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No. 142/2013 dated 29 July 2013

Indonesian Terrorism Financing: Resorting to Robberies

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Synopsis

A record number of robberies have been perpetrated by terrorists in Indonesia over the past three years. This could be a sign of their inability to secure donations and international funding, the result of counter operations against terrorist and extremist groups.

Commentary

SINCE 2010, there have been dozens of bank heists conducted by numerous terrorist cells, some of them linked to Mujahidin Indonesia Timur (Mujahidin of Eastern Indonesia or MIT). Led by Santoso, MIT is currently the most dangerous terrorist group in Indonesia and is responsible for a string of deadly attacks against police. Besides banks, the terrorists have also robbed gold shops, mobile phone shops, post offices, money changers, internet cafes, grocery stores, and construction material shops.

In the first half of 2013 alone, MIT's funding arm, Mujahidin Indonesia Barat (Mujahidin of Western Indonesia or MIB) led by Abu Roban, reaped a total of Rp 1.8 billion (US\$180,000) from a series of bank heists. While in the past, Jemaah Islamiyah (JI) and its splinter cells had conducted robberies to supplement their funding for terrorist attacks, two factors may explain the significant increase in the number of heists since 2010.

Dearth of international funding

Firstly, terrorist groups are finding it increasingly difficult to procure funding from international sources since the killing and arrests of key figures in the international fundraising network in 2009 and the growing decentralised nature of their network. Each cell is at present mostly manned by youths lacking international connections which the terrorist operatives of the past had.

The terrorism landscape in Indonesia prior to 2010 was characterised by the ability of key figures such as Hambali and Noordin Mohammed Top to attract international donors willing to fund high-profile attacks in Indonesia. Al-Qaeda allegedly funded the 2002 and 2005 Bali bombings, the 2003 J.W. Marriott bombing and 2004 Australian Embassy bombing in Jakarta.

The 2009 J.W. Marriot and Ritz Carlton Bombing was allegedly funded through a Saudi national, Ali Khelaiw Ali Abdullah who reportedly had a list of potential global donors. Another person with international connections for terrorism fundraising was Muhammad Jibril who allegedly flew with Ali in 2008 to Pakistan to establish contact

with Al-Qaeda operatives and to Saudi Arabia to solicit funds to carry out attacks in Indonesia.

However, Jibril was in prison from August 2009 to November 2012. Abdullah Sunata, another key figure who had supplied funds from the Middle East for the insurgents in Southern Philippines, was arrested in June 2010 and sentenced to 10 years imprisonment.

Secondly, terrorists are not able to secure enough money through “legitimate” means, such as donations from sympathisers. The extremist community has set up a few charities to provide financial assistance to the families of terrorists such as *Gashibu Nusantara*. However, if indeed a portion of the funds did go to terrorist cells, the sum would not only be insufficient, but also might not reach all cells equally.

Religious justification for robbery

In addition, the fact that some fugitive terrorists complained online of the reluctance among the extremist community to give them substantial financial assistance for fear of being arrested is likely another factor for resorting to robberies.

Although terrorists were able to gain sufficient proceeds from criminal activities, only a small portion actually went to funding activities, including for weapons procurement or training. Indonesia’s Counter Terrorism Agency (BNPT) Chairman Ansyad Mbai in June 2013 noted that the terrorists used the rest of the money for personal gain. It is in line with terrorists’ arguments that it is religiously justified if they use funds for personal expenditure.

In April 2013, “Mujahidin Indonesia”, part of the MIT network, posted on an extremist forum, claiming that it was responsible for the robbery of a gold store in Tambora, Jakarta.

Quoting Anwar Al-Awlaki, the former American-Yemeni leader of Al-Qaeda in the Arabian Peninsula, the group reiterated that it was better to use all the robbery proceeds as not only was it the best source of income but it would additionally ensure that they would not need to work and thus could solely devote their time to conducting terrorist operations.

Future trajectory

The lack of legal framework to counter extremism in Indonesia has exacerbated the spread of extremist ideology and in turn the number of terrorist cells is likely to grow. There are two probable scenarios of the future of terrorist funding in Indonesia. Firstly, robberies could become more popular among terrorists given the belief that proceeds from robberies could be used for personal expenses. If this occurs, terrorist cells operating in Indonesia may resemble the Abu Sayyaf Group (ASG) operating in the Southern Philippines.

Reflecting McKenzie O’Brien’s study on the alternating between crime and terror of ASG’s kidnapping for ransom activities, terrorist groups in Indonesia do appear to be transitioning from terrorism to criminality. Another terrorist expert Audrey Cronin described this change as “a shift away from a primary emphasis on collecting resources as a means of pursuing political ends towards acquiring material goods and profit that become ends in themselves.” There has been an indication of this direction when substantial amount from proceeds of some criminal activities went to the terrorists’ own pocket rather than to fund the group’s operation.

Secondly, terrorist cells using robbery to finance operations may ultimately be alienated from their very own extremist community. There was an early sign of this when Aman Abdurrahman, Indonesia’s most radical extremist ideologue, criticised the method as it could interfere with his efforts of expanding the extremist support base.

The robbery trend nevertheless highlights the success of Indonesia’s counter terrorism measures in depriving terrorist groups of their international financial capability with which to launch large scale attacks.

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