructure and facilitate the return of the over 500,000 displaced persons that have fled the fighting. These efforts will also help deny the extremists' narrative that the Christian Filipino government- and international community- do not care about Muslims and are unwilling to help them.

Beyond providing assistance to the Philippines, we can encourage cooperation between other countries in the region such as Malaysia and Indonesia in tracking militants across their porous borders such as those running south from Mindanao in the tri-border region in the Sulu and Celebes Sea. For example, developing and making available a shared data base on known or suspected militants in the region that all countries in the region can access would go a long way toward facilitating effective tracking of these individuals and empowering

law enforcement organizations throughout the tri-border region to apprehend them.

Importantly, the risk factors that made Marawi an ideal target for ISIS to attack and occupy are largely local in nature. Mao's famous dictum that insurgents are the fish and the population is the sea in which they swim applies here. Disenfranchised Filipino Muslims who are dissatisfied with their government's ability or willingness to address their needs are more inclined to provide tacit, and sometimes direct, support to anti-government activities. Some number of residents of Marawi, for example, were surely aware of militants stockpiling arms and munitions in the lead up to the siege, but they opted not to alert authorities. Enduring solutions to the Islamic militancy problems in the southern Philippines must include efforts that address root causes of conflict in the region e.g. restarting the stalled peace process and funding programs that help build the legitimacy of the central government.

Attrition of active ISIS militants still fighting in Marawi is critical, and the US is right to provide enablers to its treaty ally when requested in support of these ends. But addressing the conditions that drove many of these militants to violence and will drive the next generation to similar ends must complement these efforts, if any enduring solutions are to be achieved. The US stands ready to support her close ally and work with other partners in the region to address both the symptoms and root causes of these terrorist threats going forward.



Dr. Joseph Felter

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WHITHER INDONESIA?

by Paul Wolfowitz

The news from Jakarta last April 20 presented a very sad juxtaposition. On the one hand, there was US Vice President Mike Pence, expressing his admiration for Indonesia's tradition of religious tolerance and moderation and reassuring Indonesians on behalf of the Trump administration, that the new visa restrictions would not apply to Indonesians. At the same time, the Acting Governor (equivalent of Mayor) of Jakarta, Basuki Cahaya Purnama — commonly known as Ahok — was facing a court in that city on the criminal charge of blaspheming Islam. He had questioned the interpretation by some of his opponents that a Koranic verse from Surah al Maidha 51 prohibits Muslims from accepting the leadership of Christians or Jews.

Ahok had just suffered a stinging election defeat for governor, a position he had held since his former boss, Joko Widodo, had become Indonesia's President. The election for a new governor had been marked by violent protests against Ahok for his alleged blasphemy, but in reality due to his identity as an ethnic Chinese Christian.

But worse was yet to come. The prosecutors, seemingly more inclined to leniency because Ahok was now a defeated candidate, downgraded the charges against him and recommended no prison time. However, the panel of five judges ignored that recommendation and on May 9 sentenced him to two years in prison. In doing so they cited a firebrand cleric, Habib Rizieq, leader of the "Islamic Defenders Front" (FPI), as a Koranic authority. Imprisoned twice for inciting violence, Rizieq has been described as "occupying the fringe of Indonesian society,

his followers regarded as thuggish vigilantes with a penchant for extremism and extortion."

Two days later, three of the five judges received promotions. But not to worry – the spokesperson for the Attorney General's Office assured the public – these promotions had "nothing to do with Ahok." The promotion had "been discussed in several stages earlier."

When I went to Indonesia as ambassador thirty years ago I was deeply impressed by the long tradition of religious tolerance to be found in that country with the largest Muslim population of any nation in the world. Already then, it was apparent that religious extremism was going to be a challenge for the whole world. So, Indonesia's success was therefore all the more important, including to the U.S.

But the spectacle of some 200,000 people demonstrating last November demanding "kill Ahok for insulting Islam," was not the Indonesia that I had come to admire. Nor was the much larger demonstration the following month, by some estimates as many as half a million, demanding "Jail Ahok, the law must be fair" after the government had yielded to the demand to put him on trial.

Nor was that the Indonesia of the two leading spokesmen for Islam in the country when I was there.

One was Nurcholish Majid, a man who led the Indonesian Muslim Students Organization (HMI), in the 1960's – braving left-wing demonstrators who were demanding

"Crush HMI, Crush Nurcholish" – a man who enjoyed almost universal respect and who argued forcefully that Islamic values were fully compatible with liberal democracy and tolerance; arguing that the most essential tenet of Islam was respect and concern for other humans beings as God's creatures, a common tenet with many other religions.

The second was Abdurrahman Wahid, popularly known as Gus Dur, who became Indonesia's first democratically-elected president after the fall of Suharto in 1999. During the 1980's and 1990's, he led Nahdlatul Ulama, the largest Muslim organization in Indonesia (and perhaps in the world) with an estimated 40 million members. He had both an extraordinary breadth of knowledge — not only of Islamic religious and philosophical texts, but of the Western tradition as well. He said that his view of religion was influenced profoundly by reading Aristotle's Nichomachean Ethics as a young man. Although his presidency sadly ended unsuccessfully, he remained until his death, the bravest and most outspoken defender of Indonesia's minorities.

Nurcholish died in 2005 and Wahid in 2009, and there does not yet seem to be anyone of similar stature to take the place of either as defenders of religious freedom of traditional Indonesian Islam. Both would be dismayed by this spectacle of opposition to a political candidate based on his ethnicity and religion, or charges of blasphemy over a disputed phrase in the Koran. Indeed, in 2007, Wahid himself took issue with those who interpreted that same Koranic phrase as forbidding Muslims from accepting Christian leaders.

There are those who argue against overreacting to the events of the past 12 months or to see this as a sign of the death of tolerant Islam Indonesia. One unidentified "Indonesian political expert" was quoted recently that "These issues are all at the local level - limited to more conservative regions - and not the national level. It's all about local dynamics." Some of my Indonesian friends, and some academic experts I have spoken with say that the Ahok case is unusual – as is Ahok himself. After all, it took the US more than a century and a half before a Catholic could be elected president, and Ahok was a Christian and an ethnic Chinese running for governor of a province of 10 million as well as Indonesia's capital. Even some of Ahok's supporters say that he gave off an appearance of arrogance, and should have recognized that it was one thing for Wahid to debate the meaning of the Koran and quite something else for him to do so.

One defender of Anies Baswedan, the man who won the election, says that he "consciously presents himself as a moral champion whose message is unity and social justice" and that may be true. But it does not explain his apparent courting of Rizieg'a support.

However, what is so concerning about this election is not the outcome, nor the personal tragedy of a dedicated public servant going to jail for two years because of a dispute over the Koran. Even worse was the silence of people who should have known better. Some of that silence may have reflected a justifiable fear of confronting a mob. But some of it was the silence of people who were profiting politically.

Both those elements which were at play in this year's election – fear and opportunism – may be a preview of what might come in the country's next presidential election in 2019. In his first election, in 2014, the current president, Joko Widodo, managed to survive an underground smear campaign claiming that he was secretly a Christian, as well as the well-known fact that he had appointed Christians to important positions when he himself was Governor of Jakarta. Both were good signs. But this year's events suggest that the next election could be a risky time for the country.

So do the results of a poll conducted last year by the Ministry of Religious Affairs and the Wahid Foundation which polled more than 1600 high school students participating in an after-school Islamic education program called Rohani Islam. The results are truly shocking: 33 percent of them defined jihad as a holy war against non-Muslims; 78 percent would support turning Indonesia into an Islamic state under a caliphate; more than 60 percent would go on jihad to countries like Syria if they had the chance; 58 percent agree that thieves' hands should be chopped off and 62 percent would like to see adulterers stoned to death. The Religious Affairs Ministry in Jakarta has admitted that something is wrong with this Islamic educational program. "The activity has been entrusted to trainers without a due process of selection."

I am not alone in my concern about the trend in Indonesian attitudes toward religion and religious tolerance.

Although he has not said so publicly, according to a reliable report by Jeffrey Goldberg in The Atlantic, President Obama told Malcolm Turnbull, the new prime minister of Australia, in 2015 that "he has watched Indonesia gradually move from a relaxed, syncretistic

Islam to a more fundamentalist, unforgiving interpretation; large numbers of Indonesian women, he observed, have now adopted the hijab, the Muslim head covering."

When asked why this was happening, he told Turnbull it was because the Saudis and other Gulf Arabs have funneled money, and large numbers of imams and teachers, into the country. In the 1990s, the Saudis heavily funded Wahhabi madrassas, seminaries that teach the fundamentalist version of Islam favored by the Saudi ruling family, Obama told Turnbull. Today, Islam in Indonesia is much more Arab in orientation than it was when he lived there, he said.

The tension between the Islam of Saudi Arabia and the traditional Islam of Indonesia goes back almost a hundred years. When King Abdul Aziz ibn Saud took over Medina and Mecca in 1924 and 1926, and cleaned out objects of veneration that he and his followers considered idolatrous, traditionalist Muslims everywhere lamented this desecration of ancient tombs and pilgrimage sites. In Indonesia, a group of ulama from across Java met to discuss how to respond and sent a delegation to Saudi Arabia to beseech Abdul-Aziz's intervention to stop this desecration, but to no avail. That meeting gave birth directly to a new association of ulama - Nahdlatul Ulama - that grew to become one of the largest mass-based Muslim organizations in the world and which was headed by Abdurrahman Wahid when I was ambassador there.

Indonesia is too important to give up hope for a positive reaction to some of the ugliness that has been on display recently. The fight for traditional Islam in Indonesia has to be led by Indonesians themselves. And one of their strongest weapons in that fight is the "state ideology" of Pancasila, ("Five Principles" - Indonesian state philosophy) which makes Indonesia not a "secular" state, but one in which six different official religions are recognized equally. That principle, in turn, has a strong practical basis because – with four majority Christian provinces and one Hindu province – Indonesia might have difficulty remaining a unified country if Islam were imposed as the state religion. It is not an accident that President Jokowi seems to be turning to Pancasila as his means of countering the extremists.

When Wahid was once asked whether he was not afraid of being attacked by extremists for speaking out, he replied "Let them attack us! Then at least people will hear about the controversy, and can decide whether or not they agree with us. If we remain silent, only the extremists will be heard."

Fortunately, even though no one today has the stature of a Wahid, there are others who have the courage to speak out, traditionalists like Yahya Cholil Staquf, the general secretary of Nahdlatul Ulama, who said recently:

The various assumptions embedded within Islamic tradition must be viewed within the historical, political and social context of their emergence in the Middle Ages [in the Middle East] and not as absolute injunctions that must dictate Muslims' behavior in the present ... Which ideological opinions are "correct" is not determined solely by reflection and debate. Political elites in Indonesia routinely employ Islam as a weapon to achieve their worldly objectives. . . Any [fundamentalist] view of Islam positing the traditional norms of Islamic jurisprudence as absolute [should] be rejected out of hand as false. . . After allowing [the ultra-conservative Saudi version of Islam] to go unchallenged for so many decades, the West must finally exert decisive pressure upon the Saudis to cease this behavior.

While foreigners need to be cautious about intervening in debates among Indonesians, we should be doing more to curb the toxic influence of Persian Gulf money in Indonesia. And we can support people like Yahya Staquf, not by debating religion, but by agreeing that the ultra-orthodox view of Islam renders Muslims "incapable of living harmoniously and peacefully within the multicultural, multi-religious societies of the 21st century."



Paul Wolfowitz

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ISLAM, ISLAMISM AND US STRATEGY IN MARITIME SOUTHEAST ASIA

by Russell A. Berman

Maritime Southeast Asia, the area circumscribed by the Malaysian peninsula, the Indonesian archipelago and the Philippines, is vital to US strategic concerns for two primary reasons. First, this region includes the South China Sea where American and Chinese ambitions may be heading toward direct conflict as China continues to press forward with its agenda of extending its reach. Second, the region is of crucial importance for world shipping routes that are vulnerable to potential disruption due to the geography of the narrow passages at the Sunda Strait (between the Indonesian islands of Java and Sumatra) and the Strait of Malacca (between Sumatra and the Malaysian peninsula). It is important that these ocean ways remain open to unencumbered passage and free trade, subject to the rule of law, and it is crucial that the US, as guarantor of the free seas, retain its capacity to project its power in the region and avoid being shut out by a competing power.

This is also a region in which Islam, including forms of political Islam and jihadism, play various roles. To be sure, Islam is associated primarily with the Middle East: the religion originated on the Arabian Peninsula, its holy text is written in Arabic which assures a privileged status to Arab culture, and the haj pilgrimage brings countless believers annually to Mecca. Yet despite this cultural hegemony of the Arab world within global Islam, the largest Muslim population centers lay elsewhere, particularly in Indonesia, the most populous Muslim country with approximately 225,000,000 Muslim inhabitants, (representing 87% of

the country's population according to a Pew Study of 2011). India, Pakistan and Bangladesh, none of them in the Middle East, follow with regard to the size of their Muslim populations. Indonesia houses roughly ten times as many Muslims as Saudi Arabia and three times as many as Egypt. Clearly, maritime Southeast Asia is, in terms of sheer numbers, more important as a Muslim region than is the Middle East, even if the Middle East countries are generally more homogenously Muslim (especially as their minority Christian populations flee).

Islam as a whole cannot be reduced to violent Islamism. and the large Southeast Asian Muslim populations are not necessarily incubators of the sorts of radicalism that have plagued the Middle East. However, the networks of travel and communication between the two regions facilitate a dissemination of extremism. External influences from the wars and ideologies of the Middle East have built on indigenous developments in Southeast Asia, contributing to potentials for violence and destabilization in Malaysia, Indonesia and the Philippines. Contributions to this Caravan have discussed the individual cases. For the region as a whole, it is important to recognize how the US has a strategic interest in preventing the emergence of a new Middle East, a new crucible for anti-western and antimodern violence legitimated through Islamist rhetoric. A comprehensive agenda regarding both Islam and the Islamist challenge in the region should develop with at least three distinct dimensions: counter-terrorism and counter-insurgency; strategic alliances coupled with softpower reform initiatives; realist responses to competing major powers.

Counter-terrorism and counter-insurgency: The conventional notion that Southeast Asian Islam, in contrast to the Middle Eastern variety, is exclusively peaceful and moderate is no longer tenable. Radical pockets have developed in all three main countries: the insurgency in Mindanao against the Philippine central government, evidence of terror networks in Malaysia, and an increasingly rigorous and strident political Islam in Aceh in Indonesia with ramifications for national politics in Jakarta. The US has an interest in preventing Islamist radicalism from destabilizing any of these regimes, albeit not through direct military involvement. A first alternative step would involve persuading Saudi Arabia, given the warming relations between Washington and Riyadh, to cease funding the spread of Wahhabism, an important contributor to extremism in this region and elsewhere.

Strategic Alliances and Reform: An important lesson from the Middle East is that the US can and must collaborate with Muslim-majority states in order to combat Islamist radicalism. A blanket rejection of Islam in general makes as little sense strategically and politically as it does philosophically. The US should therefore cultivate its relations with Muslim-majority Indonesia and Malaysia, encouraging their modernization, while also taking appropriately politic steps to encourage reform that will build political stability; this is particularly urgent in Malaysia where an extensive corruption scandal is unfolding. The US therefore requires diplomacy capable of cooperating with Muslim states. The Philippines, with a Catholic majority and facing a Muslim insurgency, is a different case; the country is a traditional US ally, and that alliance is in need of repair. Strong partnerships with the governments in Kuala Lumpur, Jakarta and Manila can strengthen the US hand in the South China Sea, while frayed relations will weaken it.

Major Power Competition: The key competitor in this region is of course China, which maintains complex ties to diverse Muslim populations, both domestically

and overseas. Han Chinese are engaged in business activities in many Muslim countries, where however they are sometimes viewed with envy and have faced Islamist attacks, with potential policy ramifications for Beijing. Furthermore, within China, the Uyghurs (one of several Muslim minority groups) pose an irredentist threat in the western province of Xinjiang. The US requires a variegated agenda for Islam and China. There may be circumstances in which the US can side with China in combatting particular Islamist extremists, analogous to the collaboration with Russia in the campaign against ISIS in Syria. However, on other occasions, the US and China may have divergent interests. The US has little to gain by cooperating with the Chinese in repressive policies toward the Uyghurs. Not only is the severity of the reported repression in Xinjiang inconsistent with liberal democratic principles and American values. In addition, with regard to strategic calculations, the potential for Uyghur activism in the northwest of China might eventually limit Chinese willingness to escalate the conflict in the South China Sea.

Islam cuts across maritime Southeast Asia in complex ways, and the US therefore requires a grand strategy for the region capable of vital distinctions: Islamic capitalism in the high rises of Kuala Lumpur is not the same as the Islamist insurgency in the Philippines. Meanwhile, the competition with China in the region is playing out in several distinct theaters defined, in various ways, by Islam. A monolithic account is therefore necessarily inadequate. Strategic analysis has to recognize the regional complexity in order to guide an effective policy toward maintaining stability and defending US interests.



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THE CAR AVAN

The Caravan is envisaged as a periodic symposium on the contemporary dilemmas of the Greater Middle East. It will be a free and candid exchange of opinions. We shall not lack for topics of debate, for that arc of geography has contentions aplenty. It is our intention to come back with urgent topics that engage us. Caravans are full of life and animated companionship. Hence the name we chose for this endeavor.

We will draw on the membership of Hoover's Herbert and Jane Dwight Working Group on Islamism and the International Order, and on colleagues elsewhere who work that same political and cultural landscape. Russell Berman and Charlie Hill co-chair the project from which this effort originates.

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Working Group on Islamism and the International Order

The Working Group on Islamism and the International Order seeks to engage in the task of reversing Islamic radicalism through reforming and strengthening the legitimate role of the state across the entire Muslim world.

Efforts draw on the intellectual resources of an array of scholars and practitioners from within the United States and abroad, to foster the pursuit of modernity, human flourishing, and the rule of law and reason in Islamic landsdevelopments that are critical to the very order of the international system. The working group is chaired by Hoover fellows Russell Berman and Charles Hill.



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