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**NEW REBEL MOVEMENT DECLARED IN NORTHERN MALI**

*Andrew McGregor*

On March 18, a statement issued from the “military base of Hassi Labiad” in the name of the political and military cadres of the Mouvement national pour la libération de l’Azawad (MNLA), notables and the religious and traditional leaders of Azawad (i.e. northern Mali) proclaimed the establishment of the Coalition du peuple pour l’Azawad (CPA). [1] The self-described “politico-military” organization claims a strength of “nearly 8,000 veteran fighters” and pledges the group’s commitment to negotiations with the Malian government and “the fight against terrorism in the Azawad and transnational crime.” Ibrahim ag Muhammad Assaleh was one of four Tuareg rebels to have Bamako lift a warrant for his arrest in October, 2013 in the interests of furthering national reconciliation (*Jeune Afrique*/AFP, October 29, 2013).

The new movement is led by its chairman, ag Assaleh, the former external affairs representative of the MNLA, and a bureau of 32 members, overwhelmingly consisting of Tuareg leaders despite the movement’s claims to represent a broad spectrum of individuals from the Tuareg, Arab, Fulani and Songhai communities of northern Mali. CPA leader Ag Assaleh has made reference to fighters joining the CPA from the “tribes of Ansongo Cercle,” likely a suggestion the movement was being joined by Songhai fighters from that region, which straddles the Niger River south of Gao (Koaci.com, March 20). One of the individuals named as an executive member of the CPA, Baye ag Diknane (a founding member of the MNLA), however, issued an open letter expressing his surprise at being named a top official of the CPA while reaffirming his commitment to the MNLA (Azawad24.com, March 25).

Ag Assaleh was not present at the proclamation in Hassi Labiad, a village 350 kilometers northwest of Timbuktu, as he was in Niamey for talks with various representatives

from northern Mali. The announcement was presided over by the CPA's external relations official, Muhammad Ousmane ag Mohamedoun, in front of 700 attendees, including the defense attaché of the Algerian Embassy in Burkina Faso and the first adviser of the Algerian ambassador to Burkina Faso (*Le Quotidien* [Bamako], March 23). Ag Assaleh maintained that the event was also attended by representatives of the Mouvement Arabe de l'Azawad (MAA) and the largely Tuareg Haut Conseil pour l'unité de l'Azawad (HCUA) as well as various representatives of the Songhai and Peul/Fulani peoples (*Jeune Afrique*, March 19; *Journaldumali.com*, March 19).

The CPA has divided northern Mali (or Azawad) into four military zones, with a commander appointed for each. Tahha ag Alfaki is responsible for military affairs in the western zone, Assaleh ag Muhammad Rabah (a former MNLA negotiator in the Ouagadougou peace talks) is responsible for the southern zone, Mossa ag Ahmedou (former MNLA communications director) is responsible for the eastern zone and Issouf ag Erfal is responsible for the northern zone.

Negotiations appeared promising last summer, when the Tuareg rebels signed the Ouagadougou Agreement with Malian authorities on June 18, 2013 to allow the July general elections to proceed. After the elections, however, Bamako lost interest in meeting other provisions of the agreement, leading the rebels to suspend negotiations with the government on September 26, 2013 (AFP, October 6, 2013). Insisting that direct negotiations with Bamako are impossible, Ag Assaleh says he has sent requests to the government requesting new talks through mediators from Algeria, Burkina Faso and the Mission multidimensionnelle intégrée des Nations Unies pour la stabilisation au Mali (MINUSMA), the UN's peacekeeping mission in Mali (Reuters, March 25).

One reason for the split in the MNLA is the growing impatience of some members with the leadership of MNLA Secretary-General Bilal ag Achérif, particularly his hardline approach to talks with Bamako and his preference for Morocco as a new mediator in the peace talks. With apparent Algerian support for the creation of the CPA, it now appears that the Algerian-Moroccan cold war is now finding Malian proxies, complicating progress in an already difficult peace process (for growing Algerian-Moroccan tensions, see *Terrorism Monitor*, November 28, 2013). Ag Assaleh suggests that ag Achérif is involving the Tuareg in Morocco's struggle with Algeria, noting that while there are no Tuareg communities in Morocco, Algeria, by contrast, is the home of Tuareg groups closely related to those in northern Mali:

If there had been no French colonization, there would be no border between Azawad and Algeria. Our people are located on either side of this boundary... Listen, I'm very independent towards Algerian interests and we are autonomous in our fight. If you think I am close to Algeria, I would respond, "Yes, we are [close] geographically and socially. The majority of southern Algeria is occupied by Tuareg. I could even say I'm 50 percent Algerian" (*Jeune Afrique*, March 10).

While ag Assaleh maintains that the independence of Azawad has not been on the agenda since the Ouagadougou Accords, he has also insisted on the full implementation of the Accords' provisions and warned that: "If the ceasefire is not respected by the Malian side, we will have to return to war" (*Jeune Afrique*, March 10).

#### Note

1. "Déclaration de création de la Coalition du Peuple pour l'Azawad (CPA)," 22 Septembre [Bamako], March 24, 2014, <http://maliactu.net/declaration-de-creation-de-la-coalition-du-peuple-pour-lazawad-cpa/>.

## NEW OFFENSIVE EXPECTED AGAINST MAI MAI MILITIAS IN MINERAL-RICH KATANGA

*Andrew McGregor*

With combined UN-Congolese Army operations meeting some success in their efforts to clear armed militant groups from the Nord-Kivu province of the Democratic Republic of the Congo (DRC), it is almost certain that these forces will turn their attention next to the politically sensitive but mineral-rich southern province of Katanga, where rebel activity has destabilized the region while displacing hundreds of thousands of people. Most affected is a region in north Katanga between the towns of Manono, Mitwaba and Pweto known as “the Triangle of Death” (Radio Okapi [Kinshasa], March 28).

Martin Kobler, the head of the UN’s mission in the DRC, the Mission de l’Organisation des Nations Unies pour la stabilisation en République démocratique du Congo (MONUSCO), described the situation in the south as “a humanitarian catastrophe”: “I feel an element of guilt when I think of Katanga because we have concentrated our military activity on the [north and south] Kivus but it is important not to neglect Katanga” (*Guardian* [London], January 30).

Much of the insecurity experienced in Katanga can be ascribed to two bush militias with shadowy connections to regional politicians, the Mai Mai Gédéon (led by Kyungu Mutanga Gédéon) and the Kata Katanga (Kiswahili for “cut Katanga off [from the DRC]”), led by Ferdinand Tanda Imena. The two movements are often conflated in media reports. Mai Mai groups are typically named after their commander (Bakata Katanga being an exception). “Mai Mai” is a term applied to a wide variety of militias that often have little in common other than a nominal emphasis on indigenous rights. The Mai Mai gather for large operations like the occupation of Lubumbashi, but usually operate in smaller groups, terrorizing villagers, looting food, engaging in mass rapes, killing village elders and combatting Forces Armées de la République Démocratique du Congo (FARDC) patrols (IRIN, February 7). Many Mai Mai groups have ties to officers of FARDC and some are known to wear FARDC uniforms that they doff during attacks, which they typically carry out naked. [1]

After terrorizing the Katangan countryside from October 2003 to May 2006, Gédéon surrendered to UN peacekeepers in May 2006. In 2008, Gédéon claimed innocence when facing charges of war crimes, insurrection and murder before a military tribunal in Kipushi (35 kilometers southwest

of Lubumbashi) (Radio Okapi [Kinshasa], February 20, 2008). Despite being sentenced to death in 2009, Gédéon was able to flee the Lubumbashi prison during a mass jail-break engineered by his followers that freed roughly 1,000 prisoners. Immediately after his escape, Gédéon formed the Mai Mai Gédéon and resumed his earlier campaign of rape, robbery and murder. Meanwhile, Bakata Katanga commander Ferdinand Tanda Imena was arrested by Zambian authorities in 2004 and transferred to Kinshasa, where he was eventually released. Bakata Katanga is said to be responsible for two attacks on Katanga Airport in the last year (Radio Okapi [Kinshasa], January 14).

Both the Mai Mai Gédéon and the Bakata Katanga call for Katanga to secede from the DRC, but also condemn what they perceive as an unequal distribution of wealth between north Katanga and south Katanga, where the largest resource extraction operations are located. Cobalt, copper, tin and coltan (an important element in electronics) are all found in abundance in Katanga. A good part of the national budget relies on mineral exports from Katanga.

Katanga’s natural wealth led to a much earlier post-independence secession movement in 1960 that relied on Belgian military assistance and foreign mercenaries, quickly becoming part of the larger international Cold War struggle between the United States and the Soviet Union before the ultimate defeat of the secessionists in 1963. Secessionist efforts, however, were unpopular in parts of northern Katanga, where the local Baluba tribe was strongly divided over the issue.

President Joseph Kabila’s fortunes are very much tied to the stability and prosperity of Katanga, with much of the DRC’s political elite hailing from that province and having substantial business interests there. Kabila’s father, the late president Laurent-Désiré Kabila, was a member of an anti-secession Baluba militia in Katanga in his youth, having had a Baluba father. The Baluba, mostly from northern Katanga, had a long history of rebellion against Belgian authorities that saw many Baluba prisoners being sent as forced labor to the mines of southern Katanga. Historically and economically, Katanga has closer ties to nearby Zambia than the more distant regions of the northern DRC. Northern Katanga, the home of the Baluba, remains largely impoverished and undeveloped compared to the more prosperous southern half of Katanga.

The powerful Katangan politicians in Kinshasa used to be handled by presidential advisor Katumba Mwanke (from southern Katanga), but since his death in a 2011 accident, Kabila has encountered difficulties in managing this

influential group, which has in turn become dissatisfied with the president's inability to provide security in Katanga or sufficient electrical power to supply southern Katangan mining operations (Oxford Analytica, February 15, 2012). Unemployment caused by mine shutdowns or slowdowns only exacerbates the security problem as former workers take to the bush. There are persistent rumors that Gédéon's Mai Mai and the Bakata Katanga are secretly backed by Katangan politicians, with the UN accusing former national police chief John Numbi of supplying arms to Bakata Katanga and allowing the movement to use his farm outside Lubumbashi as a base (IRIN, February 13). Kabila must also contend with Moïse Katumbi, the popular governor of Katanga, who makes a public show of support for the president but tends to run his own show in private.

Much of the anti-government anger in Katanga is related to Kabila's failure to implement the decentralization elements of the 2006 federal constitution that call for the provinces of the DRC to retain 40 percent of mining revenues. The decentralization plan would also see Katanga divided into four smaller provinces. The proposed move, recently revived by Kabila, would ensure a flow of wealth to the Katangan south while ignoring the impoverished north. The decentralization plan has met with strong opposition from the Baluba of northern Katanga as well as the provincial governor, who also hails from northern Katanga.

On March 23, 2013, the Katangan capital of Lubumbashi was occupied by fighter from Bakata Katanga who raised the old flag of independent Katanga in the city's main square. More embarrassing for Kinshasa was the composition of the force that so easily occupied the DRC's second-largest city – a group of fewer than 300 fighters (some of them children) largely armed with machetes and bows and arrows and covered with charms and amulets to ward off bullets (AP, March 24, 2013; BBC August 11, 2013). After a battle with security forces that killed 35 people, the militants forced their way into a UN compound where 245 of them surrendered. Though the army had been able to defeat the militia in a relatively short time, the occupation nonetheless raised concerns in Katanga over the government's ability to establish and maintain security in the region. MONUSCO presently maintains a 450-man brigade from Benin in Katanga, which was reinforced in 2013 by an Egyptian Special Forces unit. The Congolese army maintains only one battalion in the area, far from enough manpower to begin restoring order.

Lubumbashi was occupied again on January 26, this time by fighters belonging to Mai Mai Gédéon who were defeated after an eight-hour battle (BBC, January 7; Reuters, January 7). Some 26 soldiers and rebels were killed before the militia

was driven roughly 25 kilometers from the city

Amnesties and attempts at assimilating Mai Mai fighters into the FARDC often come to naught as the life of a soldier in the Congolese Army is not necessarily better than the life of a bush fighter. In many cases, the DRC has simply failed to provide demobilized fighters the promised means to return home or start new lives (IRIN, February 7). The customary brutality of the militias precludes the development of popular followings of any significance, leaving the groups with little other option than replacing losses through abductions of young people. Bakata Katanga has kidnapped hundreds of children, some as young as eight-years-old (al-Jazeera, August 17, 2013).

In one sense, the secession issue provides political cover to criminal groups like Kantanga's Mai Mai militias, which otherwise have little in the way of a political ideology and do little to gather popular support as a legitimate secession movement might be expected to do. Though evidence has not been produced, there is a general feeling in the DRC that the Katangan militias are manipulated by local politicians to pressure the Kabila regime. Given the importance of Katanga both to the DRC's economy and the personal political fortunes of President Kabila, it is likely that a major offensive will soon begin in the region involving FARDC forces backed by elements of the recently formed UN Intervention Brigade (IBDE), a capable group of 3,000 troops drawn from the militaries of Tanzania, Malawi and South Africa. This combined force may gather intelligence through the use of UN-owned drones currently deployed in Nord-Kivu province.

#### Note

1. "The Mai-Mai Lumumba: Okapi killers or self-defense forces?," September 6, 2012, <http://congosiasa.blogspot.ca/2012/09/guest-blog-mai-mai-lumumba.html>.

## Indian Investigations Reveal Funding System for Promoting Jihad in Kashmir

*Animesh Roul*

After pursuing a cross-border money laundering case for several years, Indian investigative agencies have zeroed in on the leadership of the Pakistan-based Hizbul Mujahideen (HM) and its front charity organization for allegedly funding terror activities in Jammu and Kashmir (J&K, Indian-administered Kashmir) and beyond. On March 11, the Enforcement Directorate of India registered a case under the Prevention of Money Laundering Act (PMLA) taking notice of a First Information Report (FIR – the first step in opening a criminal investigation in India) registered by the National Investigation Agency (NIA) late last year against ten people. Those cited included Muhammad Yusuf Saha (a.k.a. Syed Salahuddin), the supreme commander of HM and present chairman of the United Jihad Council (UJC), a Kashmir militant conglomerate based in Pakistan-administered Kashmir (PAK).

The NIA, India's premier terror investigating agency, declared Salahuddin, his deputy Gulam Nabi Khan and eight others militants proclaimed offenders (i.e. fugitives sought in connection with a major crime of violence) and charged them with channeling huge sums of money into J&K for subversive activities. Among those charged, Dr. Dawood (a.k.a. Muhammad Shafi Shah) and Talib Hussain Lali (a.k.a. Wasim) are in NIA custody (*Daily Excelsior* [Jammu], December 1, 2013). The NIA has found that Dr. Dawood collected millions of rupees to finance militancy. An August 2013 media report on NIA investigations into the funding of Kashmir terrorist groups wrote that they had received approximately \$100 million for terror operations through donations and relief funds during the past two years. The most active organization in this distribution was the Jammu and Kashmir Affectees Relief Trust (JKART) (Rediff.com, August 7, 2013). The NIA has been tracking the systematic funding activity of HM since October 2011 in a first of its kind investigation involving multiple channels, including cross-border trade, cash couriers/*hawala* (informal money transfers involving few if any records) and formal banking systems.

HM was founded in Pakistan in 1989 by Jamaat-e-Islami zealots, primarily to spearhead the so-called "liberation movement" in Indian Kashmir and to carry out jihad against the Indian political establishment. With active support from Inter Services Intelligence (ISI - Pakistan's

leading intelligence agency) and religious political parties like Jamaat-e-Islami, HM and its leader Syed Salahuddin became the face of Pakistan's "proxy war" strategy against India. At the behest of the Pakistan government, other Kashmir-centric militant organizations such as Tehreek-e-Jihad Islami (TJI), Hizb al-Mujahideen-l-Jihad Commandos and the Allah Tigers merged with HM in 1991 to further armed militancy (*Asia Times*, March 11, 2005; *The Hindu*, January 16, 2009). Salahuddin's HM and other anti-India elements in Pakistan, including Lashkar-e Taiba and Jaish-e-Muhammad, have formed the United Jihad Council (UJC) in Muzafarabad in Pakistan for a unified Kashmir struggle, taking responsibility for the distribution of resources like money, arms, ammunition and propaganda literature in support of the Kashmir jihad.

HM required intensive funding in its formative years. Much of that monetary support came from Pakistan's ISI to carry out militant activities in India (*Tribune* [Chandigarh], November 29, 1999). [1] From bank heists to extortion, HM leaders have used every possible method to fund Kashmir militancy as well. Over the years, the organization has developed wider financial networks, both secretive and above-ground channels, to sustain the largest militant group in the Kashmir region. In mid-2009, J&K police unearthed a well-established *hawala* network. According to the NIA, the hardline Syed Ali Shah Geelani faction of the All Party Hurriyat Conference (APHC) was involved in running *hawala* networks to finance HM and other militant groups in the J&K.

HM and Salahuddin have invested heavily to mobilize popular opinion behind the Kashmir struggle and to find recruits through the provision of relief for the family members of slain militants. For this purpose, HM and its sympathizers have utilized shadow NGOs and educational and humanitarian charities like JKART and the Falah-e Alam Trust to fund militant activities in Kashmir. In 2011, the NIA named two Pakistani nationals affiliated with JKART, chairman Mahboob-ul-Haq and general secretary Masroor Dar, as prime organizers behind monetary transactions the HM operatives carried out in the J&K and Pakistan-administered Kashmir (*Indian Express* [Mumbai], December 8, 2011).

According to the NIA charge sheet, over \$2 million had been channeled into the Kashmir Valley for JKART, an organization used by Hizbul Mujahideen to finance militant activities in J&K (*Economic Times* [New Delhi], December 1, 2013). Established in the early 1990s, JKART aims to provide health care, food and shelter to Kashmiri families displaced by the conflict. With headquarters in the garrison

city of Rawalpindi in the Pakistani Punjab, JKART also has branches in the Pakistani capital of Islamabad and in Muzafarabad, the capital of PAK.

Although HM leader Syed Salahuddin is officially banned from PAK, he continues to operate within Pakistan proper with impunity, giving public sermons, media interviews and organizing fundraisers in Rawalpindi, Lahore and Muzafarabad. In many of his media appearances Salahuddin asserts that Pakistan has been extending moral, military and diplomatic support to HM for continuing the armed struggle against India (Rediff.com, August 28, 2001). He even once declared his full faith in the Pakistani civil-military leadership and expressed confidence that Islamabad would never hand him over to India. The most famous statement came in May 2012, when he threatened Islamabad, saying: “We are fighting Pakistan’s war in Kashmir and if it withdraws its support, the war would be fought inside Pakistan” (Arab News [Jeddah] May 31, 2013).

With the shadow charity groups active on the ground, HM used to receive foreign donations targeted at helping the marginalized people in Kashmir region. One such event came under scrutiny when the Canada Revenue Agency (CRA) revoked the charitable status of the Islamic Society of North America’s Canada’s Development Foundation when it was found to have distributed over \$280,000 between January 2007 and December 2009 to the Kashmiri Canadian Council/Kashmiri Relief Fund of Canada to fund in turn the Pakistan-based Relief Organization for Kashmiri Muslims, the charitable arm of Jamaat-e-Islami Pakistan (Weekly Press Pakistan [Toronto], November 22, 2013). The CRA expressed concern “that the Organization’s resources may have been used to support the political efforts of Jamaat-e-Islami and/or its armed wing, Hizbul Mujahideen.” [2]

Indian authorities undoubtedly hope that the results of the latest NIA investigation into terrorist financing and charges of official Pakistani complicity will put fresh pressure on Islamabad to clamp down on the activities of Kashmir-centric Islamic front charities like JKART (Hizbul Mujahideen) or the Falah-e-Insaniat Foundation Pakistan (Lashkar-e-Taiba).

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#### Notes

1. See K. Santhanam, Sudhir, Saxena and Manish, *Jihadis in Jammu and Kashmir: A Portrait Gallery*, Institute for Defence Studies and Analyses/Sage, 2003.

2. Canada Revenue Agency News Release, “The Canada Revenue Agency revokes the registration of the ISNA Development Foundation as a charity,” Ottawa, September 20, 2013, <http://news.gc.ca/web/article-en.do?nid=773409>.

## From Syria to Sulawesi: Could Mujahideen Indonesia Timor become an ISIS Ally?

Jacob Zenn

A schism emerged among Syrian jihadist groups after al-Qaeda chief Ayman al-Zawahiri announced on February 3 that al-Qaeda has “no connection” to the Islamic State of Iraq and al-Sham (ISIS) (*Daily Times* [Lahore], February 13). The message, which was circulated on jihadi websites, has forced Syrian jihadist groups to side with ISIS or al-Qaeda’s Syrian affiliate, Jabhat al-Nusra (Fisyria.com, January 13). The announcement is also affecting jihadist groups outside of Syria such as those in Indonesia.

Jihadists from Indonesia have used the Syrian Civil War as an opportunity to rebuild their international jihadist connections, with Indonesians joining al-Nusra, ISIS and humanitarian organizations in Syria that are connected to terrorist groups. The announced split has faced Indonesian jihadists with the decision to support al-Zawahiri or ISIS. On the battlefields in Syria, most Indonesian aid workers and fighters supported al-Nusra at the start of the Syrian Civil War, but the main domestic Indonesian jihadist group on the island of Sulawesi as well as most Indonesian-language jihadist websites now appear to be more aligned with ISIS. If Indonesian jihadists align with ISIS over al-Qaeda, this could accelerate the globalization of the split in the al-Qaeda movement, with more international affiliates siding with ISIS and therefore weakening al-Zawahiri.

In 2011, the Syrian rebel group Ahrar al-Sham posted the first online “martyrdom” notice of an Indonesian militant, Reza Fardi (a.k.a. Abu Muhammad), who died fighting Syrian President Bashar al-Assad’s forces near Aleppo. Since then, Indonesian intelligence officials estimate that 50 Indonesians have joined the rebels in Syria (*Jakarta Post*, January 8). Dozens of Indonesians in the Hilal al-Ahmar Society in Indonesia (HASI), considered the humanitarian wing of Indonesian terrorist group Jemaah Islamiyah (JI), are also providing aid to the rebels, with some of them likely switching uniforms from relief worker to rebel (*Jakarta Globe*, January 30).

Jakarta is concerned that Indonesians in Syria may acquire the bomb-making skills and experience needed to replicate the wave of attacks that JI carried out in Indonesia between 1999-2002. During those three years, JI bombed Istiqlal Mosque in Jakarta, attempted to assassinate the Philippine ambassador in Jakarta and carried out church bombings in

Jakarta, Sumatra (Indonesia’s largest island), Java (the most populated island), the island of Lombok (east of Bali) and the island of Batam (a shipping hub on the Singapore Strait). The year 2002 concluded with JI’s bombing attack at Kuta Beach in Bali, which killed nearly 200 people.

When Indonesia’s elite counter-terrorism unit, Densus 88, began capturing key JI militants in 2005, starting with Bali bomb-maker Dr. Azahari Husin, Indonesia observed that most JI fighters were Indonesians or Malaysians who fought in Afghanistan in the 1980s and 1990s. Densus 88 and other countries’ intelligence forces captured or killed almost all of the militants involved in the JI bombings, which neutralized the JI threat in Indonesia by the time of JI co-founder Abu Bakar Bashir’s arrest in 2011 (*Dawn* [Bangkok], August 17, 2003; *The Star* [Petaling Jaya], December 17, 2012).

The Indonesians in Syria, however, are now establishing networks with al-Nusra, ISIS and Caucasian and Central Asian jihadist groups that may enable them to bring their Syrian experience back to Indonesia and revive JI under the umbrella of Mujahideen Indonesia Timor (MIT), Indonesia’s most active terrorist group. This could resemble the way Indonesians who fought in Afghanistan in the 1980s and 1990s contributed to JI in the 2000s.

One commonality between Indonesian militants in Syria like Reza Fardi and groups like HASI and MIT is that they all received ideological inspiration and operational support from Abu Bakar Bashir. Even though the 76-year-old Bashir is serving a 15-year prison sentence in Indonesia for funding an al-Qaeda in the Veranda of Mecca training camp in Aceh (Aceh’s nickname, “Veranda of Mecca,” refers to its history as a center of Islamic learning), he is allowed to release statements and publish books. The second version of the book *Tadzkiroh* (Warning and Advice), which Bashir published from prison in 2013 calls the Indonesian government “apostate” for cooperating with the “infidel” United States. [1] After the start of the Syrian Civil War, Bashir wrote that Syria is analogous to Afghanistan two decades ago, saying that the experience fighting in Syria could provide Indonesians with a “university for jihad education” (*The Diplomat* [Tokyo], February 1).

Bashir may have influenced six militants who were killed in a January shootout in Jakarta while plotting to blow up Buddhist temples and the Burmese Embassy after Bashir called for Indonesians to fight Burma because of its treatment of the Muslim Rohingyas (*Jakarta Globe*, January 14). One arrested militant told security forces that the cell planned to meet fellow militants in Syria after carrying out their attack on the embassy. He also said the cell robbed a bank near

Jakarta in December 2013 to finance their travel to Syria, including the purchase of fake passports for nearly \$1,000 each. He also confessed that the cell bombed one Buddhist temple in Jakarta in August 2013. [2] Evidence from the shootout suggested that one of the militants in the cell trained in bomb-making with MIT in Poso, Sulawesi. The MIT leader, Santoso, is the former leader of the Poso wing of Jamaat Ansarul Tawhid (JAT), an offshoot of JI founded by Bashir in the late 2000s (Tempo.com [Jakarta], January 1).

HASI, which like al-Mukmin was co-founded by Bashir and Abdullah Sungkar, has organized more than 50 public fundraising campaigns in 20 Indonesian provinces to support the rebels in Syria. It also runs various websites to receive online donations. HASI's lack of transparency about where funds go after they are collected and the use of JI members who were released from prison as preachers at fundraisers raises concerns about whether these funds are actually being used to revive JI (Jihadsyam.blogspot.com, August 26, 2013). Fundraising events also promote JI's intolerance of the Shi'a (al-Assad is an Alawite, which some regard as a branch of the Shi'a). A July 2013 fundraiser in Central Java used the slogan "The Shi'a Betrayal" to attract participants, while another in Sukoharjo in May 2013 attended by more than 1,500 people warned of the emerging "Shi'a grip" over Indonesia (VOA-Islam.com, September 2, 2013; Arrahmah.com, May 23, 2013).

It appears that the first group of Indonesian fighters in Syria fought together with Jabhat al-Nusra. Indonesia's first "martyr" in Syria, Reza Fardi, reportedly died in Latakia (northwestern Syria) fighting as part of the Suqor al-Izz Brigade, an ideological ally of al-Nusra (*Sydney Morning Herald*, January 4). HASI and other Malaysian aid providers in Syria have also seen their shipments intercepted, plundered and even shot at by ISIS after aid workers refused to give bayat (a pledge of allegiance) to ISIS leader, Abu Bakr al-Baghdadi. [3] This has likely influenced these Indonesians to work with al-Nusra and explains why HASI shipments are more frequent in al-Nusra strongholds in northwestern Syria than in ISIS strongholds near the Syria-Iraq border.

However, most Indonesian-language jihadist websites, such as Almustaqbal.net, announced their "support and solidarity" with ISIS. [4] In addition, the popular Albusyro.com blocked the membership of anyone who posted messages against ISIS. A former JI member, Ustadz Rois, now in prison for his role in bombing the Australian Embassy in Jakarta in 2004, criticized the influential website Arrahmah.com for only posting al-Nusra statements. [5]

Santoso and his sub-commanders in MIT who trained in the

Bashir-sponsored camp in Aceh may also be more inclined to ISIS. Santoso, for example, honored al-Qaeda in Iraq's former leader, Abu Mus'ab al-Zarqawi, by choosing the alias of "Abu Mus'ab al-Zarqawi al-Indonesi" (Arrahmah.com, October 15, 2012). Santoso's most recent video, which praised a suicide bombing at a Poso police headquarters in Sulawesi, was hosted by a pro-ISIS website (al-mustabal.net, October 31, 2013). Moreover, ISIS's goal to spread Shari'a across all Islamic lands may be more likely to appeal to Santoso and MIT than al-Nusra's objective, which is to overthrow al-Assad and focus on the establishment of an Islamic state in Syria before exporting jihad.

Indonesian jihadists in Syria, relief organizations like HASI and jihadist groups like MIT are all part of networks that are undergoing a revival because of the Syrian Civil War. The key foundations of this revival are Abu Bakar Bashir's continued ideological leadership, Santoso's growing jihadist movement in Sulawesi (with links to cells in Jakarta) and the opportunity Syria is providing Indonesian militants and aid workers to reconnect with the international jihadist community.

As the civil war within a civil war escalates in Syria between ISIS and al-Zawahiri's recognized affiliate, Jabhat al-Nusra, Indonesian jihadists may be forced to take sides in the dispute like other militants within and outside Syria. It appears that MIT and Indonesian jihadists who are active online are more closely aligned with ISIS's ideology and leadership than al-Zawahiri's. However, purportedly nonviolent actors, such as Indonesian humanitarian groups, may prefer al-Nusra over ISIS.

An MIT expression of support for or affiliation with ISIS would suggest that MIT might begin carrying out attacks targeting foreigners, Christians and Shi'a in Indonesia. Thus far, MIT has mostly attacked Indonesian security forces. Similarly, Abu Bakar Bashir might issue a statement from his prison cell calling for Indonesians jihadists to support one of the two sides in the Syrian conflict. In his most recent statement on April 1, Bashir said he "received news from the Internet" about "obstacles" that the "tyrants" placed between the "Mujahideen brothers in Sham" and that al-Zawahiri would not "forget" them (Shamikh1.info, February 2014). This suggests that Bashir may remain loyal to al-Qaeda just as he was when he co-founded JI in the 1990s and oversaw the al-Qaeda in the Veranda of Mecca training camp in Aceh in the 2000s.

A more decisive statement of support for Jabhat al-Nusra from Bashir could have a significant influence on the Indonesian foreign fighters in Syria as well as MIT in Sulawesi. However, it could also lead to a split between Bashir's loyalists and



Santoso's loyalists if Santoso rejects Bashir's advice, continues to issue pro-ISIS statements and revives the vision for a pan-regional Islamic caliphate in Southeast Asia like the caliphate ISIS is fighting for in Iraq and Syria.

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#### Notes

1. See: <http://www.scribd.com/doc/207883069/Kata-Pengantar-Buku-Tadzkiroh-II-B5-1>.
2. See: <http://www.youtube.com/watch?v=gB3ruWU2E24>.
3. "Indonesians and the Syrian Conflict," Institute for Policy Analysis of Conflict Report no. 6, January 30, 2014, [http://file.understandingconflict.org/file/2014/01/IPAC\\_Indonesians\\_the\\_Syrian\\_Conflict.pdf](http://file.understandingconflict.org/file/2014/01/IPAC_Indonesians_the_Syrian_Conflict.pdf).
4. See the banner at: <http://al-mustaqbal.net/multaqod-dawiy-ke-6-faksi-support-solidarity-for-isis-allahu-akbar/>.
5. See: <http://al-mustaqbal.net/nasehat-ustadz-rois-kepada-arrahmah-com-terkait-isis/>.

## The Libyan Oil Crisis: Social Fragmentation in an Unstable State

*Dario Cristiani*

In early March, the North-Korean flagged tanker MT *Morning Glory* reached the eastern port of Es-Sider, one of the three oil ports seized by Ibrahim al-Jadhran's Cyrenaica Defense Forces. [1] Jadhran's forces tried to sell oil independently of Tripoli's control, something that they had threatened to do in the past. The tanker was reportedly loaded with about 234,000 barrels of crude and was able to slip through Libyan naval patrols. Shortly afterwards, U.S. Special Forces boarded and seized the tanker off of Cyprus before returning it to Libya (Reuters, March 23). The inability of the Libyan government to manage this situation created a major political crisis, with Prime Minister Ali Zeidan fleeing the country on a private jet for Germany after being sacked by the General National Congress (GNC) (*Guardian* [London], March 13; al-Jazeera, March 22; AFP, March 23). The crisis was not an isolated event, but instead represented the peak of a wider situation pitting the central government in Tripoli against armed groups (especially in the east) that has brought Libyan oil output to a standstill. Given the importance of oil for Libya, and of Libya for the global oil market, these developments have a wider significance beyond their economic impact.

### The Roots of the Current Crisis

The end of the 42-year-long Qaddafi regime triggered a series of political fragmentations that are somehow natural in the history of Libya. A rather challenging and inhospitable geophysical environment has fostered the dominance of local groups – and a local and narrow definition of interests and solidarity – rather than allowing the emergence of a unified and more inclusive national society. Like other nations in the region, Libya's national borders were more the product of European colonialism and the introduction of the concept of nation-states than the product of a local historical process. Unlike other countries – Egypt, for instance – which had a nationalist sensibility and narratives to support it, the presence of a unified and inclusive nationalist narrative in Libya has always been particularly weak and the establishment of modern national borders has failed to produce a sense of nationalist coherence or solidarity.

The three regions that compose modern Libya – Cyrenaica, Tripolitania and Fezzan - have always maintained their own particular identity. Within them, local communities,

tribal links and towns have historically represented the focal points through which Libyans have organized their interests and represent the primary units of social and political reference. These tendencies were well displayed in the fight against Italian colonialism, when resistance was organized around powerful local families and urban settlements.

The dominance of localism was not challenged by the establishment of Libya as a nation-state in 1951 and the 1969 revolution led by Muammar Qaddafi did not change this situation significantly. A few years after the revolution, Qaddafi gave up his original ambition to downplay the influence of tribal solidarity and used a select few tribes to prop up his regime and boost stability. His divide and conquer strategies and the exclusive nature of his regime nurtured a desire for revenge that clearly emerged once the Libyan revolution started in 2011. Moreover, the deliberate lack of civil institutions within the *Jamahiriyah* (the Republic of the Masses) and the spread of informal mechanisms to manage power did not produce a new, inclusive national identity, but rather created a political context in which fragmentation and narrower, local-based and largely selfish visions of interest became dominant.

Revolutionary units, militias and brigades were organized around cities and local power-brokers, and once the regime collapsed, they also became the key actors in post-Qaddafi Libya. The weak central authority tried to appease and contain these militias rather than challenge them directly. Some militias were able to guarantee a minimum level of stability in their areas, while in other places the presence of multiple rival militias created an informal “balance of power” that was able to again guarantee a minimum level of security.

This situation was short-lived, however, and now many of these militias are directly challenging the authority of Tripoli, especially groups in the east, where the situation is exacerbated by the presence of most of the oil facilities, disagreements over defining the borders of some oil fields lying at the meeting point of Tripolitania and Cyrenaica bids by some political movements to gain greater access to oil revenues. The attempt to sell Libyan oil has changed the intensity of the struggle, bringing it to a different and more challenging level.

### Libyan Oil Trends

Shortly before the revolution, Libyan oil output reached 1.77 million barrels per day (bpd) of crude oil in 2010, equivalent to 2% of global output according to IMF figures. [2] Following 9/11, Qaddafi, who had earlier nationalized

the Libyan oil industry, seized the opportunity to reduce his international isolation by cooperating with the West, reducing his foreign policy adventurism and giving up Libya’s WMD program. This allowed international oil companies to return to Libya at a time when the national oil sector was particularly in need of new investment. This trend stopped in 2011, when the eruption of the Libyan Civil War brought oil production to a standstill. The IMF calculated that Libyan oil production for 2011 stood at 0.5 million bpd, with the lowest point in August 2011 when production was almost zero as the Qaddafi regime collapsed and rebels took control of Tripoli. [3] After that, production gradually resumed and quickly returned to its pre-war level, hitting 1.7 million bpd in September 2012.

A rising wave of strikes and protests led to a sharp reduction in oil output in 2013, however. In mid-October 2013, former prime minister Ali Zeidan announced that Libya was producing between 600,000 to 700,000 bpd thanks to the return online of more than one-third of its oil production. This assertion was false. In September 2013, production was 150,000 bpd. In the second half of 2013, Libya produced only an average of around 250,000 bpd. In January 2014, production recovered as the government announced that Libya produced about 582,000 bpd in the week ending January 18 (Libya Herald, February 6). That was just a temporary development, as production collapsed again, with the National Oil Corporation (NOC) announcing that production stood at 155,000 bpd at the end of March (Reuters, March 28).

### More than the Blockade

The blockades by rebel militias of the oil and gas facilities have the potential to harm Libyan energy operations for decades to come. Paolo Scaroni, the head of Italian ENI (one of the most important companies operating in Libya), noted that: “Opening and closing gas and oil fields is not like switching a light on and off. It risks damaging the geology of the field” (Libya Herald, March 24). The blockades and the consequential sharp decline in oil output are not the sole problems that Libya and its oil sector have to face, with the energy sector burdened by a series of structural problems that may have a serious impact on medium- and long-term operations.

Despite the importance of this sector’s revenues to Libya, its governance is engulfed by political instability. On January 21, Oil Minister Abd al-Bari al-Arousi and four other members of the Justice and Construction Party (JCP), the political arm of the Libyan Muslim Brotherhood, resigned from the government after failing in an attempt to censure

Prime Minister Ali Zeidan (Libya Herald, January 22). Moreover, the execution-style killing of British oil worker Mark de Salis and girlfriend Lynn Howie on a Libyan beach heightened the risk perception of foreign companies operating in Libya (*Guardian* [London], January 4). Although this is not a decisive factor in pushing companies away from Libya, it nevertheless may raise concerns. Other factors that could discourage foreign investment and a more active commitment from oil companies to the country include:

- Continuing security volatility;
- The risk to personnel in Libya;
- The targeting of energy facilities for occupation by political activists and militants;
- Some recent and disappointing drilling results;
- The psychological burden to the industry in the wider North African region following the attack at Algeria's In Aménas gas facility in January 2013.

The sector is also facing legal and regulative problems in Libya; the Libyan Exploration and Production Sharing Agreements (EPSA) IV terms on contracts are considered by international companies to be among the most restrictive and penalizing in the global oil market (*Oil & Gas Journal*, April 18, 2005). In this legal framework, contract winners are generally determined by how high a share of production a company is willing to offer to the NOC (WorldFinance.com, September 13, 2013). Funds for exploration work must be provided entirely by the private companies, who must also pay for 100 percent of all costs faced for a minimum time period of five years while the NOC maintains exclusive ownership. Moreover, the management structure of Libyan joint venture companies gives the NOC a "golden share" (allowing the holder to outvote all other shareholders in specific circumstances) and the final word on all decisions. After the revolution, Libyan authorities stated they were keen on announcing EPSA V terms by the end of 2013. However, in September 2013, NOC Chairman Nuri Berruie announced that the new EPSA would not be produced before mid-2014, asserting that the GNC did not have the constitutional authority to launch a new EPSA bidding round (Libya Herald, September 18, 2013).

### The Importance of Oil for Libya

Libya is a paradigmatic example of a "rentier state," one that relies almost entirely on the "rent" of its natural resources to external clients for its national revenues. Libya remains one of the most hydrocarbon-dependent countries in the world, with a poorly-diversified export sector.

The hydrocarbon sector currently composes around 70 percent of GDP and about 98 percent of exports (AFP, February 19). Oil revenues remain the most important budgetary source for Libya, composing about 90 percent of government revenues. [4] Libya holds the largest proven oil reserves in Africa; according to the latest BP Statistical Review of World Energy, Libya has 48 billion barrels of proven reserves (2.9 percent share of the world total). [5]

A rather important element of the Libyan oil industry is that it is a major contributor to the global supply of light and sweet crude. Light crude is generally considered to have an API gravity (American Petroleum Institute gravity is used to compare the relative densities of petroleum liquids) higher than 31.1 degrees (though this may vary) and only the oil produced at the al-Bouri field stands below this threshold, with an API of 26. Sweet crude has a low sulfur content, particularly important for producers facing tighter environmental regulations. This important element explains why Libyan oil is particularly interesting for oil companies, as it is easier to refine and produces higher percentages of gasoline and diesel fuel when converted. Moreover, the geographical position of Libya makes it a rather important supplier of oil for Europe, and the fact that Libyan oil supplies are not dependent on the situation in the Suez Canal and the Persian Gulf made it historically a major target of interest for international oil companies, particularly in Europe.

Although the energy sector only employs around 2 percent of the Libyan workforce, it is nevertheless fundamental in supporting employment in the public sector, where an estimated 1.3 million workers form roughly 80 percent of Libya's labor force. [6] The pattern of Libyan public spending suggests that the oil sector is also a fundamental element of social stability. In 2012, wages and salaries represented the largest component of public expenditure, accounting for about 36 percent of the total. Subsidies and transfers (29 percent) also had a significant share, while goods and services accounted only for 25 percent. [7] This means that about 65 percent of Libya's public expenditure has an immediate and direct impact on the living standards of the population.

### Conclusion: Implications for Libya and for the World

Libya's dependence on oil makes the current crisis one of the toughest challenges faced by the already weak government in Tripoli. Over the past three years, Libya has been able to partially contain the impact of increasing fragmentation using public money. Despite this, Libya has been unable to control the proliferation of militias and

local groups claiming a bigger slice of the “oil pie.” Libya’s inability to leverage public money to cool social tensions in the wake of the ongoing financial crisis is a major element of concern, since it could lead to further radicalization. This is a significant challenge and its outcomes will determine the future path of Libya as a nation state. This challenge, however, goes well beyond Libyan borders. Given the importance of Libya to global oil production, prolonged political instability and a lasting blockade of its oil facilities may combine to keep global oil prices high. Apart from the classic supply and demand dynamic (as Libyan problems reduce the global supply of oil), the energy market is also particularly sensitive to geopolitical factors; security concerns in Iraq, Nigeria, Venezuela and the former Soviet space may also play a role in putting upward pressure on prices.

A Libya on the brink of complete chaos, without significant changes in the legal and regulatory framework of its oil sector, may push foreign firms to rethink their strategies. The ongoing shale revolution may push many companies to search for less risky environments in which to operate, potentially abandoning a country that, despite enormous potential in terms of reserves and the high quality of its oil, will likely experience at least several more years of chaos. Moreover, the blockades may damage the oil infrastructure and delay routine maintenance work, in turn reducing Libya’s ability to achieve the oil production targets that authorities claim they should be meeting in normal conditions, generally 1.7 to 1.8 million bpd. This will, of course, have an impact on the overall stability of the country; at the moment, the struggle between local groups to get a bigger slice of revenues that were for decades in the hands of Qaddafi and his circle is pitting groups – above all from the east – against the government and also against themselves. If such revenues diminish, competition will increase and cause further radicalization, in turn advancing the already significant trend to fragmentation that characterizes Libya. This is the reason why oil remains key to the success of post-revolutionary Libya.

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#### Notes

1. For a profile of Ibrahim al-Jadhran, see Militant Leadership Monitor, January 2014; for the occupation of Es-

Sider oil terminal, see Terrorism Monitor, October 31, 2013.

2. International Monetary Fund, *Libya beyond the Revolution: Challenges and Opportunities*, Washington D.C., 2012, p. 4.

3. Ibid.

4. Ibid.

5. BP, *Statistical Review of World Energy 2013*, p. 6, [http://www.bp.com/content/dam/bp/pdf/statistical-review/statistical\\_review\\_of\\_world\\_energy\\_2013.pdf](http://www.bp.com/content/dam/bp/pdf/statistical-review/statistical_review_of_world_energy_2013.pdf).

6. Libya - African Economic Outlook 2013, p. 5. <http://www.africaneconomicoutlook.org/en/countries/north-africa/libya/>.

7. Ibid.