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## How Transnational Terrorists Profit from Fragile States

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# Table of Contents

5	<b>Problems and Recommendations</b>
7	<b>Transnational Terrorism and Fragile States</b>
9	<b>Forms and Causes of Fragile Statehood</b>
14	<b>Al-Qaeda and Other Transnational Terrorist Networks</b>
20	<b>The Infrastructure of Transnational Terror Networks</b>
20	Recruitment
22	Training and Planning Facilities
24	Safe Havens and Areas for Withdrawal
25	Transit and Supply Routes
26	Ways and Means of Communication
27	Access to Resources
28	Access to Ways of Financing
30	<b>Which Fragile State Offers Which Functions and Capabilities?</b>
32	<b>Conclusion: State Building As a Key Element in Counter-terrorism Strategy</b>
34	<b>Abbreviations</b>



### **How Transnational Terrorists Profit from Fragile States**

Djerba, Bali, Mombasa, Riyadh, Casablanca, Istanbul, Madrid and London—these are the most important locations of the devastating attacks launched after September 11, 2001, which were attributed to the Al-Qaeda terrorist network or to Al-Qaeda-related groups. They are the product of transnational terrorism, which to a large extent makes use of the erosion of state structures throughout the world. These processes of failure can no longer be ignored by the international community. On the one hand, the disintegration or collapse of states often occurs in tandem with the emergence of manifest, local violence or even open civil war, often with significant regional and international effects. On the other hand, transnational terrorist groups such as Al-Qaeda tend to use such “state free” zones as bases of operation and hideouts. Both aspects are intertwined in that local terrorist and guerilla groups, and transnational networks often provide each other with mutual support for logistics, recruitment, finance and, as is the case with Islamic fundamentalist groups, ideology.

State failure is often seen as one of the essential conditions for transnational networks to function and operate. This study aims at examining this hypothesis with the following questions: What connection really exists between the existence of fragile states and terrorism? Which political and socio-economic processes, which are responsible for state fragility, indirectly benefit transnational terrorists? What essential capabilities must terrorist networks possess in order to sustain themselves? What do fragile states—usually against their will—contribute to this?

At the outset, the study proposes a framework of analysis that systematically presents the various aspects of the topic. It finally results in a more comprehensive picture, in contrast to the image of “black holes of disorder and lawlessness” (Germany’s Foreign Minister Fischer) which gives the wrong impression that the loss of internal order is always followed by chaos and anarchy.

First, the entire spectrum of fragile states must be considered, not just the most serious cases of state disintegration. Therefore, a differentiation between *weak*, *failing* and *failed states* is proposed here, which is based on three central state functions: security, welfare and

legitimacy/rule of law. There are four crisis-related developments in particular that characterize fragile states and which transnational terrorists indirectly or directly profit from: local conflicts and non-state violence, failed or blocked processes of modernization, forms of *bad governance* and the consequences of unregulated trans-border effects and “shadow globalization.”

Second, in order to remain capable of acting on a continuing basis, there are several identifiable infrastructure and logistical functions that are typically attributed to terrorist networks: recruiting, training and planning, safe havens and areas for withdrawal, transit and supply routes, communication, access to resources and to financing.

Third, the analysis of these aspects shows that the countries that are of interest for transnational terrorists are primarily those whose statehood is precarious and which display considerable deficits in certain areas. They cannot, however, be considered failed or collapsed since they still maintain a certain degree of order, partly through authoritarian means. In contrast, failed states or regions with severe civil wars are only of limited use for terrorist networks—with the significant exception of Afghanistan. For the fight against Al-Qaeda and other terrorist groups, the relevant states are first of all countries such as Saudi Arabia, Yemen, Pakistan, Indonesia and the Philippines that accommodate, to varying degrees, the infrastructure needs of transnational networks.

Against this background, the strengthening of sustainable state structures has to be among the priorities of German and European security policy. *State-building* is, from this perspective, an essential element of a strategy for a structural and long-term fight against terrorism. It is less about the direct fight against existing terrorist structures but rather about the change of the favorable environment in which they exist, with the aim of limiting the terrorist networks' scope for action and stopping their expansion. More precisely, this means limiting their ability to maneuver and operate, their possibilities for recruiting, their supplies, their transportation and communication abilities as well as the spread of their ideology

*State-building* must, however, not concentrate solely on the strengthening of the legitimate monopoly of the use of force and the state security apparatus but also needs to take into consideration the areas of welfare and legitimacy/rule of law. Otherwise there would be the risk of supporting undifferentiated, repressive

policies of certain regimes in the context of the international fight against terrorism. This would in the medium term have counterproductive consequences. Regime stability and state stability are by no means identical. The sustainability of state structure in fact depends on whether deliberate changes take place in all three of the above mentioned, central functions of a state. *State-building* can take place on three different levels: (1) stabilization of existing structures; (2) reform or transformation of structures; (3) (re)construction of structures, which did not exist at all or not in an adequate form.

The first two approaches are above all relevant for the fight against transnational terrorist networks: In most states affected, it is not about the construction of state structures but rather about measures for stabilization and, in part, drastic reforms, which often challenge on the vested interests of the ruling elites. German and European foreign policy should concentrate on the key states identified and draw up corresponding plans for reducing the attractiveness of these states to transnational terrorists. The central features of such a plan should be: (a) the strengthening of the legitimate monopoly of the use of force and security sector reforms, (b) the strengthening of state investments and reforms in the sphere of welfare (in particular in education), (c) the strengthening of democratic procedures and processes and reforms in the area of rule of law.

The difficulty is, on the one hand, to stabilize the countries without at the same time strengthening authoritarian, feudal or clientelist structures and thereby making the necessary reforms more difficult. On the other hand political and economic reforms must not further destabilize the affected country and aggravate the situation. Hence, success will heavily depend on the ability to combine external assistance for stabilization (e.g. in the security sector) with concrete reform steps (e.g. improving possibilities for political participation).

# Transnational Terrorism and Fragile States

Since September 11, 2001, the problem of collapsed and failed states, which already had the attention of the international public at the beginning of the 1990s, returned to the security policy agenda. However, the connection to September 11 is rather indirect: The 19 assassins belonged to a transnational terrorist network which had its (temporary) headquarter in Afghanistan—one of the failed states that had not received any attention from Western media for a long time. The case dramatically shows that global risks and concrete threats can arise from neglected local problems and conflicts. For a long time collapsed states have primarily been regarded as a risk for the region and in particular as a humanitarian catastrophe for the local population. Today, in contrast, the Western world considers them to be direct threats to their own national security.

In the U.S. National Security Strategy (September 2002) President Bush came to the conclusion that “America is now threatened less by conquering states than we are by failing ones.”<sup>1</sup> On September 6, 2002, the British Foreign Minister Jack Straw called for a systematic approach of the community of states for dealing with failed states, which could no longer be treated as local or regional issues.<sup>2</sup> German Foreign Minister Joschka Fischer made similar comments before the UN General Assembly (November, 12, 2002) when he warned not to ignore the “black holes of disorder and lawlessness.” In the European Security Strategy (December 2003) drafted by the EU’s High Representative for the Common Foreign and Security Policy, Javier Solana, failed states are also referred to

as one of the central threats to international security. This would be even more true, the more the problem of failed states is connected with other threats such as international terrorism, organized crime and/or proliferation of weapons of mass destruction.<sup>3</sup>

Bush, Straw, Fischer and Solana all implicitly or explicitly assume a causal connection between state disintegration and the threat of globally-operating terrorism. How plausible is this claim? Indeed, several serious objections to this claim have already been made.

*First*, terrorism is obviously not a phenomenon limited to failed or unstable states. Since the 1970s, there have also been local terrorist groups located in Western states that are not fragile. Among them are left- and right-wing extremists, religious and apocalyptic as well as ethnic-national and separatist groups. Almost every society in the OECD area—from the U.S. to Western Europe and Japan—was confronted with domestic terrorism. Sometimes the conflict continues until today as in the case of Northern Ireland, the Basque Country and Corsica. This point is however not really relevant for the issue at stake since the link between fragile statehood and terrorism refers to a particular kind of “new,” transnational terrorism with an Islamic imprint. This special kind of terrorism does not have its roots in the OECD area but in other world regions.

*Second*, globally-operating terrorists have also used Western states as areas for withdrawal and preparation, for the recruitment of assassins as well as for the acquisition and transfer of financial funds. This was already the case with Palestinian groups in the 1970s and 1980s as well as with Algerian and Kurdish extremists in the 1990s, who used France and Germany, respectively, as their bases of operation. Today the situation is similar for the Al-Qaeda network. The attacks of September 11 were prepared inter alia by an Al-Qaeda cell in Hamburg and then later in the U.S. Numerous detentions since September 11 also serve as evidence for the fact that Al-Qaeda indeed managed to use violent Islamic fundamentalist circles in Western

1 U.S. National Security Strategy, September 2002, <<http://www.whitehouse.gov/nsc/nss.pdf>>, p. 1. Already before September 11, a commission put into place by President Clinton described the disintegration of states as a significant and increasing security task for the next 25 years. See U.S. Commission on National Security/21st Century, 2000: *Seeking a National Strategy: A Concert for Preserving Security and Promoting Freedom*, April 15, 2000, <<http://www.nssg.gov/PhaseII.pdf>>.

2 Straw: “State failure can no longer be seen as a localized or regional issue to be managed simply on an ad hoc, case by case basis. We have to develop a more coherent and effective international response which utilizes all of the tools at our disposal, ranging from aid and humanitarian assistance to support for institution building.”

3 *European Security Strategy, A Secure Europe in a Better World*, Brussels, December 12, 2003, pp. 3-5.

Europe and North America to build-up a network of terrorist cells, helpers and supporters. This observation makes it clear that just like other societies, liberal Western societies are also susceptible to the establishment of terrorist structures. The argument, however, overlooks the fact that these structures, particularly in the case of Al-Qaeda, are part of a larger network. This network in turn can only exist because it has its origin, center and command structures in those parts of the world that are characterized by fragile statehood. If this was not the case, so goes the counter-argument, the terrorist cells and their henchmen could not survive in Western states, at least not permanently.

*Third*, in the literature there are a number of states that are usually assigned to the category of *failed states*, which however have so far not yet generated international terrorism. This applies in particular to countries south of Sub-Sahara Africa: Despite extremely weak state structures and numerous regional conflicts, terrorist groups, let alone a transnational "African" terrorist network, are rarely found in comparison to other regions. This objection however misses the core issue: These states might not be directly responsible for the emergence of transnational networks, but they are used by such networks. There is, for example, evidence of Al-Qaeda activities or of groups related to Al-Qaeda in Sudan, Djibouti, Kenya and Tanzania. Business connections are also suspected to exist in Sierra Leone, Liberia, Angola, Nigeria and Congo. In this respect the conditions in these countries, which are more commonly characterized by *warlords* and organized crime than by terrorism, favor the continuing existence of transnational terror structures.<sup>4</sup>

*Fourth*, the question is asked whether there is a causal connection at all between both phenomena. Some observers hold the view that globally operating terrorists do not have their bases in failed states or civil war regions precisely because they would have to depend on the protection of local warlords or other non-state actors and would have to operate in a very difficult environment, in which the conditions for their own security can rapidly change.<sup>5</sup> Terrorists, especially members of the leadership level, therefore

usually prefer to have their hideouts in more wealthy regions or districts with reasonably functioning infrastructure. This observation is for example supported by the detention of Al-Qaeda members or sympathizers in residential areas in Pakistan and Saudi Arabia.<sup>6</sup> In this context, one may also refer to the homes of Bin Laden, who from 1992 to 1996 settled in the central government controlled northern Sudan and not in the civil war regions of southern Sudan. Moreover, he returned to Afghanistan when the Taliban already controlled large parts of the country.<sup>7</sup> This argument does not reflect the fact that, in addition to finding a place for terrorist leaders to hide, other infrastructure and logistic possibilities are of central importance for networks. Moreover, the concept of fragile states is much broader and not limited to such extreme cases in which state institutions have more or less disappeared.

All the objections show that the initial question has to be formulated in a more differentiated way than is the case in the quoted politicians' statements: one must ask whether failed or collapsed states are really so attractive to terrorist networks or whether countries in which the state functions only partially fail, appeal more strongly to them. Furthermore it is important to ask: To what extent do fragile states contribute to the genesis and persistence of transnational terrorist networks? Could they permanently exist without the possibilities that they typically find in fragile states? In conclusion it should be more clearly clarified which type of fragile statehood is especially susceptible to which kind of infrastructure for terror networks. To answer these questions it is first necessary to clarify what is understood by, on the one hand, fragile statehood and, on the other hand, transnational terrorism.

<sup>4</sup> See also Jeffrey Herbst and Greg Mills, "Africa and the War on Terror," *South African Journal of International Affairs*, Vol. 10, No. 2, Winter/Spring 2003, pp. 29–39.

<sup>5</sup> This position is held by e.g. Karin von Hippel, "The Roots of Terrorism: Probing the Myths," in: Lawrence Freedman (ed.), *Superterrorism*, London: Blackwell, 2002, pp. 25–39.

<sup>6</sup> One example is the detention of *Khalid Shaikh Mohammed*, one of the probable masterminds of the September 11 events, who was arrested in an exclusive residential suburb of Rawalpindi close to the Pakistani capital Islamabad (March 1, 2003). *Ramzi Binalshibh* was also arrested in one of Karachi's better quarters (September 10, 2002). See Nick Fielding and Yosri Fouda, *Masterminds of Terror*, Hamburg: Europa, 2003.

<sup>7</sup> See von Hippel, "The Roots of Terrorism" [as fn. 5], p. 31. With regard to Afghanistan this information is not quite correct since Bin Laden was first "invited" by a local warlord in Jalalabad before he got the support of the victorious Taliban troops from mid 1996.

## Forms and Causes of Fragile Statehood

Fragile statehood is primarily about the loss or non-existence of the state institutions' ability to fulfill central aspects of governance. The institutions of affected states are not or no longer able to provide basic services for their populations.<sup>8</sup> Here, three state functions that form the core of modern statehood should be distinguished. For each function, the degree of erosion of statehood can be determined through a series of indicators—partly by means of quantitative data (e.g. the use of the Human Development Index, World Bank Governance Indicators, Freedom House Index or Corruption Perception Index) and partly through case specific, qualitative analyses of the status quo. As a rule, in order to conclude that a state function has disintegrated or discontinued, several indicators must be negative.

**Security function:** A key function of the state is the guarantee of internal and external security, in particular of the citizens' physical security. The control of state territory by means of the state's monopoly of the use of force is therefore essential. This relates to the establishment of a public administration for the control of resources and of a security apparatus for the resolution of local conflicts or the disarmament of non-state actors. States that do not or can no longer fulfill this function are often unable to efficiently control their territory and external borders. They are furthermore often characterized by permanent local or regional unrest (e.g. separatism), a significant number of armed non-state actors, and high and increasing crime rates. In addition, in many countries the state security apparatus is under threat of disintegration or collapse. In other cases, it constitutes a serious threat to the security of its own citizens.

**Welfare function:** This function comprises the provision of public services as well as mechanisms for the distribution of economic resources—as a rule both are financed via public revenues (e.g. custom duties, taxes, dues, fees etc.). This implies the entire range of state activities in different policy areas such as macro-economic policy, social and economic policy, the labor market, education, health, environment as well as public infrastructure. Relevant indicators for the loss or lack of the states' ability to fulfill the welfare function are: the systematic exclusion of certain parts of the population from economic resources, enduring economic or currency crises (e.g. the crisis of the rentier state); low tax or custom duty revenues; high foreign debts, an increasing gap between the poor and the rich; a high unemployment rate;; a high illiteracy rate, high infant mortality, low life expectancy, the collapse or non-existence of social security systems, the deterioration of the infrastructure, education and health systems as well as massive ecological problems.

**Legitimacy and rule of law function:** This function consists of forms of political participation and decision-making procedures, the stability of political institutions as well as the quality of the rule of law, the judicial system and the public administration. The following indicators can be used as criteria for the state's performance of this function: the degree of political freedoms (such as the freedom of speech and assembly); the degree of political participation (such as the passive and active right to vote, competition for office); the repression of political opposition; systematic election falsification and fraud; systematic exclusion of certain parts of the population from political participation (e.g. minorities); significant human rights violations (e.g. torture); an increasing rejection of the regime and the political order; no independence of the judiciary and no guarantee of proceedings in accordance with the rule of law; collapse of the public administration as well as a high degree of corruption and clientelism.

Instead of concentrating solely on the—certainly essential—monopoly of the use of force, this approach systematically incorporates the other two functions. Stability can also only be expected if the state has the capacities and corresponding structures to reasonably

<sup>8</sup> For the issue of state failure, see above all: Robert Rotberg, "Failed States, Collapsed States, Weak States: Causes and Indicators," in: Robert Rotberg (ed.), *State Failure and State Weakness in a Time of Terror*, Washington, D.C.: Brookings Institution Press, 2003, pp. 1–25; Gero Erdmann, "Apokalyptische Staatlichkeit: Staatsversagen, Staatsverfall und Staatszerfall in Afrika," in: Petra Bendel, Aurel Croissant, and Friedbert Rüb (eds.), *Demokratie und Staatlichkeit. Systemwechsel zwischen Staatsreform und Staatskollaps*, Opladen: Leske + Budrich, 2003, pp. 267–292; Jennifer Milliken (ed.), *State Failure, Collapse & Reconstruction*, London: Blackwell, 2003.

fulfill its duties in all three areas. Viewed from this perspective, authoritarian systems (such as North Korea, Syria, Turkmenistan, Uzbekistan or Belarus) can also be referred to as fragile states and potential candidates for state failure, although they are commonly considered, partly in reference to their military capabilities, as “strong” states. These regimes usually possess a certain stability since they are able to assert themselves using, at least in part, draconian measures. However, these states display significant deficits in the welfare and/or legitimacy functions. Instead of improvement in these functions, creeping or abrupt disintegration can be expected (e.g. after the death or overthrow of a dictator). Therefore *regime stability* is not to be equated with *state stability*. To the contrary: The continuity of certain regimes is in many cases rather a danger for statehood because authoritarian, feudal or clientelist structures increasingly undermine the foundations of the state.

A typology of fragile states can be developed on the basis of the three functions of the state: (1) *weak state*, (2) *failing state* (3) *failed* or collapsed state. The underlying assumption is that a state’s stability gradually decreases in the course of development from type (1) to type (3). This however does not mean that these stages have to occur in a fixed order. To the contrary: It is absolutely possible that countries of type (1) directly change into type (3) countries or the other way around.

**Type 1 Weak states:** In weak states the state monopoly of the use of force is more or less intact. There are, however, deficits in the welfare and/or legitimacy or rule of law functions. Examples are countries in Sub-Saharan Africa (e.g. Eritrea, Uganda), in South America (e.g. Peru, Venezuela), in Central Asia and in South Eastern Europe (e.g. Macedonia, Albania), which partly have significant problems with both functions. This is also true for most Arab or Islamic states. In this category there are a number of partially or fully authoritarian regimes which mostly provide a certain amount of stability in combination with the supply of some basic services. However, they have a weak base of legitimacy and lack rule of law structures. They usually also display large deficits in the area of welfare policies.

**Type 2 Failing states:** In this category the state monopoly of the use of force and the guarantee of security are severely limited. In the one of the other two functions or in both the state still exhibits a certain ability of governance. Examples would be Colombia, Sri Lanka, the Philippines, Indonesia,

Moldova and Georgia. The governments of these states are not able to control their entire territory and/or their external borders. Furthermore they have to deal with a large number of armed non-state actors. Other functions can, however, still be fulfilled in a reasonable way: In Sri Lanka, for instance, this is the case for both public welfare measures and democratic and constitutional structures. Frequently this type of state is a (formally) democratic country that has to fight against separatist tendencies and/or high degrees of crime (as in Colombia). But also non-democratic regimes such as in Nepal and Sudan also fall into this category. They do not control all parts of their territory but still possess a certain ability to manage the state, particularly in the terms of providing public services that benefit at least parts of the population.

**Type 3 Failed or Collapsed States:** In failed states none of the three core functions of states are adequately fulfilled. Hence, there is a total failure or collapse of statehood. This does not necessarily imply a situation of chaos or anarchy. In fact, the state is replaced by other, often competing non-state actors that base their authority mostly on violence and repression. Current examples are Somalia (since 1992), Afghanistan, DR Congo (since 1997), Liberia, Sierra Leone and Iraq (since 2003); at times Angola (1975–2002), Bosnia (1992–95), Tajikistan (1992–97) and Lebanon (1975–92) also belonged to this category. Special cases are those states that have split into new, independent states. The disintegration of the state can proceed without violence and in a consensual manner (e.g. the Soviet Union 1991, Czechoslovakia 1993, Ethiopia/Eritrea 1991) or it can result in military conflict (see Yugoslavia 1991–95, Pakistan/Bangladesh 1971).

Which processes and factors promote the erosion of statehood or prevent the establishment and expansion of state structures? The underlying dynamics are extremely complex and can take place differently in each country. However, four distinct developments are primarily responsible for the fragility of many states. Taken all together these developments make up the particular context from which transnational terrorist networks systematically profit, partly they even allow for the establishment and persistence of network structures. Some states are equally affected by all four developments, usually in a certain sequence. Other, less dramatic cases are affected only by one or two dynamics. The first three developments correspond to the three state functions (security, welfare and legitimacy/constitutional state). The last one relates to

global processes that, in principle, affect every state. These processes however, have particular repercussions on those states whose statehood is already deeply challenged. The processes do not occur independently but feed on each other. The more seriously a state is affected by single processes the more likely it is that further crisis-related developments will occur unless a change of policy takes place.

**Local conflicts and non-state violence.** Numerous societies are characterized by local, armed conflict, which can include fully-fledged civil wars. As a rule, and compared to wars between states, the level of violence is low with occasional escalations over a long period of time, sometimes decades. The best examples are the conflicts and wars in Afghanistan, Algeria, Georgia, Sudan, Sierra Leone, Liberia, the Philippines, Indonesia, Palestine, Chechnya and Kashmir. In addition to state security forces, the country is dominated by armed non-state actors such as separatists, rebels, paramilitary militia, mercenaries, warlords or criminals. They erode and corrode the state monopoly of the use of force, control single locations, city neighborhoods or entire regions, operate mostly unobstructed across national borders, use natural, easy accessible resources for their own purposes, and/or exploit the civil population. The state is thus not or no longer able to fulfill its most fundamental task, namely to guarantee the physical security of its citizens. To the contrary: In numerous cases it is mired in the dynamic of violence and the developing war economy that abets the further degeneration of state institutions. Parts of the security apparatus often enter into symbiotic relationships with other non-state actors. As a result, it becomes nearly impossible to distinguish between public and private (e.g. Chechnya, Indonesia).

**Failed or blocked processes of modernization.**

A number of states mentioned in this study are characterized by failed or blocked processes of socio-economic modernization. As a result there are significant constraints and increasing disparities in terms of welfare and services. This is often the case for so-called rentier states whose economies are primarily based on the export of raw materials and where the ruling elites use the revenues to maintain their power. These states, in particular in the Gulf region, have experienced a number of crises since the 1980s. As a result,

their room for distributing wealth has declined,<sup>9</sup> and state revenues and investments in public infrastructure have decreased, in particular in the social, education and health systems. In addition, the prevailing mechanisms for the distribution of goods and opportunities are based on clientelist structures, mostly on family or clan relations. Ultimately, these structures prevent or block processes of social mobility, i.e. certain parts of the population have only limited or no upward mobility. This affects, in particular, those parts of the middle classes who were able to moderately increase their standard of living and education level over a certain period of time, but who now perceive themselves as socially and economically not sufficiently included or even marginalized. An indicator for this is the high unemployment rate among young people who lack prospects despite having a good education.<sup>10</sup> In total, these processes cause societal and socioeconomic stagnation, and even a partial deterioration of the status quo. This profile is typical for most Arab states as the Arab Human Development Report (2002) showed: In comparison to other world regions the authors judged the region, albeit with significant differences between the countries, as wealthy but generally inadequately developed<sup>11</sup>—specifically in terms of the fundamental aspects of human development such as unemployment, illiteracy, per capita income, and poverty.<sup>12</sup> In already politicized layers of society, especially in large cities, these obstacles for development can translate into social protest. Social protest—depending on the political conditions—is then used and fueled by extremists. Without implying an automatism, it can be determined in this context that parts of society are susceptible to religious fundamentalism and political radicalism, which rejects the “Western model of

<sup>9</sup> The Arab states saw a dramatic decline of its economic growth between 1982 and 1990 before the growth rates slowly increased again in the course of the 1990s (3,3% on average). See *Arab Human Development Report, A Future for All*, New York: United Nations, 2002, p. 85.

<sup>10</sup> According to surveys of 2001 the topic “job opportunities” is the most important for most young Arabs (45%), followed by education (23%). The majority of the older adolescents (51%) furthermore wished to emigrate—also an indicator for the general dissatisfaction. See *ibid.*, pp. 29–31.

<sup>11</sup> See *ibid.*, p. 26.

<sup>12</sup> In 19 Arabian states under scrutiny there were in total 20 million unemployed people (given the birth rate this number should continue to rise). There are about 65 million illiterate adult Arabs two-thirds of whom are women; see *ibid.*, pp. 3, 10.

modernization” as the incorrect “path” and calls for a return to genuine “Islamic values.”

**Forms of bad governance.** Corruption and clientelism, a lack of the rule of law, constrained political freedoms, no adequate possibilities for political participation as well as forms of limiting or repressing political expression are further characteristics of fragile statehood. Under such conditions, the legitimacy of the political order is challenged the more society becomes politicized and, as a consequence, more and more parts of the population demand inclusion in the political decision-making process. Regimes often react to this political mobilization with authoritarian and repressive measures, e.g. election fraud, prohibition of assemblies and parties, restriction of the freedom of expression and press, persecution and intimidation of regime opponents, systematic exclusion of certain groups, politicized court proceedings or incidents of torture by police and security institutions. This policy in most cases aggravates of the situation, provokes societal opposition and increases the likelihood that radical groups will resort to violence, while at the same time weakening moderate forces. This constellation is not only characteristic of autocratic or feudal regimes but also of states that at least partly have formally democratic elements such as elections (e.g. Yemen) or that are in the process of democratization (e.g. Indonesia).

The Arab region, again, plays a special role. In terms of indicators for political freedom and in comparison to other world regions it performs worst, behind sub-Saharan Africa and South and East Asia. Certain conclusions can be drawn from the precarious legitimacy of these states.<sup>13</sup> The above-described pattern of repression and rebellion is found in a number of Arab countries:<sup>14</sup> The massive persecution of the Islamic fundamentalist opposition movements in Egypt (1980s and 1990s) and in Algeria (1990s) are paradigmatic.

<sup>13</sup> See *ibid.*, pp. 27–28.

<sup>14</sup> See Mohammed M. Hafez, *Why Muslims Rebel. Repression and Resistance in the Islamic World*, Boulder, CO: Lynne Rienner, 2003. On the basis of different case studies the author comes to the following conclusions: “Muslims rebel because they encounter an ill-fated combination of political and institutional exclusion, on the one hand, and reactive and indiscriminate repression on the other. When states do not provide their Islamist opposition movements opportunities for institutional participation, and employ repression indiscriminately against these movements after a period of prior mobilization, Islamists will most probably rebel” (*Ibid.*, pp. 199–200).

Both regimes only rarely distinguished between moderate and radical forces. In the course of the conflicts, militant groups ideologically sealed themselves off more and more. Radical splinter groups emerged which declared the fight against the “corrupt regime” as their *raison d’être*. This radicalization finally broke out into terrorism and civil war.<sup>15</sup> Currently Malaysia, Indonesia, Saudi Arabia, Kuwait, Yemen, and Pakistan face similar problems. There, too, the question arises—although with different intensity—how to deal with the radical-Islamic fundamentalist opposition. The propaganda and the activities of these groups are directed not only against their own governments but also against the “West,” above all the USA, which is seen as a supporter of the regimes. This popular sentiment in turn offers an ideological point of reference for transnational, Islamic fundamentalist networks.

**Unregulated transborder activities and “shadow globalization.”** Certain globalization processes open up a range of action for non-state actors and contribute to the weakening of already fragile states. Such processes that may weaken or even undermine national borders are the liberalization of global trade and financial markets, the advance of worldwide communication opportunities, and the dismantling of barriers in the movement of persons, goods and capital. In addition, and in part based on these processes, an expansion of transnational “shadow economies” can be observed, also been called “shadow globalization.”<sup>16</sup> This term covers different phenomena such as money laundering, capital flight, smuggling, organized crime, transnational corruption, unregulated trading areas for goods, informal labor markets, and above all the linking-up of local war economies with regional or global markets which makes the (re-)financing of conflicts possible. These semi-legal, illegal or criminal activities constitute the base of income for certain groups, and in some countries even for large parts of the population. They, however, largely elude state or international control and regulation. The line between regular, international economic activity and

<sup>15</sup> *Arab Human Development Report* [as fn. 9], pp. 71–108.

<sup>16</sup> See Elmar Altvater and Birgit Mahnkopf, *Globalisierung der Unsicherheit. Arbeit im Schatten, schmutziges Geld und informelle Politik*, Münster: Westfälisches Dampfboot, 2002; Mark Duffield, *Global Governance and the New Wars*, London: Zed Books, 2002, pp. 136–160; Peter Lock, “Gewalt als Regulation: Zur Logik der Schattenglobalisierung,” in: Sabine Kurtenbach and Peter Lock (eds.), *Kriege als (Über)Lebenswelten*, Bonn: Dietz, 2004, pp. 40–61.

unregulated black markets is usually blurred. These activities benefit different kinds of non-state actors such as multinational firms, diaspora communities, criminals, warlords, mercenaries, and modern pirates whose transnational business relations, means of transportation or forms of financing are also used, abused or simply copied by transnational terrorists.

## Al-Qaeda and Other Transnational Terrorist Networks

In this study, terrorism is defined as a strategy of violence executed by non-state actors, who, according to their own words, want to achieve political goals and whose attacks primarily have psychological effects by spreading panic and fear. While “national” or “domestic” terrorist groups typically carry out attacks in their own countries and follow a national agenda, transnational terrorist networks have a completely different profile.<sup>17</sup> The networks and their cells act simultaneously in various countries and operate secretly across borders. Even if they have their origins in local conflicts, they do not focus on a national agenda and they—in contrast to traditional terrorism—do not need to have their center or command headquarters in Country X or carry out attacks in Country Y. In principle, terrorist attacks can be carried out anywhere—depending on political or economic opportunities. These are networks of like-minded people of different backgrounds, who, united by common ideology, pursue an international or at least regional goal. Based on the paradigm case of the Al-Qaida network, there are at least five criteria that can be formulated, which must be fulfilled in order to label a group as a transnational terrorist network.

1. **Cross-border operations:** The network aims at carrying out attacks in different parts of the world. It can focus, either temporarily or in the long term, on a specific region of the world, and on key countries, but in principle it must be able to operate on a trans-regional level and if possible, have global reach. Al-Qaeda has proved the latter many times: the network has been held responsible for carrying out or planning attacks in, among other places, Somalia, Kenya, Tanzania, Tunisia, Morocco, Yemen, Saudi Arabia, Pakistan, Afghanistan, the Philippines, Singapore, Indonesia, Spain, Turkey and the U.S.
2. **An international and regional agenda:** Transnational terrorists are not concerned primarily with changing the domestic order in a particular

<sup>17</sup> See for additional detail, Ulrich Schneckener, *Netzwerke des Terrors. Charakter und Strukturen des transnationalen Terrorismus*, Berlin: Stiftung Wissenschaft und Politik, Dezember 2002 (S 42/02), pp. 10–19.

state, but with changing the international or, at least, regional order. In this context, the (actual or supposed) supremacy of a country or a societal model is generally attacked—on the global level the U.S. and the Western model is targeted, and on the regional level, depending on the context, Russia, Israel, Australia or India. Local conflicts, such as in Palestine, Kashmir and Chechnya, are seen as closely related, as constituent conflicts of a larger macro-conflict. Since at least 1996, Al-Qaeda has primarily pursued international objectives, and the U.S. and the “West” have become its main enemies. They must be defeated in order to end the oppression and humiliation of the Arab and Islamic world. From the point of view of Al-Qaeda, there is a global conflict between the “non-believers” and the “believers.” The latter clearly include the so-called Western societies and also Russia and India, as well as the “non-believers” within the Islamic world.<sup>18</sup>

3. **Transnational ideology:** These international and regional objectives are based on a transnational ideology, which is supposed to reach and connect as many people as possible. Therefore, the ideology must be able to bridge national, cultural, language and geographic differences. It must give the individuals as well as the entire network normative orientation and political strategy. These requirements are met by the pan-Islamic ideology, by which Al-Qaeda addresses all Muslims. A central element of this ideology is a radicalized idea of Jihad, which asserts that the armed struggle against the “non-believers” is an obligation of each Muslim.
4. **Transnational network structures:** Decentralized, non-hierarchical organizational structures are preferred. They extend over several countries and regions and are open for personal or institutional contact with other groups. The network structure

<sup>18</sup> This agenda is explained by Bin Laden and other Al-Qaeda leaders in various speeches; see Schneckener, *Netzwerke des Terrors* [as Fn. 17], pp. 22–23. The fact that Al-Qaeda has for a long time considered different regional conflicts in a larger context, is also made clear by a statement from December 1999, in which Americans, Indians and Russians were identified as the „leading terrorists.“ See Rohan Gunaratna, *Inside Al-Qaeda*, London: Hurst, 2002, p. 218.

permits a high degree of flexibility, which applies both to the choice of targets and to the hide-outs of leaders and commanders, who can count on supporters in various countries. At the same time, the flat hierarchy enables individual cells, “operatives” who lead several cells, or individual attackers a certain amount of autonomy for planning and carrying out attacks without the leadership losing control over events. Usually, some of these operatives are tightly linked with each other, in part thanks to personal or familial relationships. They keep contacts with local cells or groups who are not linked with each other. Al-Qaeda is organized following this pattern: on the basis of a network of experienced Afghanistan fighters, Bin Laden built, on the one hand, a globally-operating terrorist network and, on the other hand, he linked Al-Qaeda with other, local terrorist and guerilla groups, which in part were founded by veterans of the Afghanistan War who had returned home.

- 5. Multinational membership:** Transnational networks do not limit recruitment of fighters or supporters to one ethnic group or nationality only. In fact, the network is open for all who subscribe to the ideology and the armed struggle. Nevertheless, there may be key countries or regions from which the majority of the members come. In this respect, Al-Qaeda can also be viewed as a pioneer: due to the Afghanistan War, which from the beginning was an international undertaking dominated by fighters from the Arab peninsula and Northern Africa. During the 90s, recruiting was expanded to other regions (especially Central Asia and South East Asia). Recruiting was made easier by direct and indirect participation in numerous regional conflicts (e.g. Kashmir, Bosnia, Chechnya, Mindanao, southern Thailand). Moreover, people in the Muslim Diaspora in the Horn of Africa, in East Africa (e.g. Kenya), in Europe and in Northern America were systematically recruited, including U.S. citizens and Europeans who had converted to Islam.

These five characteristics can be used to estimate the degree of transnationalization of terrorist groups. They follow usually a similar process: They start with their actions and ambitions locally and increasingly act internationally and organize themselves transnationally. Also in the case of Al-Qaeda, transnational structures developed gradually, the same is true for the formation of its transnational ideology and its international objectives. In this respect, the following

groups are comparable to Al-Qaeda:<sup>19</sup> the South East Asian network *Jemaah Islamiyah*, Sunni groups in Pakistan and Kashmir, and to a certain degree the Lebanese-Shiite *Hezbollah* (“The Party of God”). Their reach is clearly more limited than that of Al-Qaeda, but they are active, even if at a different intensity level, beyond the context of regional conflicts, they develop international contacts and links, they show elements of transnationalization in both their organizational structure and their activities. It is worth noting that all organizations involve militant, radical Islamic fundamentalist movements. Even if one cannot exclude the future emergence of networks with another ideological background, the dominance of Islamic groups is nevertheless not accidental. In fact, crisis-influenced developments in the Arab world since the late 1970s—especially in Egypt and Saudi Arabia—set in motion a proliferation of religious extremism and an Islamicization of local conflicts from the Balkans over the Caucasus to South East Asia.

**Jemaah Islamiyah (JI)** comes closest to the Al-Qaeda prototype.<sup>20</sup> In the middle of the 90s, the group was founded in Malaysia by exiled Indonesians, including the preacher Abdullah Sungkar (died in 1999) and Abu Bakr Ba’asyir. Both, together with fellow fighters, had to leave their homeland in 1985 in order to avoid impending prison sentences. The Islamic network has its origins in the environment of a religious school (*Pondok Ngruki*) in Solo/Central Java, where, going back to the 1970s, the scholars wanted Indonesia become an Islamic state. In exile, they systematically developed a transnational network, for which they

<sup>19</sup> The basis for the selection are the U.S. State Department generated lists „designated foreign terrorist organizations“ and „other terrorist groups“, on which a total of 74 groups are identified. See U.S. State Department, *Patterns of Global Terrorism 2002*, Washington, D.C., April 2003.

<sup>20</sup> For *Jemaah Islamiyah* see Patrick Bolte, Kay Möller, and Osman Rzyttka, *Politischer Islam, Separatismus und Terrorismus in Südostasien*, Berlin: Stiftung Wissenschaft und Politik, March 2003 (S 12/03), pp. 39–43; Zachary Abuza, “Tentacles of Terror: Al Qaeda’s Southeast Asian Network,” *Contemporary Southeast Asia*, Vol. 24, No. 3, 2002, pp. 450–459; International Crisis Group, *Jemaah Islamiyah in South East Asia: Damaged But Still Dangerous*, Jakarta/Brussels, August 2003 (Asia Report, No. 63); International Crisis Group, *Indonesia Background: How the Jemaah Islamiyah Terrorist Network Operates*, Jakarta/Brussels, December 2002 (Asia Report, No. 43); International Crisis Group, *Al-Qaeda in Southeast Asia: The Case of the ‘Ngruki Network’ in Indonesia*, Jakarta/Brussels, August 2002 (Indonesia Briefing); Anthony Davis, “Southeast Asia Fears New Terrorist Attacks,” *Jane’s Intelligence Review*, November 2003, pp. 15–19.

recruited non-Indonesians and expanded their contacts in South East Asia, Saudi Arabia and Pakistan. Following the collapse of the Suharto regime, the JI founders returned to Indonesia in 1998. However, attacks were still also planned out of Malaysia.

In terms of its organizational structure, JI has some similarities with Al-Qaeda, although JI might be more hierarchical: the leader (*amir*) is at the top and this role was performed by Sungkar until his death.<sup>21</sup> There are four institutions beneath the leader: a ruling council (*majelis qiyadah*), a religious council (*majelis syuro*), a council for religious edicts (*majelis fatwa*) and a committee for disciplinary issues (*majelis hisbah*). The ruling council is led by a central command (*qiyadah markaziyah*), which is higher ranking than the four territorial units (*mantiqis*) and the districts (*wakalabs*).<sup>22</sup> The regional subdivision of the network is the following: (1) West Malaysia and Singapore; (2) Java; (3) Mindanao, East Malaysia and Sulawesi; (4) Australia and West Papua.<sup>23</sup> JI has active members and supporters from Singapore to Australia, and maintains contacts with Muslim groups in Mindanao, Thailand<sup>24</sup> and Burma and has been, for several years, closely linked to local terrorist and guerilla groups in Indonesia, which are mostly involved in conflicts between Christians and Muslims on Molucca (*Laskar Mujahidin*) and in South and Central Sulawesi (*Wahdah Islamiyah*, *Laskar Jundullah*).<sup>25</sup> Moreover, because people who were trained in camps in Afghanistan or Pakistan also have contact with the Al-Qaeda leadership, JI is often labeled by the international press in a simplifying way as the South East Asian offshoot of Al-Qaeda. The most prominent middleman between the two networks has been the Indonesian Riduan Isamuddin (known as Hambali), who has been held responsible as the trigger man for a series of terrorist attacks and

21 Abu Bakr is supposed to have lined up the succession, he was supposedly displaced in 2002 by Abu Rasdan (in jail since April 2003). See International Crisis Group, *Jemaah Islamiyah in South East Asia* [as Fn. 20], p. 11.

22 See *ibid.*, pp. 11–13.

23 See International Crisis Group, *How the Jemaah Islamiyah Terrorist Network Operates* [as Fn. 20], p. i.

24 Contacts with the Muslim separatist groups *Gerakan Mujahideen Islam Pattani* (GMIP) and *Barisan Revolusi Nasional* (BRN), who are active in southern Thailand, are presumed; compare Davis, “Southeast Asia Fears New Terrorist Attacks” [as Fn. 20], p. 19.

25 In order to bring the diverse Indonesian groups closer together, Abu Bakr founded in August 2000 the umbrella organization *Majelis Mujahidin Indonesia* (MMI), to which both militant and more moderate Islamic forces belonged.

plots in South East Asia, including the “Christmas Attack” on 38 Christian churches in Indonesia (December 2000) as well as the bomb attacks on Bali (October 2002).<sup>26</sup> JI clearly operates across borders: they have carried out, or at least planned, attacks in Indonesia, Singapore and the Philippines. Since at least 1995, JI has adopted an agenda that is supposed to bring about a change in the political order of the entire region: the group champions the establishment of an Islamic Caliphate, which would comprise of Indonesia, Malaysia and Singapore as well as the Muslim south of the Philippines. The local conflicts, especially in Mindanao and Indonesia, are interpreted as steps in this direction and are encouraged accordingly. Like Al-Qaeda, JI relies on a transnational, Islamic ideology, which is strongly shaped by an anti-Christian orientation in addition to anti-Western tendencies.

Transnational elements are also recognizable in the approaches of militant **Pakistani groups**. One can distinguish between the Jihad groups, who are primarily active in the Kashmir conflict, and the so-called sectarian outfits, who essentially carry out attacks within Pakistan—mostly against the Shiite minority. *Harkat ul-Mujahedin* (HuM, founded 1995), *Jaish-e-Mohammed* (JeM, founded 2000) and *Lashkar-e-Toiba* (LeT, founded 1990) belong to the first group and, in particular the *Lashkar-e-Jhangvi* (LeJ), which was formed in 1996, belongs to the latter group.<sup>27</sup> Recently, however, these traditional orientations seem to be vanishing. These groups, possibly under the

26 In addition to Hambali, other jailed JI members are also connections to Al-Qaeda, including the Malaysian *Yazid Sufaat* (arrested in December 2001), the Indonesian *Fathur Rahman al-Gozi* (arrested in January 2002, escaped in July 2003), the Indonesian *Abu Jibril* (arrested in January 2002), the Indonesian *Agus Dwikarna* (arrested in March 2002) as well as the Kuwaiti *Omar al-Farouq* (arrested in June 2002). See Bolte, Möller, and Rzyttka, *Politischer Islam* [as Fn. 20], pp. 42–43; International Crisis Group, *Al-Qaeda in Southeast Asia* [as Fn. 20], p. 2; International Crisis Group, *Jemaah Islamiyah in South East Asia* [as Fn. 20], p. 29–30.

27 With the exception of the LeJ, these groups were identified by the Institute for Conflict Management (India) as transnational organizations. A brief profile of individual groups can be found on the home page of the institute, <[www.satp.org/satporgtp/countries/Pakistan/terroristoutfits/group\\_list.htm](http://www.satp.org/satporgtp/countries/Pakistan/terroristoutfits/group_list.htm)>. See further International Crisis Group, *Pakistan: Madrasas, Extremism and the Military*, Islamabad/Brussels, July 2002 (Asia Report, No. 36); Stephen Philip Cohen, “The Jihadist Threat to Pakistan,” *The Washington Quarterly*, Vol. 26, No. 3, 2003, pp. 7–25; Gunaratna, *Inside Al-Qaeda* [as Fn. 18], pp. 205–219.

influence of Al-Qaeda, have clearly broadened their objectives: the LeJ was, for example, held responsible for various attacks against Western targets in Pakistan. The other organizations long ago stopped restricting themselves to the Indian part of Kashmir, and instead they increasingly carry out attacks across the country, since 1999 by using increasingly suicide attackers.<sup>28</sup> They are not only concerned with the “liberation” of Kashmir and Jammu, their attacks are explicitly directed at the regional hegemony of India (and its Western allies). Some groups such as the LeT fight explicitly for an Islamicization of parts of India and South Asia.

In spite of the wide expansion of their operations, it is questionable whether these groups, in the near future, will actually subscribe to an international agenda that has goals beyond the Pakistani-Indian conflict. These groups maintain—in varying degrees—contacts to supporters and groups in Saudi Arabia, Afghanistan, India, Nepal, Central Asia and South East Asia. They also use relationships with the Pakistani and Kashmiri Diaspora in Northern America, Western Europe and the Gulf region. Moreover, these groups make use of the widespread network of local religious schools, in order to systematically enlist foreigners, including people of Pakistani origin.<sup>29</sup> Arab fighters can also be found among the ranks of the approximately 2000 strong JeM, LeT and LeJ.<sup>30</sup> However, the extent to which these groups follow a transnational ideology like Al-Qaeda still remains open to debate, especially because a certain rivalry prevails between the organizations and in the past it has led to repeated splits and the re-establishment of organizations.

28 The majority of suicide attacks are attributed to LeT.

29 The most prominent example for this is *Omar Saeed Sheikh*, born and raised as the child of Pakistani immigrants in Birmingham, England. He latched on to the HuM and was arrested by Indian authorities in 1994. By means of a spectacular hijacking (Indian Airline) he and other inmates were released by threats in December 1999. Subsequently, Omar Sheikh was the co-founder for the JeM and made contact with the Al-Qaeda leadership. As the organizer of the kidnap and murder of the US journalist Daniel Pearl (January 2002), he was arrested in Lahore and sentenced to death by a Pakistani court. See Fielding and Fouda, *Masterminds of Terror* [as Fn. 6], pp. 56–79; Gunaratna, *Inside Al-Qaeda* [as Fn. 18], pp. 210–213.

30 The LeT in particular has clearly increased its membership through the recruiting of foreigners. The share of foreigners in the Koran schools maintained by them is estimated to be 15%; compare Cohen, “Jihadist Threat” [as Fn. 27], p. 10.

**Hezbollah** has also shown some characteristics of transnationalism. Up until now, it certainly seems to be an open and internally contested question whether this organization will further develop into a transnational network that, for example, actively supports and links Shiites in other parts of the world, especially where they are systematically kept from power or discriminated against as a minority (Iraq, Syria, Saudi Arabia, Yemen, Pakistan). In addition, U.S. and Israeli accusations that Hezbollah in the past had been cooperating with Al-Qaeda cannot be confirmed and are disputed by Lebanese government officials, who see Hezbollah more as allies in the fight against Sunni extremists in southern Lebanon.<sup>31</sup>

The organization was founded in 1982 in the course of the Iranian “export of the revolution” and restricted itself to attacks in Lebanon against the Israeli occupiers, and against Western targets or international peacekeeping troops. Already in the 1980s and 1990s, Hezbollah members, partially in cooperation with the Iranian secret service, participated in terrorist attacks outside of Lebanon. These include the kidnapping of an Air France plane (1984), attacks in Paris against shopping centers and train stations (1986), attacks against Jewish targets in Argentina (1992 and 1994), a failed attack in Bangkok (1994) and the bombing of the Khobar Towers in Saudi Arabia (1996).<sup>32</sup> As a result, the organization developed contacts with other terrorist groups. In this context, Hezbollah, supported by Iran and Syria, specialized in providing training for others. Those who profited most from this training were the Palestinian groups such as Hamas, Islamic Jihad and the Popular Front for the Liberation for Palestine (PFLP), which “learned” and adopted the suicide bombing methods of Hezbollah.<sup>33</sup> In addition, Hezbollah maintains an extensive network of supporters and financial contributors and often uses connections with the Shiite-Lebanese Diaspora for this purpose. Finally, because of arrests, contacts in the U.S., Europe, Latin America (especially in the tri-border region of Brazil-Argentina-Paraguay), Sudan, West

31 See Adam Shatz, “In Search of Hizbollah,” *The New York Review*, No. 7, April 29, 2004, pp. 41–44 (44).

32 In particular, the authorship of the 1996 attack in Saudi Arabia is not in dispute. The groups named were the Saudi Hezbollah, a group also supported by Iran. The extent to which it cooperates with the Lebanese Hezbollah is open; compare *ibid.*, p. 43.

33 The enhanced cooperation between Hezbollah and Palestinian groups began in 1992, when Israel banished more than 400 members of Hamas and Islamic Jihad to Lebanon.

Africa, Singapore and the Philippines are relatively well documented.<sup>34</sup>

Hezbollah does have a transnational network at its disposal, but it is clearly less decentralized and much more hierarchical than Al-Qaeda or Jemaah Islamiyah. A seven person council (*Majlis Shura al-Qarar*) is in charge, led by the General Secretary Sayyed Hassan Nasrallah, who makes all the important strategic decisions. The General Assembly (*al-Mu'tamar al-Am*) determines who becomes a member of the council. The Assembly is ruled by a twelve person executive council, which is primarily responsible for political and social tasks. In addition, there is an eleven person politburo with more of an advisory function, a documentation and study center, a satellite TV program as well as various security and secret services.<sup>35</sup> Since 1992, Hezbollah has also been represented in the Lebanese Parliament as a legal political party, and, until the elections 2005, occupied nine of the 27 seats reserved for Shiites. The number of party members is estimated to be 50,000.<sup>36</sup>

The activities and contacts listed above show that the organization does not view itself solely as a local actor that has exclusively fought the Israeli occupation in southern Lebanon. In fact, Hezbollah understands itself as a regional actor in the context of the Arab-Israeli conflict. Since the withdrawal of Israeli troops in May 2000, the organization has been attempting to redefine its role and *raison d'être*.<sup>37</sup> The more radical forces, at least in their rhetoric, are embarking on a broader agenda. They strongly emphasize anti-Western objectives and do not exclude a direct confrontation with the U.S., and the support of Palestinians is also seen as a part of the global fight against "U.S. imperialism."<sup>38</sup> These forces can relate to

the Hezbollah ideology, which in principle is transnationally oriented: it is based on pan-Islamic ideas, which in the first instance, in the spirit of the Iranian Revolution, is directed at all Shiites, but also to the Sunni-Arab world, which must be liberated from its oppressors. In this respect, Hezbollah absolutely considers itself to be part of the entire "Islamic Resistance."<sup>39</sup> Nevertheless, within the organization, Lebanese nationalism coexists rather uneasily with this potential transnational orientation.<sup>40</sup> This can be seen by virtue of the fact that the vast majority of the members are still of Lebanese and Shiite-Lebanese origin. Regardless of the recruiting efforts among Shiites in other countries—for example in Asia—one cannot yet speak of a multinational membership.

In sum, it can be concluded that Al-Qaeda and Jemaah Islamiyah could be considered fully established transnational terrorist networks. There is a clearly recognizable trend towards transnationalization for the Pakistani groups and Hezbollah, but in comparison to Al-Qaeda or JI some criteria have only been fulfilled to a limited extent. (See table).

<sup>34</sup> See Ely Karmon, *Hizballah and the War on Terror*, August 2002, <www.ict.org.il>, pp. 5–6; David Martin Jones, Michael L. R. Smith, and Mark Weeding, "Looking for the Pattern: Al Qaeda in Southeast Asia—The Genealogy of a Terror Network," *Studies in Conflict and Terrorism*, 26 (2003), pp. 443–457 (447–449); Gunaratna, *Inside Al-Qaeda* [as Fn. 18], p. 149.

<sup>35</sup> Compare International Crisis Group, *Hizballah: Rebel without a Cause?*, Amman/Brussels, July 2003 (Middle East Briefing), pp. 2–4.

<sup>36</sup> Compare Shatz, "In Search of Hizballah" [as Fn. 31], p. 41.

<sup>37</sup> Compare International Crisis Group, *Hizballah: Rebel without a Cause?* [as Fn. 35], p. 1.

<sup>38</sup> This position was espoused by Sheikh Mohammed Hussein Fadlallah in particular, he was one of the authorities to whom Hezbollah oriented itself. For example, in April 2002 he declared: "[T]he best answer to the American stances is the heightening of the resistance operations in both Palestine and Lebanon." He continued: "If America demands a crack

down on the Palestinian militant organizations, as well as the resistance in Lebanon, as a part of a plan that threatens also Syria, Lebanon and Iran [...] we, as free peoples, ought to stand against all this and move to confront the American policies and its interests everywhere" (quoted in Karmon, *Hizballah and the War on Terror* [as Fn. 34], p. 4). Hezbollah General Secretary Nasrallah similarly highlighted the global ambitions of his organization: „To earn victory we have to fight on all fronts. We have to be global and integral“ (Interview in: *El Mundo*, December 18, 2001, quoted in Karmon, *Hizballah and the War on Terror* [as Fn. 34], p. 5).

<sup>39</sup> Compare Amal Saad-Ghorayeb, *Hizbu'llah. Politics & Religion*, London: Pluto Press, 2002, pp. 69–78.

<sup>40</sup> Compare *ibid.*, pp. 82–87.

**Table**  
**Degree of Transnationalization**

	<i>Al-Qaeda</i>	<i>Jemaah Islamiyah</i>	<i>Pakistani Groups</i>	<i>Hezbollah</i>
Cross-border operations	++	++	++	++
International/Regional Objectives	++	++	+	+
Transnational ideology	++	++	+	+
Transnational Network Structures	++	++	+	+
Multinational Membership	++	++	+	-

Key:

++ = Criterion fulfilled;

+ = Criterion partially fulfilled;

- = Criterion barely or not at all fulfilled.

## The Infrastructure of Transnational Terror Networks

In order to be able to exist and operate in the long run, transnational networks—as well as traditional terrorist groups—depend on a specific infrastructure. In contrast to local terrorist groups, however, this infrastructure must be accessible inter-regionally, and when possible, globally. The typical terrorist infrastructure is composed of seven main fields: *recruitment, training and planning, safe havens and areas for withdrawal, transit and supply routes, means and ways of communication, access to resources as well as to ways of financing*. Terrorists could also, in part, rely for these functions on consolidated states, even if only on a temporary basis. In contrast, fragile states offer transnational terrorists a clearly more favorable environment which they can use in various ways over the long term. This becomes more apparent if one considers the various dimensions of a terrorist infrastructure in detail and look at these countries which act unintended as prominent “suppliers.” In general, this happens against the will of the governments, but they are not able to stop these activities and the build-up of networks by these groups.

### Recruitment

Transnational terrorist networks recruit members and supporters in all parts of the world. Nevertheless, there are regional focal points: Al-Qaeda uses the entire Islamic and Arab world as an area for recruitment—from North Africa over the Arabian Peninsula to Central and South East Asia. Jemaah Islamiyah concentrates primarily on Muslims in South East Asia and Hezbollah on Lebanese Shiites in the entire world.

Recruiting follows certain recognizable patterns. The critical starting point for network building begins with a local conflict, which becomes internationalized and thereby makes the recruitment of fighters from various countries possible. The prime example is the Afghanistan War. It ultimately led to the founding of Al-Qaeda under Osama Bin Laden, who developed and prepared the network of Afghanistan veterans for other purposes. In other cases as well, local conflicts were the actual starting points for transnational networks: Indonesia (JI), Lebanon (Hezbollah) and Kash-

mir (Pakistani groups). Three recruiting methods are especially prominent: First, familial and personal relationships are used extensively. It is not unusual, for example, for the closest confidants of the leaders to be direct relatives: For example, Saad Bin Laden, one of Bin Laden’s sons, ought to be responsible for important functions in the terrorist network. The same applies to the close relatives of (the arrested) Khalid Sheikh Mohammed.<sup>41</sup> In addition, on the lower levels, members of the network have recruited brothers, cousins or brothers-in-law for specific tasks. This pattern applies in particular to Kuwaitis, Yemenis and Saudis. Apparently, for Jemaah Islamiyah, family ties are systemically created by marrying fighters to the daughters of fellow fighters.<sup>42</sup> A series of marriages between Indonesians and Malaysians were set up in this way. Second, the networks turn to the reservoir of Islamic fighters from local conflicts and the experienced members of local terrorist groups. Such people, who are already radicalized and experienced, generally belong to a Muslim group, which either perceives that it is being threatened (e.g. Chechnya, Bosnia, Palestine, Mindanao, Molucca, south Thailand) or which carries out terrorist or paramilitary attacks against its own government (e.g. militant Islamists in Egypt, Algeria, Yemen, Pakistan, Indonesia and Uzbekistan). Third, recruiting often takes place at extremist religious or Koran schools, in which young men become indoctrinated with Jihad ideology. The schools and the spiritual leaders promote radicalization, especially by pointing to the destiny of oppressed fellow believers in the entire world and with this objective, systematically contribute to the mobilization and ideological upbringing of their students. With this approach, they attract in particular, students who perceive themselves to be politically or economically marginalized in their homelands

<sup>41</sup> One of the nephews of Sheikh Mohammed is Ramzi Yousef, who planned the attack on the World Trade Center in 1993. Two other nephews, Abdel Munim Yousef and Abdel Karim Yousef, are also supposed to be working for Al-Qaeda; compare Fielding and Fouda, *Masterminds of Terror* [as Fn. 6], p. 99–117, 212.

<sup>42</sup> See International Crisis Group, *Jemaah Islamiyah in South East Asia* [as Fn. 20], p. 27–29.

and/or who reject their own regime as “un-Islamic” and “pro-Western.” The most susceptible are, in this regard, religiously motivated youth and young men from Northern Africa, the Arabian peninsula, Pakistan and South East Asia. However, second or third generation immigrants of the Islamic Diaspora who reside in Northern America or Western Europe are also vulnerable to indoctrination.<sup>43</sup> In numerous countries the Koran schools increasingly fill the gaps in the worn out public school systems. They are generally free for the students and financed by donations, and often offer free room and board and are therefore attractive to penniless refugees or to young men from the lower social classes.

This pattern can be observed in **Pakistan**: here, according to International Crisis Group, about one-third of all children attend the so-called *Madrassen*. At the time the country was founded, there were just over 100 religious schools; the number has grown to over 10,000 today. These schools teach approximately 1.7 million students (until the age of 18). Naturally, the schools belong to various, and to some extent competing or conflicting versions of Islam. About 10 to 15 per cent of the schools are attributed to extremist, violent groups.<sup>44</sup> The foundation boom at the end of the 1970s was promoted by the Afghanistan War more than anything else. On the one hand, Afghan refugees were received in these schools, and on the other hand, they were systematically used for recruiting fighters from the entire world. The most prominent graduates were surely the Taliban and Mullah Omar, who used Pakistan as a base for attacks during the Afghan Civil War.<sup>45</sup> Since the mid-1990s about 60,000 Pakistanis, three-quarters of whom trained in Koran schools, are supposed to have fought with the Taliban.<sup>46</sup> During the war against the Soviet domination of Afghanistan, these schools—at least those located in border areas—were also used by intelligence services and as dis-

tribution points for Pakistani and U.S. funds.<sup>47</sup> At that time, the religious schools were already starting points for militant foreigners, and today, according to official statistics, there are still about 35,000 foreign students, half of whom come from Arab countries, who are active in Pakistani Madrasas or Islamic charitable organizations.<sup>48</sup> The Pakistani government has for years repeatedly tried to better regulate and control the Koran schools, but thus far has had only limited success.

Similar developments can also be observed in **Yemen and Indonesia**—two important recruiting countries for Al-Qaeda and Jemaah Islamiyah. In North Yemen, the establishment of Salafi religious schools (*ma'ahid ilmiyya*), financed by Saudi Arabia, also began at the end of the 1970s. This was facilitated by the actual absence of a state school system. During that time period it was not unusual for the religious schools to serve not only for the preparation of fighters bound for Afghanistan, but also for those who fought against the “non-believers” in their own countries, specifically against the socialists of South Yemen.<sup>49</sup> In the 1990s, the number of these schools continued to grow, not least because of the influx of fighters returning from Afghanistan<sup>50</sup> and the stronger position of the Islamists after the end of the Yemeni Civil War in 1994.<sup>51</sup> The regional focal points

<sup>47</sup> Between 1984 and 1994, the preparation of Jihad text books, among others, was financed by USAID in Dari and Pashtun (Cost: US\$51 million), which originates from the Center for Afghanistan Studies at the University of Nebraska-Omaha. A total of over 13 million copies are supposed to have been distributed in Afghan refugee camps and Pakistani Koran schools; compare International Crisis Group, *Pakistan: Madrasas, Extremism and the Military* [as Fn. 27], p. 13.

<sup>48</sup> Compare *ibid.*, p. 23.

<sup>49</sup> Between 1990 and 1994, around 150 members of the socialist party are supposed to have been killed by Islamists; compare Andrew McGregor, “Yemen and the ‘War against Terror’,” *The World Today*, December 2002, pp. 7–9.

<sup>50</sup> In 1990, a total of 8,000 Yemenis are supposed to have returned from Afghanistan. Their number increase through the end of the decade to 50,000, certainly including numerous non-Yemenis; compare International Crisis Group, *Yemen: Coping with Terrorism and Violence in a Fragile State*, Amman/Brussels, January 2003 (ICG Middle East Report No. 8), p. 9.

<sup>51</sup> According to official information, the moderate Isla Party (Reform Party), until 1997 a coalition partner of the ruling General People’s Congress, alone maintains in comparison about 1,400 private religious institute with an annual budget of about US\$80 million and around half a million students. Since May 2001, the schools are under form state supervision; compare: “Schlag gegen die Islamisten im Jemen,” *Neue Zürcher Zeitung*, May 17, 2001, p. 4.

<sup>43</sup> The British Secret Service MI5 estimates, for example, the number of Muslims domiciled in Great Britain, who were in Al-Qaeda camps before September 11, to be 500 to 600; see: “Threat to UK from al-Qaida at High Level,” *The Guardian*, December 19, 2002.

<sup>44</sup> Compare International Crisis Group, *Pakistan: Madrasas, Extremism and the Military* [as Fn. 27], p. 2.

<sup>45</sup> The Taliban was trained primarily in the schools of the militant Pakistani Group *Jamiat-e-Ulema Islam* (JUI); compare *ibid.*, p. 11.

<sup>46</sup> Compare Ahmed Rashid, “Pakistan, the Taliban and the U.S.,” *The Nation* (Pakistan), October 8, 2001.

are the thinly populated provinces Marib and Sa'da on the border with Saudi Arabia. Here, a number of influential, Salafi religious institutes are based, who are accused to have contacts to radical Islamic groups.<sup>52</sup> After September 11, 2001, the government finally expelled hundreds of foreign students from the country, arrested 70 students in one institute in Marib alone and closed the al-Iman University in Sanaa temporary.<sup>53</sup>

The number of Koran schools in Indonesia (called *pesantren* or *pondoks*) is estimated to be over 14,000. Of those, only a minority can be classified as radical, but they serve as important breeding grounds for the network of Jemaah Islamiyah network. The starting point was the *Pondok Ngruki* (also known as *Pesantren al-Mukmin*). In addition, schools such as *Al-Muttaqien*, *Darus-Syahadah* (both in Central Java) and *Pesantren al-Islam* (East Java) are key recruiting locations for JI. Moreover, there are obvious personal contacts, often via teacher exchanges, with diverse networks of schools, such as the *Hidayatullah-Network* to which over 120 *Pesantren* belong and whose center is located in East Kalimantan.<sup>54</sup>

Recruiting at religious and Koran schools offers transnational networks several advantages. The schools take care of the preselection and handle the relatively regular influx of potential candidates. In this respect, the terrorist groups can turn to a reservoir of young men, who are already ideologically "prepared" and choose the appropriate recruits for active fighting. The personal contacts of the students with each other (i.e. the building of alumni networks) and between students and teachers for further network building are of key importance. Moreover, these schools offer the radicalized graduates some degree of moral support and establish circles of supporters who become principally active in ideology and propaganda and thereby support the fight of militants in their own way. The most important point is, however, that the attraction and recruiting of appropriate candidates occurs, de facto, without the state effectively

controlling these schools. The state tolerates this, in part, because the public school and education system does not offer any alternatives.

## Training and Planning Facilities

Transnational terrorists need places and locations for training camps as well as for operational planning of attacks. Ideal for this purpose are remote regions because they are subject to no or only limited control of the state (*no go areas*): inaccessible mountain regions, hidden valleys, archipelagos, desert areas or even—as in the case of Al-Qaeda—caves. In addition, apartments or apartment complexes in hard to control neighborhoods of large cities (e.g. Manila, Karachi, Casablanca, Cairo, Istanbul) in particular play a role for planning, i.e. for holding conspiratorial meetings. The most attractive areas are those that are predominantly ruled by local warlords, criminal groups or local tribes, who tolerate training facilities on their territory in exchange for money or weapons. During the 1990s, such areas were most often found in countries such as Afghanistan, Pakistan, Georgia, Yemen, Algeria and Tajikistan. Moreover, transnational networks were using more frequently the infrastructure of local terrorist groups for their own training purposes (e.g. in Pakistan, the Philippines, Indonesia, Chechnya or Lebanon). In exchange, the transnational terrorists usually provided experienced fighters as trainers or contributed to the financing of these establishments.

The most prominent example was the establishment and development of training camps in **Afghanistan** and **Pakistan** in the 1980s and 1990s. A central figure, in addition to Bin Laden, was the Afghan Islamist Abdul Rab Rasul Sayyaf, one of the most important leaders and warlords of the resistance struggle against the Soviet invaders.<sup>55</sup> Financed by Saudi sources, he founded several camps in Pakistan and later, founded more in Afghanistan, including his own "university" (*Dawal al-Jihad*) near Peshawar. In

<sup>52</sup> These institutes were partially financed by the Saudi Al-Haramian Institute, which is under suspicion of maintaining contacts with terrorist groups. Their number is estimated to be 400, and the number of students to be 250,000; compare Iris Glosemeyer, *Jemen: Mehr als ein Rückzugsgebiet für al-Qa'ida*, Hamburg: Deutsches Orient-Institut, April 2003 (DOI-Focus No. 10), pp. 27–29.

<sup>53</sup> Compare *ibid.*, p. 29.

<sup>54</sup> Compare International Crisis Group, *Jemaah Islamiyah in South East Asia* [as Fn. 20], pp. 26–27.

<sup>55</sup> Sayyaf has been in contact with Bin Laden since the beginning of the 1980s, the later Al-Qaeda commander Sheikh Mohammed was one of his closest collaborators. In 1992, Sayyaf became the Afghan interior minister under President Rabbani. From 1996, he fought against the Taliban on the side of the Northern Alliance with Ahmed Shah Massud and ultimately split from Bin Laden. In 2002 he took over a seat in the Loya Jirga. See Fielding and Fouda, *Masterminds of Terror* [as Fn. 6], pp. 102–105.

these establishments, thousands of recruits from North Africa, the Gulf and South East Asia, who either already belonged to various groups or later set up their own, were trained in guerilla warfare and terrorist techniques.<sup>56</sup> The founder of the Jemaah Islamiyah network, Abdullah Sungkar, also sent recruits to the Sayyaf camps every year. In total, some 250 to 300 JI fighters were trained in the camps, including in 1987 one of its most prominent leaders, Riduan Isamuddin (known as Hambali).<sup>57</sup>

What had begun during the Afghanistan War, advanced under the Taliban rule (from 1996): Al-Qaeda maintained, particularly in the east of the country around the cities Khost, Jalalabad and Kunar, numerous establishments, from “guest houses” to large practice areas for training with heavy weapons (until the U.S. intervention in October 2001). Even after the fall of the Taliban, according to press reports, Al-Qaeda adherents who had disappeared or fled became active again and have been making efforts to build new bases. The Pakistani-Afghan border area plays an essential role in these efforts, especially in the region around Peshawar, where the Al-Qaeda network had its start at the end of the 1980s. Moreover, there are numerous training camps along the Pakistani-Indian border east of Islamabad around the cities Oghi, Battal, Abbottabad, Jhelum, Lahore and Shekhupura.<sup>58</sup> These camps are primarily used by Kashmiri groups, but Arab fighters were also trained in them, and this is how contacts with Al-Qaeda have existed for years. In some instances, Al-Qaeda trainers also worked in these camps.

From the mid-1990s, the training camps of the *Moro Islamic Liberation Front* (MILF) in the Muslim dominated south of the **Philippines** served as the central hub for hundreds of fighters from Afghanistan, Pakistan, Indonesia and the Arabian peninsula, however, only a part of the trainers came from the Arabic world.<sup>59</sup> In total, the MILF is supposed to have maintained 46 training establishments on Mindanao and in the Sulu archi-

pelago. In particular, the MILF headquarters *Abu Bakr*, which consisted of several training camps and was located on the border of the Maguindanao and Lanao del Sur provinces, was one of the most important training locations for various terrorist groups. The Jemaah Islamiyah network had its own installation at its disposal in the Abu Bakr Complex (*Camp Hudai-biyah*), which was divided into smaller camps where the recruits were separated according to their regional origin (*Camp Solo, Camp Baten, Camp Sulawesi*). In July 2000, the Philippine Army raided the camps as part of an offensive and destroyed most of the buildings and facilities, including a mosque.<sup>60</sup> The activities of the JI members relocated principally to **Indonesia**, in particular to the islands Sulawesi and Molucca to the south of Mindanao, where local groups in turn maintain similar camps.<sup>61</sup> In addition, the JI network used training camps in Pandeglang/Banten, which were stormed by the army in September 2001, in Malimping/Banten and on West Java. For the most part, there were only individual houses and very small training facilities for 10 to 20 recruits.<sup>62</sup>

At least in the past, both local and internationally-operating terrorist groups are supposed to have maintained camps in **Sudan**, in **Central Asia** (Tajikistan), in the northern **Caucasus** and in the Bekaa Valley in **Lebanon**. Beginning in the 1980s, the Valley functioned as a central training base for Hezbollah as well as Palestinian groups, especially Hamas and the Palestinian Islamic Jihad. The case of Sudan is similar, as it had an important base for Al-Qaeda—with the informal approval of the regime—until at 1996, when Bin Laden had to leave the country.<sup>63</sup> The *Islamic Movement of Uzbekistan* (IMU) established its base in Northern

<sup>60</sup> Compare Anthony Davis, “Attention Shifts to Moro Islamic Liberation Front,” *Jane’s Intelligence Review*, April 2002, pp. 20–23.

<sup>61</sup> Compare Bolte, Möller, and Rzyttka, *Politischer Islam* [as Fn. 20], p. 41. Leading Al-Qaeda figures are supposed to have shown interest in the establishments on Molucca as early as June 2000; compare Davis, “Attention Shifts to Moro Islamic Liberation Front” [as Fn. 60], p. 23.

<sup>62</sup> Compare International Crisis Group, *How the Jemaah Islamiyah Terrorist Network Operates* [as Fn. 20], p. 22.

<sup>63</sup> In addition, in part up to today, Hezbollah as well as Egyptian and Palestinian groups are supposed to maintain establishments in Sudan. In May 2003, there were press reports about a new Al-Qaeda training camp in the west of the country. The government arrested numerous potential recruits, mostly from Saudi Arabia and expelled them from the country. See United States Institute of Peace (ed.), *Terrorism in the Horn of Africa*, Washington, D.C., January 2004 (Special Report 113), pp. 14–15.

<sup>56</sup> In this way, Sayyaf became the name sake for the Philippine terrorist group *Abu Sayyaf*, which was founded by Sayyaf pupil Janjalani; compare *ibid.*, p. 103.

<sup>57</sup> See International Crisis Group, *Jemaah Islamiyah in South East Asia* [as Fn. 20].

<sup>58</sup> The Institute for Conflict Management (India) registered in the 90s more than 70 such training camps; compare <www.satp.org>.

<sup>59</sup> The Philippine army speaks, in this context, of more than one hundred foreign; compare Abuza, “Tentacles of Terror: Al Qaeda’s Southeast Asian Network” [as Fn. 20], p. 438.

Tajikistan at the end of the 1990s and used the possibilities offered to it by the failing state, which was in the middle of a civil war. It was said that the IMU had close contacts with Al-Qaeda and other groups of the network, especially because they were also active in Afghanistan.<sup>64</sup>

**Chechnya** was, especially during the time between the wars of 1996 and 1999, a starting point for various Islamic, mostly Wahhabi influenced, Jihad groups. The most well known location was the training complex, which was several square kilometers large, near Sershen Jurt, east of Grozny.<sup>65</sup> The establishment was founded and led by the Jordanian and Afghan veteran *Ibn ul-Chattab*, poisoned and killed in March 2002, allegedly by the Russian secret service FSB. According to estimates, thousands of fighters from Islamic countries were practically and ideologically educated in this camp. In exchange, Arab trainers imported the Wahhabi ideology and lifestyle as well as the terrorism know-how to Chechnya and developed suicide bombers, who first appeared in the year 2000.

### Safe Havens and Areas for Withdrawal

Transnational terrorists need possibilities to hide out and escape, in order to disappear and, if necessary, to regroup themselves. Therefore, they are interested in areas where the leadership and most important operatives are relatively safe from betrayal, discovery and being followed, without, however, being deprived of their ability to function. Weak and failing states are the most attractive places because the authorities either are not able or do not want (e.g. because of corruption or active support) to find those in hiding and get safe havens under control. Failed states and regions in the midst of civil wars are less suitable because they do not offer the terrorists, especially the prominent leaders, a particularly safe environment for the long term. The preferred locations are hard to access mountain regions, islands or uncontrollable big cities. A further option commonly used are refugee camps, in which at least the foot soldiers can blend in and at the same time take advantage of miserable human conditions for agitation and recruiting people

to their cause. Typical examples are the camps of Palestinians in Lebanon, of Afghans in Pakistan, of Chechens in Georgia and of Somalis in northern Kenya, some of which have existed for decades.

During and after the U.S. invasion of Afghanistan, **Pakistan** was the main area for withdrawal for Al-Qaeda and Taliban fighters. Until summer 2002, the Pakistani authorities have arrested more than 500 suspects—supposedly only a fraction of those who use the border region as a place for rest and for escape.<sup>66</sup> It is no coincidence that important Al-Qaeda leaders attempted to hide out in the larger cities of the country, where they were eventually arrested: Abu Zubeyda in Faisalabad, Ramzi Binalschib in Karachi, Khalid Sheikh Mohammed in Rawalpindi and Mohammed Naeem Noor Khan in Lahore. The metropolis of Karachi in particular, with its 14 million inhabitants, offers itself as an area for hideouts: the port city has been characterized by gang wars and sectarian violence for decades, de facto out of the police's control.<sup>67</sup> At the same time, it is strategically well located because it connects Pakistan by sea to the Gulf region and to South East Asia.

Additional alleged hideouts for Al-Qaeda followers are the autonomous areas on the border with Afghanistan principally belonging to armed Pashtun tribes. According to the Pakistani constitution, these *Federally Administered Tribal Areas* (FATA) have a special status and, in reality, have been removed from the control of the police and border troops over decades. In addition, the exact path of the border of Afghanistan has even today still not been clarified and is, practically-speaking, meaningless.<sup>68</sup> It was not until the summer of 2003 when the Pakistani Army first made a serious effort to mark, fortify and secure the border with Afghanistan. In March/April 2004 it carried out its largest anti-terror operation up until that point in time, in the south Wasiristan border region where high-ranking Al-Qaeda leaders were suspected to be located and arrested numerous foreigners. Moreover, both the North West Frontier province and the Beluchistan province, which border the FATA and Afghanistan, are considered to be possible rest stops for extremists who can expect tacit

<sup>64</sup> Compare Thomas S. Szayna and Olga Oliker (eds.), *Faultlines of Conflict in Central Asia and the South Caucasus*, Santa Monica, CA: Rand, 2003, p. 31–34.

<sup>65</sup> Compare Florian Hassel, "Der zweite Tschetschenienkrieg," in: Florian Hassel (ed.), *Krieg im Schatten. Rußland und Tschetschenien*, Frankfurt a.M.: Suhrkamp, 2003, pp. 40–41.

<sup>66</sup> Compare *Time Asia*, Vol. 160, No. 3, July 29, 2002.

<sup>67</sup> Compare Boris Wilke, "Die Gewaltordnungen Karachis," *Leviathan*, Vol. 28, No. 2, 2000, pp. 235–253.

<sup>68</sup> Compare Boris Wilke, *Pakistan: Der fragile Frontstaat*, Berlin: Stiftung Wissenschaft und Politik, December 2003 (S 47/03), pp. 13–14.

tolerance and support. The Islamists have a stronghold in both regions.<sup>69</sup>

Moreover, al-Qaida affiliates used land or sea escape routes to the Caucasus, Central Asia, the Gulf and South East Asia. Destinations include various countries such as Iran, Thailand, Georgia, Saudi Arabia and Yemen. In **Iran**, it concerns primarily the porous border areas with Afghanistan and Iraq. Since spring 2003, Iranian authorities are supposed to have arrested several hundred presumed Al-Qaeda or Taliban fighters, including high ranking members, and some have been turned over to their home countries.<sup>70</sup> In **Thailand**, the Muslim populated southern provinces (Pattani, Yala and Narathiwat) are the most affected, and mostly serves as safe havens for Indonesians, but also for Thais trained in Afghanistan.<sup>71</sup> The most prominent case thus far was that of the Indonesian Riduan Isamuddin (Hambali), who was arrested south of Bangkok in August 2003. In **Georgia**, the Pankisi Gorge, which is near to Chechnya, is the place most used as an area for withdrawal.<sup>72</sup> Beginning at the end of the Afghanistan War, **Saudi Arabia** and **Yemen** became important safe-havens for Arab fighters. Until today, certain areas controlled by tribes are potential hideouts, including the sparsely populated al-Jawf, Marib and Shabwa regions as well as the eastern province Hadramawt, where the Bin Laden family comes from. The same applies to parts of the capital Sanaa, which are not able to be brought under control or are barely capable of being controlled. A particularly unstable area is the Marib region, where there are frequent tribal feuds, kidnappings and

attacks on oil pipelines.<sup>73</sup> Although local tribal leaders consistently dispute the press reports about meeting hidden Al-Qaeda refugees, the Yemeni authorities are supposed to have arrested about 250 alleged terrorists since September 11. However, in November 2003, more than 90 suspects were let go, after they had supposedly—according to the official story—shown “remorse.”<sup>74</sup> The most prominent hidden Al-Qaeda refugee in Yemen was tracked down by intelligence services and killed: the Al-Qaeda commandant *Qaid Salim Sinan al-Harithi*, who was an important point of contact on the Arabian peninsula, died in November 2002 in the Marib region with five other persons when his car was hit by a rocket from a remote controlled drone of the American CIA.<sup>75</sup>

## Transit and Supply Routes

To some extent, transnational terrorists are dependent on reliable transit and supply routes. On the one hand, members must be able to move around the world relatively easily and unhindered in order, for example, to get training, take care of logistical tasks and prepare and carry out attacks. The latter is especially important for the operatives who are responsible for being the link between the leadership and local cells and for the coordination of the attacks. On the other hand, it is important to secure the transport of material (e.g. explosives, weapons, training manuals) and resources (e.g. cash, gold diamonds).<sup>76</sup>

On the one hand, terrorists make use of forged documents and benefit from corrupt authorities. On the other hand, they take advantage of international border areas, which are barely or not at all under control (e.g. mountain or coast regions), such as those in the Caucasus, the Afghan-Pakistani border area,<sup>77</sup>

<sup>69</sup> The movement *Muttahida Majlis-e-Amal* (MMA), an alliance of several Islamic fundamentalist parties, controls the government in the northwest since the provincial elections of October 2002 and is a participant in the government in Beluchistan province.

<sup>70</sup> The Iranian Foreign Minister confirmed the arrests. See: “Minister Says al-Qaeda Was Active in Iran,” *Financial Times*, September 29, 2003, p. 4.

<sup>71</sup> Compare Anthony Davis, “Thailand Confronts Separatist Violence in Its Muslim South,” *Jane’s Intelligence Review*, March 2004, pp. 20–25; Felix Heiduk and Kay Möller, *Süd-Thailand: Woher kommt die Gewalt?*, Berlin: Stiftung Wissenschaft und Politik, May 2004 (SWP-Aktuell 22/04).

<sup>72</sup> This is certainly not debatable. Thus the Georgian side disputed the Russian presumption that it was giving give refuge to international terrorists in the Pankisi Gorge. In any event, foreign Islamists were permitted to reside in the Pankisi Gorge. It is not clear whether in what number Al-Qaeda people were involved. See Hassel, “Der zweite Tschetschenienkrieg” [as Fn. 65], p. 82–85.

<sup>73</sup> Compare International Crisis Group, *Yemen: Coping with Terrorism and Violence in a Fragile State* [as Fn. 50], p. 19.

<sup>74</sup> See <[www.spiegel.de/politik/ausland/0,1518,274271,00.html](http://www.spiegel.de/politik/ausland/0,1518,274271,00.html)>.

<sup>75</sup> Compare International Crisis Group, *Yemen: Coping with Terrorism and Violence in a Fragile State* [as Fn. 50], p. 25.

<sup>76</sup> For example, it is assumed that Al-Qaeda, either before or during the US intervention, smuggled assets (cash and gold) out of Afghanistan via Karachi and by sea to Dubai, and possibly, further to Sudan. See: “Qaeda’s Gold: Following the Trail to Dubai,” *International Herald Tribune*, February 18, 2002; “Qaeda and Taliban Send Gold to Sudan,” *International Herald Tribune*, September 4, 2002, p. 1 and p. 4.

<sup>77</sup> For decades there has not been a customs border between Pakistan and Afghanistan and this is why the region has

Central Asia, the Horn of Africa and South East Asia. In addition, connections to individuals within the Diaspora are used, such as in the case of Al-Qaeda the Yemeni Diaspora in East Africa or as in the case of Hezbollah the Lebanese Diaspora in West Africa and Latin America, especially in the hard to control border region between Brazil, Argentina and Paraguay (*tri-border area*).<sup>78</sup> It is not unusual for transnational networks to make use of existing smuggling routes, unregulated ports and trans-shipment centers (e.g. Batam Island near the coast of Singapore) or routes, which are traditionally used by migrant workers or the Diaspora community, such as in **South East Asia** (Malaysia, the Philippines, Indonesia) or between **Pakistan** and the **Arabian peninsula**.<sup>79</sup> The most important transit countries for Al-Qaeda are **Yemen**, as a bridge between Afghanistan/Pakistan and East Africa, and **Djibouti** and **Somalia**, which act as way stations on the route to Sudan, Ethiopia or Kenya. The Somali ports (Puntland, Mogadishu and Kismaayo) act as key trans-shipment centers, especially for weapons of all kinds.<sup>80</sup> These supply routes proved their worth with the attacks in Mombasa, Kenya (November 2002): according to UN experts, the terrorists smuggled explosives and weapons from Yemen to Kenya via Somalia, including two Strela 2 portable surface-to-air missiles; using fishing boats and the widespread unregulated fishing business in the region for cover.<sup>81</sup> **Thailand** is another potential transit country for smuggling everything from small arms to portable anti-aircraft systems: most of the weapons come from stocks in Cambodia and are brought over the lightly

become and El Dorado for smugglers and drug barons. The trade is far out of Pakistani control, so that the state, annually, loses out on income estimated to be US\$600 million; compare Wilke, *Pakistan: Der fragile Frontstaat* [as Fn. 68], p. 22.  
**78** This primarily concerns the border cities Puerto Iguazu (Argentina), Foz do Iguazu (Brazil) and Ciudad del Este (Paraguay), in which the Lebanese and Palestinian Diaspora is especially well represented. See Gunaratna, *Inside Al-Qaeda* [as Fn. 18], pp. 164–166; Mario Daniel Montoya, “War on Terrorism Reaches Paraguay’s Triple Border,” *Jane’s Intelligence Review*, December 2001, pp. 12–15.

**79** In South East Asia, Jemaah Islamiyah is supposed to use Sumatra in particular as a transit region, as well as the islands Sangihe-Talaud as a connection between Mindanao in the Philippines and Sulawesi in Indonesia; compare International Crisis Group, *How the Jemaah Islamiyah Terrorist Network Operates* [as Fn. 20], p. 6.

**80** See United Nations, Report of the Panel of Experts on Somalia Pursuant to Security Council Resolution 1474 (2003), S/2003/1035, November 2003, pp. 16–38.

**81** *Ibid.*, pp. 29–30.

guarded border to Thailand, from where they are distributed further in South East Asia.<sup>82</sup> In principle, moreover, Thailand’s southern border with Malaysia has for years been an important transit area for people and material.

## Ways and Means of Communication

A terrorist organization cannot exist for very long without a way to communicate—this applies to both locally and globally-operating terrorists. They need the appropriate infrastructure to transmit messages to their members, sympathizers and the general public. Depending on the intended recipient, they use traditional means of communication (e.g. sending messengers, coded letters, oral communications, the use of symbols) or modern technology (e.g. Internet chats, e-mail distributions, encrypted messages, satellite and mobile phones, CD-ROMs, videotapes). However, transnational networks are definitely more widely stretched and therefore internal communication, especially for secret information for individuals, carries greater risks than is the case for local groups and cells. The danger that messages sent by telephone can be overheard or that coded letters can be intercepted increases with the distance between the sender and the recipient and the number of messengers. Terrorist organizations also need discrete and reliable access to newspapers, television stations and the Internet for disseminating their propaganda.

Some terrorist networks have “media departments” that disseminate video or audio tapes and written statements. Hezbollah, in this respect, is a pioneer: it maintains not only its own magazine (*al-Intiqad*) and an “office for military information,” which actively performs public work in Lebanon, but also its own camera teams, whose recordings of certain actions are later broadcast worldwide via Hezbollah’s own satellite program (*al-Manar*) for propaganda purposes or for recruiting and internal education purposes.<sup>83</sup> Al-Qaeda relies principally on video and audio tapes. These are usually produced and distributed through the Sahab Institute for Media Production, which is active in the

**82** Compare Davis, “Southeast Asia Fears New Terrorist Attacks” [as Fn. 20], p. 17.

**83** Compare Michele Zanini and Sean J. A. Edwards, “The Networking of Terror in the Information Age,” in: John Arquilla and David Ronfeldt (eds.), *Networks and Netwars: The Future of Terror, Crime, and Militancy*, Santa Monica, CA: Rand, 2001, p. 42.

underground and regularly supplies television stations such as *al-Jazeera* and *al-Arabija* with new material. In addition, they use Internet fora, electronic newsletters and their own magazines to keep their membership informed and focused on the ideology. Since Fall 2003, the Al-Qaeda network has had an online magazine (*Voice of Jihad*) at its disposal, which appeared two times per week and, among other things, made general calls for attacks and justifies past attacks. Another online magazine (*Mu'askar al-Battar*) from the Al-Qaeda realm, named after an Al-Qaeda fighter who was killed, was published every 14 days and aimed primarily at interested Saudis. It viewed itself as teaching material and guide for the life of a Jihad fighter.

In Pakistan, nearly all militant groups have access to their own, relatively high circulation publications or radio stations which broadcast via the Internet. For example, the Urdu language monthly magazine *Majallah al-Dawa* (circulation around 400,000) and the bilingual weekly paper *Jihad Times* (Urdu and Sindhi, circulation of 200,000) are connected to the *Lashkar-e-Toiba* (LeT). In addition, the groups publish their own magazines that target youth and women.<sup>84</sup>

In order to maintain these means of communication, terrorist networks choose countries which, on the one hand, possess a halfway modern infrastructure in spite of technical deficits and, on the other hand, cannot regulate or prevent ways of communication. The weak or failing states in the Arab world, South Asia and South East Asia are once again the first choice, while failed states or conflict regions cannot offer a secure and reliable environment for most of these activities.

## Access to Resources

In order to be able to carry out and finance their activities, transnational terrorists must have secure access to certain resources. On the one hand, they need access to various legal and illegal sources of finance. These include donations, which are collected by charitable Islamic organizations, income from legal businesses, profits from drug and weapon trafficking as well as from hostage-taking, credit card fraud, income from the production of forged documents as well as profits from the exploitation of natural

resources (e.g. oil, gold, diamonds, minerals, timber). On the other hand, transnational networks also need access to markets that trade in, among other things, technical know-how, small arms, light and heavy weapons (e.g. surface-to-air missiles), explosives, equipment for bombs and even nuclear, chemical or radiological material that can be used for non-conventional attacks. In order to get access to these resources, they predominantly rely on black and gray markets and on stable relationships with criminal sector.

Failed states and war-torn regions create a range of possibilities for business, trade or smuggling, as well as for stealing and looting, kidnapping and hostage taking, in which the transnational groups are, at a minimum, indirectly involved. In Algeria, Yemen, the Philippines and Chechnya both Western tourists, aid workers and business people<sup>85</sup> and locals, preferably children and women, have been taken hostage and then traded on "markets."<sup>86</sup>

For the acquisition of weapons, terrorists principally take advantage of the stocks that have been gathered in numerous local and regional conflicts and which have been profitably resold during the fight or after the end of the war. For example, as a result of the 1994 civil war, in **Yemen** developed a lively weapons trade, which is in part carried out through **Somalia**. The number of small arms and light weapons available in the country ranges between 6 and 60 million, depending the method of calculation.<sup>87</sup> A similar, nearly inexhaustible supply of weapons can be found in regions such as West Africa, the Balkans, the Caucasus and Central Asia as well as in countries such as Algeria, Lebanon, Pakistan, Indonesia and, more recently, Iraq.

Another important resource is the indirect or direct participation in the trade of diamonds, gold and

<sup>85</sup> In Yemen, around 200 foreigners have been kidnapped since the beginning of the 90s in order to collect a ransom; see International Crisis Group, *Yemen: Coping with Terrorism and Violence in a Fragile State* [as Fn. 50], p. 16.

<sup>86</sup> For the business of kidnapping in Chechnya see Hassel, "Der zweite Tschetschenienkrieg" [as Fn. 65], p. 43-46.

<sup>87</sup> The Yemeni Interior Ministry itself suggests 60 million small arms; compare International Crisis Group, *Yemen: Coping With Terrorism and Violence in a Fragile State* [as Fn. 50], p. 1. The organization Small Arms Survey (Geneva) in contrast estimates the number to be between 6 and 9 million, whereby simply the public stocks and those weapons which are under the control of tribal leaders are counted. See Derek B. Miller, *Demand, Stockpiles and Social Controls: Small Arms in Yemen*, Geneva: Small Arms Survey, May 2003 (Occasional Paper No. 9).

<sup>84</sup> Compare International Crisis Group, *Pakistan: Madrasas, Extremism and the Military* [as Fn. 27], p. 14.

minerals from **West Africa** and **Angola**, to which both Hezbollah and Al-Qaeda are linked in various reports.<sup>88</sup> Both organizations obviously made use of similar routes and to some extent even the same contacts.<sup>89</sup> Hezbollah has been active in this field since the 1980s and principally relied on the Lebanese Diaspora (especially in Sierra Leone and the Ivory Coast). Beginning in 1993, when Bin Laden shifted his base to Sudan, Al-Qaeda members made efforts to profit from this business and to that end established a wide network of “business partners” and partnerships in numerous African countries.<sup>90</sup>

For quasi-legal activities, and especially for depositing money, terrorists also certainly require a minimum of reliable state structures. In particular, this applies to the ownership and direct or indirect participation in firms and business, a practice that Bin Laden had perfected in **Sudan** and the **Gulf**. His example became a model, as reports from **Malaysia** and the **Philippines** show, where today a few firms are still under suspicion to be founded and brought into operation by people who are close to Al-Qaeda or Jemaah Islamiyah.<sup>91</sup> Hezbollah has similar sources of income and its relationships with business people of Lebanese origin extend from the Gulf to Latin America.

Another important legal source of income is the systematic fund raising through the internet, magazines, religious establishments, institutes or NGOs. For Al-Qaeda and other groups, the **Gulf region**, **Pakistan** and **Indonesia** play a key strategic role. In this context, Islamic networks appeal to the obligation of

<sup>88</sup> Compare Global Witness, *For a Few Dollars More. How al-Qaeda Moved into the Diamond Trade*, London, April 2003.

<sup>89</sup> A central role was apparently played by the Sierra Leone born Lebanese *Aziz Nassour*, who maintained a widespread net of firms and contacts and rebel armies, which controlled mine fields. Because of his connection to the RUF in Sierra Leone, the UN imposed a travel embargo on him in 2000. Since 2003, he has supposedly been staying in Beirut; see *ibid.*, pp. 45–46. In the press he disputes having had contact with Al-Qaeda; see: “Report Links al-Qaeda with Diamond Trade,” *Financial Times*, April 17, 2003, p. 6.

<sup>90</sup> Al-Qaeda’s trade and/or smuggling activities can be found in the following countries: Angola, the Central African Republic, DR Congo, Guinea, Sierra Leone, Liberia, Kenya and Tanzania; see Global Witness, *For a Few Dollars More* [as Fn. 88], pp. 28–65.

<sup>91</sup> This include above all *Jamal Mohammed Khalifa*, a brother-in-law of Bin Laden, who has been active in South East Asia since the end of the 80s; compare Abuza, “Tentacles of Terror: Al Qaeda’s Southeast Asian Network” [as Fn. 20], pp. 436, 444–445.

*zakat*, one of the five pillars of Islam, according to which followers should donate at least 2.5% of their income for humanitarian purposes, which is often done in cash and without any evidence of the use of the money. In general, the funds flow into the accounts of charitable Islamic organizations or Koran schools, some of whom have contact with transnational or local militant groups. In some cases, these organizations are simply a legally operating part of the network. The Pakistani Koran schools alone collect about \$1.1 billion per year, which is more than the country collects in income taxes. Moreover, they traditionally benefit from direct donations from the Saudi or Kuwaiti governments, which use charitable organizations to carry out their religious policies and in this way they possibly participate indirectly in the financing of militant forces.<sup>92</sup> Given the central role that these sources in particular play, it is clear that, even among extremists, the carrying out of attacks in Saudi Arabia is highly controversial. More than a few worry that the flow of donations and the necessary logistics could be jeopardized because of these attacks.<sup>93</sup>

## Access to Ways of Financing

Transnational terrorist networks are not just concerned with funding sources but they must also be able to transfer money in order to keep their own infrastructure intact and, above all, to finance attacks. There are various methods for accomplishing this, most of them are also the preferred methods of organized crime<sup>94</sup>: smuggling cash, money laundering,<sup>95</sup> the use of tax havens and offshore accounts,

<sup>92</sup> Compare International Crisis Group, *Pakistan: Madrasas, Extremism and the Military* [as Fn. 27], pp. 14–16.

<sup>93</sup> The reveals, not least, debates with the Al-Qaeda network, which launched the suicide attacks in Riyadh. In *Voice of Jihad*, for example, Abu Hajjer, one of the most sought after terrorists in Saudi Arabia, expressed his understanding for these concerns: „It is also true that we must use this country [Saudi Arabia] because it is the primary source of funds for most Jihad movements, and it has some degree of security and freedom of movement.“ In any event, he defended the attacks against western targets in Saudi Arabia. See: Special Dispatch—Jihad and Terrorism Studies, No. 601, 31.10.2003, <[www.memri.org](http://www.memri.org)>.

<sup>94</sup> See also Schneckener, *Netzwerke des Terrors* [as Fn. 17], pp. 33–34.

<sup>95</sup> Laundered money is estimated to be between 2 to 5 percent, or US\$800 billion to US\$2 trillion, of global GNP per year; compare Sidney Weintraub, “Disrupting the Financing

trading in gold or diamonds, making transfers via legal import/export firms and through shell companies and mailbox firms.

Today, there seem to be primarily two important means of transfer for Al-Qaeda and Islamist networks: on the one hand considerable sums, as explained above, are spread among Islamic “charity” NGOs and Koran schools by means of both cash payments and transfers through regular banks. On the other hand, informal transfer systems (*Hawala* in the Islamic world or *Hundi* in South Asia) play a key role. In these informal systems, the flow of money runs through an unregulated, barely controllable network of traders and financial service providers. Both transfer methods are facilitated in countries that traditionally have weakly institutionalized and widely unregulated financial and banking sectors. **Pakistan**, the **Gulf** and the countries of **South East Asia** are the ones that come to mind in this context.

The importance of Islamic NGOs for holding and distributing funds is made clear by the fact that in 2002 and 2003 about 50 such establishments in the Gulf, including 12 in Saudi Arabia, were closed. In addition, various branches in third countries were closed.<sup>96</sup> In Pakistan, the authorities and the FBI closely examined the representative offices of various Arab NGOs, including *Lajnat Al-Dawa Al-Islamiah* (Kuwait), *Qatar Charity Association* (Qatar) and *Islamic Relief Agency* (Saudi Arabia).<sup>97</sup> In order to demonstrate the practices of such NGOs, the UN experts cite as examples from Saudi Arabia the *International Islamic Relief Organization* (IIRO) and *Al-Haramain Charitable Foundation* (both located in Jeddah). The latter is supposed to have an annual budget of US\$40 to US\$50 million. Both maintain numerous branches around the globe and they have tight relationships with other institutes and NGOs in the Islamic world, which are used for the transfer of money out of Saudi Arabia. Both organizations and the individual offices abroad have been accused of directly financing attacks and terrorist organizations, including Al-Qaeda and

Jemaah Islamiyah, as well as local groups such as *Abu Sayyaf* in the Philippines and *Al-Itihaad al-Islamiya* in Somalia.<sup>98</sup> In March 2002, the Al-Haramain offices in Bosnia and Somalia were closed because of alleged contacts with terrorists. In January 2004, the Saudi government together with the U.S. government attempted to stop all the financial transactions of the offices in Pakistan, Indonesia, Kenya and Tanzania.<sup>99</sup> Similarly, Islamic NGOs and institutes have been established in South East Asia. These organizations also maintain connections to other regions, even if their scope of action is more limited than that of their Arab models.<sup>100</sup>

The informal transfer systems are as widespread as these activities. In more than 50 countries, they are commonplace and generally legal. It is not unusual for these systems to replace nonexistent, local bank structures; they offer a comfortable and comparatively cheap alternative for international money transfers. It is estimated that each year more than US\$200 billion are transferred worldwide using these means.<sup>101</sup>

**Pakistan**, where there is estimated to be more than 1,000 traders, is one of the central places for such transactions and up to US\$3 billion flows into the country annually.<sup>102</sup> According to the International Monetary Fund (IMF), between 1981 and 2000, more than 50% of the total transaction volume for undocumented transfers was carried out in the following key countries, in this order: Algeria, Iran, Tanzania, Bangladesh and Sudan.<sup>103</sup>

of Terrorism,” *The Washington Quarterly*, Vol. 25, No. 1, Winter 2002, p. 54.

<sup>96</sup> In Saudi Arabia alone, according to official statistics, about 245 charitable organizations were examined. See United Nations, Second Report of the Monitoring Group, established pursuant to Security Council resolution 1363 (2001) and extended by resolutions 1390 (2002) and 1455 (2003), S/2003/1070, December 2003, p. 15.

<sup>97</sup> Compare International Crisis Group, *Pakistan: Madrasas, Extremism and the Military* [as Fn. 27], p. 23.

<sup>98</sup> The IIRO-Network has 36 offices in Africa, 24 in Asia and 10 each in Europe and North and South America; the Al-Haramain Institute is represented in at least 49 countries; see United Nations, Second Report of the Monitoring Group [as Fn. 96], pp. 15–17.

<sup>99</sup> Compare “Washington and Riyadh Seek UN Action to Rein in Charity,” *Financial Times*, January 23, 2004, p. 4.

<sup>100</sup> The UN report refers to *Om al-Qura* Institute, which among others, is supposed to be represented with offices in Thailand, Cambodia, Bosnia and Chechnya. See United Nations, Second Report of the Monitoring Group [as Fn. 96], pp. 18–19.

<sup>101</sup> Compare United Nations, Second Report of the Monitoring Group established pursuant to Security Council resolution 1363 (2001) and extended by resolution 1390 (2002), S/2002/1050, September 2002, p. 15.

<sup>102</sup> Compare William F. Wechsler, “Strangling the Hydra. Targeting Al-Qaeda’s Finances,” in: James F. Hoge and Gideon Rose (eds.), *How Did This Happen? Terrorism and the New War*, New York: Public Affairs, 2001, pp. 134–135.

<sup>103</sup> See: “Die Hydra Hawala,” *Der Spiegel*, No. 37, 2002, p. 87.

## Which Fragile State Offers Which Functions and Capabilities?

The analysis has shown that transnational terrorists rely on non-state support to a large degree. In contrast to the 1970s and 1980s, it is not primarily state or state-sponsored actors who directly promote international terrorism. There may be few significant exceptions, such as for example the military and secret services in Pakistan and Indonesia, which to some extent have supported local terrorist and guerilla groups that later were revealed to be allies of Al-Qaeda. However, for ensuring a particular infrastructure and critical capabilities a broad spectrum of non-state actors is much important for terrorist networks. These actors are able to use the room for maneuver that is offered by a weak government of a fragile state. Included among these non-state actors are religious leaders, religious schools, rich individuals, firms, Islamic NGOs and institutes, which generally act legally and whose participation in transnational terrorism is usually very difficult to prove. They primarily serve to recruit volunteers, spread propaganda, give access to resources and transfer funds. In addition, transnational networks use the activities and infrastructure of other militant and armed non-state actors; this applies especially to access to resources and the use of transit and supply routes. Moreover, while mafia and criminal structures are primarily useful for escape routes and financial channels, warlords, local terrorist and guerilla groups are necessary for recruiting and for access to training and withdrawal areas.

In this regard, transnational terrorists benefit primarily from countries or regions in which such non-state supporters can act relatively undisturbed and which offer Al-Qaeda and others an ideal environment. From this point of view, the countries that are attractive are those whose statehood is severely challenged, but which do not expect a full breakdown of state structures in the medium term. Therefore, they are mostly interested in weak or failing states, which have strong deficits in certain respects, but nevertheless can maintain a minimum amount of order. From the perspective of the terrorists, failed states and areas in intense civil wars are, in contrast, of secondary interest. They merely offer the terrorists possibilities for recruiting of fighters, transit and

access to resources (especially mineral resources).

Failed or collapsed states are obviously only of limited use to transnational terrorists for training, communication and financing. One indicator therefore is the fact that Afghanistan first (again) became an attractive location for training and planning for Bin Laden and Al-Qaeda when the Taliban regime was on the point of bringing most of the country under its control and establishing, at least to some degree, a public order.

If one ties the various aspects of the terrorists infrastructure to the countries that are relatively important for Al-Qaeda and other terrorist networks, this finding becomes even more clear. This classification can only be based on trends: it should be noted that if a country obviously plays a prominent role for transnational terrorists in a specific area, that does not exclude other functions from being covered in marginal ways. Moreover, this estimate represents a look at the situation at a specific moment in time (an analysis of the period between the end of 2001 and the end of 2004). Accordingly, **Saudi Arabia, Yemen, the Philippines, Pakistan and Indonesia** rank in the “lead group”: they constitute the backbone of the infrastructure for Al-Qaeda, for Jemaah Islamiyah and to a limited extent for Pakistani groups. Certainly, these countries are not equally important in all dimensions, rather they are used to varying degrees depending on the terrorist network and capabilities required. Lebanon, which functions as a base for Hezbollah in all fields, plays a special role, but only to a limited extent for the other groups. The other examples, even though there are differences, involve countries that fit the following profile:

- ▶ In the 1980s and 1990s, they played—sometimes actively, sometimes passively—an important role as “supply” countries, which made fighters available for the so-called Jihad in Afghanistan and in local conflicts (e.g. Kashmir, Bosnia, Chechnya, Mindanao). In this way, they were able to export some of their internal problems.
- ▶ They have considerable difficulties imposing the state monopoly of the use of force on the entire territory and/or are not capable of effectively controlling their external borders.

- ▶ They must tolerate the power and influence of armed non-state actors in some regions, which, however, in some cases are or were linked to state institutions or individual representatives (see Pakistan and Indonesia). Moreover, they are characterized by having a relatively large share of the population who are equipped with small arms and light weapons.
- ▶ They have considerable deficits in the public school and education system and leave this field, to a large degree, to private, mostly religious providers.
- ▶ They have only limited public social and health policies and leave these tasks to predominantly charitable, religious organizations, which in particular address the needs of the poor and of refugees.
- ▶ They are economically characterized by shrinking flexibility for distributing wealth (e.g. crises in rentier states such as Saudi Arabia and Yemen) and a growing informal sector, which in some cases is linked to a growing criminal sector, especially smuggling, and drug and weapons trafficking.
- ▶ For decades they have been distinguished by a high degree of corruption and clientelism up to the highest levels of government.<sup>104</sup>
- ▶ Their political systems are characterized by either authoritarian structures or an incomplete or blocked democratization process. One reason for that is in some cases, not least, the ambivalent role of the state security apparatus (see Indonesia, the Philippines, Pakistan and Yemen).
- ▶ They have a relatively well-organized Islamic opposition, which, however, is generally not integrated into the political system and sees itself as a victim of state repression (except in Yemen). Although the repression does limit the possibilities for the Islamists to topple or endanger the government, it does promote the militancy of individual splinter groups and the potential for internal violence.

The another group of countries includes those states or regions, which from the perspective of the terrorist networks, fulfill four or five functions and play a

limited role in the other fields. **Afghanistan, Egypt, Algeria and Sudan** are states which possessed a by far greater significance for Al-Qaeda prior to 2001. Indicators of this decreased significance include the disappearance of previously used training and planning locations and, to some extent the shifting of financial means and the decreasing recruiting activities in the listed countries. **Morocco, Tunisia, Malaysia, Thailand, Kuwait** and the Central Asian countries (primarily **Uzbekistan** and **Tajikistan**) are also included in this category. These countries are particularly relevant for recruiting, transit, communication and the access to resources and means of financing. In contrast, they only sporadically appear as locations for training and planning (see Malaysia, Central Asia, Morocco). Nevertheless, they present important alternatives when the necessary conditions no longer exist in other countries.

Other countries and regions fall into a category for those which are relevant for three or fewer dimensions of terrorist infrastructure: Significant examples are **Georgia, Chechnya, Djibouti, Somalia, Kenya, Sierra Leone and Liberia**. They have primarily logistic functions because these countries are used for transit and offer access to resources, including civil war economies. Attempts at recruiting are limited to isolated cases (e.g. Chechen fighters, the Muslim Diaspora in Nairobi).

Following the end of the U.S. intervention (May 2003), **Iraq** plays a substantial role: it has not only become a prominent theater of operations for transnational terrorists, but also serves for recruiting new fighters and for paving the way and consolidating contacts between various groups. Moreover, Al-Qaeda leaders have used the occupation of Iraq by U.S. troops for propaganda purposes in various declarations in order to mobilize new recruits under the banner of international Jihad—analogue to Afghanistan—and to gain access to new financial sources.

<sup>104</sup> The Corruption Perception Index of Transparency International might provide a clue: according to it, Pakistan and the Philippines, with a value of 2,6 (Rank 77) and Indonesia with 1,9 (Rank 96) in the last third of the examined countries (there is no data for Saudi Arabia and Yemen). See Transparency International, *Global Corruption Report*, Berlin 2003, pp. 264–265.

## Conclusion: State Building As a Key Element in Counter-terrorism Strategy

From a the perspective of a long-term strategy in counter-terrorism, the *sustainable strengthening of state structures (state building)* seems to be one of the main tasks that German and European foreign and security policy. The main concern is narrowing the room for maneuver of transnational terrorist networks and stopping their build-up and expansion. Specifically, that means restricting their scope for action, their operational capabilities, their recruiting possibilities, their supplies, their means of transit and communication and the spreading of their ideology. This approach is focused less on the direct fight against visible terrorist structures (operational counter-terrorism) and more on the fight against the conditions that support their creation and existence (structural counter-terrorism) with the long-term goal of pulling the floor out from under transnational terrorist networks and systematically destroying their infrastructure.

However since 2001, the practice of the fight against terrorism has clearly shown that some governments use the label “terrorism” to defame and shut off political opponents, withdraw reforms (e.g. freedom of the press and expression) and to demand regular “terror-rents” from the West in order to be able to equip military, police and secret services. This development will be counterproductive in the medium term, because it increases tension in societies and provokes political extremism. It is therefore of utmost importance that the European Union and the U.S. do not send out the wrong signals with the fight against terrorism and, thereby, strengthen undifferentiated, repressive policies in the affected countries. *State building* does not concern the stabilization of a regime, but the long-term stability of a political community.

*State building* is nevertheless not identical to *nation building*, the latter takes the development of a society as a whole and aims at the formation of a national identity.<sup>105</sup> In contrast, the approach represented here is more modest, it is focused on state structures and

<sup>105</sup> For the debate on *nation-building* see Jochen Hippler (ed.), *Nation-Building. Ein Schlüsselkonzept für friedliche Konfliktbearbeitung*, Bonn: Dietz, 2003; Amitai Etzioni, “A Self-restrained Approach to Nation-building by Foreign Powers,” *International Affairs*, Vol. 80, No. 1, 2004, pp. 1–17.

capacities. In this sense, three stages of *state building* can be distinguished, which require specific measures:

**Stage 1—Stabilization of state structures:** The stabilization and strengthening of existing structures and institutions stand at the center of this stage. A change of regime is generally not required. It is a matter of strengthening the capability and readiness of the local elites to eliminate forms of bad and ineffective governance and stop the process of state failure. The typical measures that come into play are: financial and economic aid, strengthening of the security sector (e.g. the police, border troops) and the judicial system, fighting corruption and mismanagement, implementing and enforcing human rights standards, improving political participation, etc. These measures are primarily suited for countries that already find themselves in a democratization process, even if it is incomplete, which must be supported and further encouraged from the outside.

**Stage 2—Reform of state structures:** The emphasis here is on the reform and of existing state structures and institutions. It is necessary to make strategic decisions, which will ultimately change the character of the institutions and countries. This includes the possibility of a regime change, in some cases such a change might also be a precondition in order to be able to move the necessary reform process forward. Appropriate measures include reforms of all three state functions, which can extend from specific programs in the security sector to comprehensive constitutional reform. Most fragile states can be considered candidates for this form of *state building*, especially those that have yet to begin a comprehensive democratization process (see Saudi Arabia, Yemen, Pakistan, Egypt, Central Asia, Kuwait, Malaysia, Algeria, Morocco, Tunisia, Iran).

**Stage 3—(Re-)Construction of state structures:** The widest ranging variant is the construction and re-establishment of state structures and institutions, which did not exist before, or at least not in this form. This affects primarily post-war societies, which in the course of a conflict saw nearly all of their structures

destroyed (see Afghanistan, Bosnia, Kosovo, Tajikistan, Somalia) but also countries in which essential elements of statehood no longer exist (see Sudan, Algeria, Iraq). Usually the complete construction implies a regime change, because those in leadership up until then have been politically discredited. The necessary measures include, above all, construction of the police and an army, demobilization and disarming of paramilitary groups, humanitarian aid, economic reconstruction, the establishment of the rule of law, founding of political and administrative institutions, preservation of human rights, encouragement of peace and reconciliation processes, the support for civil society, etc.

As this analysis has shown, the first two stages are especially important for the fight against transnational terrorist networks. In other words, most cases have less to do with the construction of state structures (except Afghanistan and, now, Iraq) and more to do with measures for stabilization and to some extent in depth reforms. Certainly there is a certain tension between stabilization and reform, which in most cases must be carried out in parallel. On the one hand, the stabilization of structures should not lead to the strengthening of these actors in government and society, which have little or no interest in comprehensive reforms and changes because they benefit from the status quo. On the other hand, political and economic reforms, which generally interfere with the vested interests of the ruling elites, should not further destabilize the country and thereby under certain conditions aggravate the situation. The capability of external actors will therefore be decisive with respect to linking aid for stabilization in certain areas (e.g. in the security sector) to concrete reform processes (e.g. improvement of political participation).

Therefore, German and European foreign policy should prioritize the key countries identified: Saudi Arabia, Yemen, Pakistan, the Philippines and Indonesia. Concrete country strategies and an anti-terrorism package would help to minimize the susceptibility of these countries to transnational terrorism. These plans must clearly go beyond the already established cooperation with the police, security and secret services, including above all training, education and equipping of local forces, usually carried out in the

framework of a U.S. program.<sup>106</sup> Moreover, strategies and programs are desirable for regions that are at least partially used as alternate locations for transnational terrorists: Central Asia, the Caucasus, North Africa and the Horn of Africa. The following measures and guidelines should be at the center of such an anti-terror program:

**Strengthening of the legitimate monopoly of the use of force and reform of the security apparatus.**

This primarily affects the police and border troops, who must be put in a position to win and assert control over the country's territory and external borders. In addition, specialized anti-terror units, which should be primarily deployed for apprehending potential attackers or supporters and for storming larger complexes (e.g. training camps) should also be strengthened as necessary. In order to do this, there is not only a need for better technical equipment (e.g. night vision equipment), but also, above all, for comprehensive education and training of local forces focused on democratic values and human rights standards. In this context, measures for fighting corruption in the police and judicial system are also needed. In many countries this implies a depoliticization and professionalization of the police and security forces. An additional requirement is the support for regional cooperation initiatives in the security field (e.g. in North Africa, Central Asia and South East Asia) in order to limit transit and escape possibilities as well as refuges for terrorists.

**The strengthening of public investments and reforms of the welfare sector.** The long-term goal is to overcome the blockades to development in order to bring about equal opportunities and increase the possibilities for upward social mobility. This goal would be served by reforms and increased investment in education and social programs, which should not be left solely to non-state actors—such as religious organizations—as is common in Arab countries, Pakistan and Indonesia. Governments, which raise their budget for public education and demonstrably open access to education to wider parts of the population should be appropriately rewarded internationally and encouraged. In the medium term, these measures should limit the breeding grounds for radicalization and the potential for recruiting, and at the same time improve state control over the activities of Islamic charities.

<sup>106</sup> For the Antiterrorism Assistance Program (ATA) of the USA see U.S. Department of State, *Patterns of Global Terrorism 2003*, Washington, D.C., April 2004, pp. 161–163.

The reform and regulation of the banking and financial sectors is also required in order to gain more control of financial transactions.

**Strengthening democratic potential and reforms in support of the rule of law.** Here, the focus should be on measures for the improvement of political participation, for guaranteeing the freedom of expression and the press, for the political integration of hitherto marginalized groups and the stabilization of rule of law procedures, in order to ultimately strengthen the legitimacy of the state and its political institutions. A central point is the independence of the judicial system and of law-enforcement authorities, in order to minimize the impression or the danger of political arbitrariness. At the same time, it is a matter of weakening the authority of those forces (e.g. certain religious leaders), who in open or in private glorify violence in the community, actively recruit people or deliver propaganda for militant groups.

## Abbreviations

ATA	Antiterrorism Assistance Program
BRN	Barisan Revolusi Nasional (Revolutionary National Front)
CIA	Central Intelligence Agency
DOI	German Orient-Institute (Hamburg)
FATA	Federally Administered Tribal Areas
FBI	Federal Bureau of Investigation
FSB	Federal'naja služba bezopasnosti (Federal Security Service)
GMP	Gerakan Mujahideen Islam Pattani (Islamic Mujahedeen Front of Pattani; Thailand)
HuM	Harkat ul-Mujahedin (Movement of the Mujahedeen)
ICG	International Crisis Group
ICT	International Policy Institute for Counter-Terrorism
IIRO	International Islamic Relief Organization
IMU	Islamic Movement of Uzbekistan
JeM	Jaish-e-Mohammed (Mohammed's Army)
JI	Jemaah Islamiyah (Islamic Union)
JUI	Jamiat-e-Ulema Islam (Union of Islamic Scholars)
LeJ	Lashkar-e-Jhangvi (Jhang's Army)
LeO	Lashkar-e-Omar (Omar's Army)
LeT	Lashkar-e-Toiba (Army of the Pure)
MILF	Moro Islamic Liberation Front
MMA	Muttahida Majlis-e-Amal (United Action Council)
MMI	Majelis Mujahidin Indonesia (Mujahedeen-Council of Indonesia)
NGO	Non-Governmental Organization
OECD	Organization for Economic Co-operation and Development
PFLP	Popular Front for the Liberation of Palestine
RUF	Revolutionary United Front (Sierra Leone)
UN	United Nations
USAID	The United States Agency for International Development
WMD	Weapons of Mass Destruction