From the Year of the White Horse to the Year of the Black Horse

Mongolia After Twelve Years of Transition

Following the collapse of communism, Mongolia embarked upon an ambitious path of political and economic reform. The ensuing transition brought new opportunities to the country and its people: an end to international isolation, the introduction of political freedoms and a nascent private sector after many decades of centralized planning. Economic liberalization, however, has yet to deliver benefits to the Mongolian majority. At the beginning of the 1990s, many believed that the market economy would bring unprecedented prosperity within a decade. Instead, it brought unprecedented poverty. In many respects, life for most people is more precarious today than during the communist era.

Before the 1990s poverty as such was not a problem in Mongolia. With the advent of transition and the sudden collapse of economic structures, the economy contracted and unemployment soared. Surveys undertaken over the last seven years indicate that one in three Mongolians live below the poverty line, earning less than a dollar a day. During the period 1993-2002, the Gini coefficient of inequality increased from 0.31 to 0.37. Despite the recent return of moderate economic growth, the number of those living in poverty has not decreased. Mongolia did not recover its 1989 pre-transition GDP of just over USD 1 billion until 2000. Like many post-communist countries, Mongolia began the 1990s with negative growth and extreme inflation (up to 370 per cent). The mid-1990s witnessed economic stabilization and inflation around 10 per cent; growth and single-digit inflation had to await the end of the decade. Unfortunately, Mongolia is still struggling to achieve growth rates necessary for poverty reduction and job creation. According to a 1999 World Bank study of poor developing countries, poverty reduction requires economic growth rates at least twice the rate of population growth. That is for countries with good governance. Without good governance, when the distribution of wealth is unequal and corruption thrives, economic growth needs to be at least three times the rate of population increase. Its population currently growing at 1.5 per cent and good governance lacking, Mongolia needs a minimum annual growth rate of 4.5 per cent in order to raise general living standards. Yet, over the last several years, Mongolia’s growth has been insufficient, averaging 1.5 per cent.

Foreigners are easily impressed by the many jeeps in the streets of Ulaanbaatar and the expensive houses that are being built in the capital’s suburbs. In a country with a per capita GDP of USD 450, however, these are not signs of a healthy but of a sick economy. So what went wrong? Mongolia has been, in the words of The Economist, ‘the star pupil of Western liberal economics’, ‘the darling of ultraliberals in the West’. Meticulously following the instructions of international financial institutions, the country liberalized its currency, trade and economy, privatized most of its state assets, and brought down inflation. Below are some examples of how these reforms were undertaken.

Tight monetary policies dictated by the IMF and implemented by the Central Bank of Mongolia aimed to reduce inflation; bank rates, however, were kept too high for local businesses to be profitable. Foreign aid (ODA) brought benefits to tens of thousands of Mongolians, but the overall amount is reaching dangerous levels. Over the past twelve years, Mongolia received ODA averaging 20 per cent of GDP. In addition the old (communist-era) debt to Russia has not yet been negotiated or

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Hating Americans: Jemaah Islamiyah and the Bali Bombings

Late on the night of 12 October 2002, Ali Imron walked into the al-Khurobah mosque in Denpasar and performed a prayer of thanks. Shortly beforehand he had heard the massive bomb blast at the Sari Club and felt the ground shake beneath his feet. He had played a key role in assembling the bomb and knew that many people at the crowded club must have been killed or injured in the explosion. He would later say that he was ‘pleased and proud that the device he had built had exploded horrifyingly with its blaze reaching into the sky’ and that ‘the bomb ... was truly the great work of Indonesia’s sons’.

By Greg Fealy

T he attitude and motivation of Ali Imron and his fellow accused bomb attackers deserves close attention, not only to enable scholars of Islam and terrorism to understand the specific dynamics of Southeast Asian extremism but also to provide lessons and frameworks with a basis for designing effective anti-terrorism policies. Most scholars of terrorism agree that context is critical to understanding extremist activity. Factors which drive terrorism in one time or place may not be present in other periods or locations. While much is now known about al-Qaeda’s thinking, we should be wary of assuming that the Bali bombers were acting from precisely the same mindset.

The bomb at the Sari Club, along with a smaller preceding explosive at the nearby Paddy’s Bar, killed 202 people and injured another estimated 300. As far as can be determined, making it the deadliest terrorist attack since 9/11. Most of those killed were Western tourists, including eighty-eight Australians, twenty-three Britons, nine Swedes and seven Americans. There is now sufficient material available from police testimony and media interviews to enable a preliminary analysis of the Bali bombers’ mindset. The evidence would suggest that an extreme hostility towards the West, and the US in particular, was a critical factor.

Within a month of the bombing, the joint Indonesian and foreign police investigation began arresting key suspects, almost all of whom were members of the clandestine Jemaah Islamiyah ([JI] movement). JI is at the extreme fringe of its region’s small radical Islamic communities and is the only genuine transnational terrorist organization in Southeast Asia. Although most of its leadership and the majority of its operations were in Indonesia, it had active cells in at least four countries and had held planning meetings and training programmes across the region. There is strong evidence of JI involvement in terrorist attacks since 2000, including the ‘Christmas Eve 2000’ church bombings in Indonesia, which killed nineteen people, and the Metro Manila attacks of the same month, which left twenty-one dead. Jemaah Islamiyah was established by the Arab- Indonesian preacher, Abdullah Sungkar, in the mid-1990s but another Indonesian of Yemeni extraction, Abubakar Bashir, took over leadership of the organization following Sungkar’s death in 1999. Estimates of the organization’s current membership vary from about two hundred to several thousand. At the time of writing, Indonesian police have either charged or intend to charge at least thirty-three people in connection with the bombing.

Public attention has been focused on four of the accused bombers: Amrozi, Ali Imron, Mukhlis, and Imam Samudra. The first three are Indonesians, though the fourth was of Malaysian descent. At the time of writing, Indonesian police have either charged or intend to charge at least thirty-three people in connection with the bombing.

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The Bali bombings were both veterans of the war against the Soviet Union in Afghanistan in the 1980s; the former helped to design and assemble the bombs and the latter, as JI’s operational head, had oversight for the attack. Imam Samudra, another former mujahidin, was the JI field commander leading the bombing. Anti-American hostility

Police interrogation and media interviews soon established that a deep animus towards the West, the United States in particular, was a primary motivating factor for the bombers. The US was seen as embodying the anti-Islamic struggle of the Christian- and Jewish-dominated Western world. When investigators asked Amrozi why he wanted to bomb the Sari Club he repeatedly told them he ‘had hated Americans’. Similarly, Imam Samudra made it clear that his main target was the US. He said ‘I hate America because it is the real centre of international terrorism, which has already repeatedly tyrannised Islam’. ‘I carry out jihad’, he declared, ‘because it is the duty of a Muslim to avenge, so [that] the American terrorists and their allies understand that the blood of the Muslim community is not shed for nothing.’ He went on to say that he had chosen the Sari Club and Paddy’s Bar as targets because he knew they were ‘often visited by Americans and even Mossad people.’ Later, when informed that many of the victims were Australian tourists, Imam Samudra was said to be ‘shocked’ and ‘quite regretful’ because they were ‘not the right target’. Mukhlis was quoted as saying: ‘We wanted to terrorise the government of America.’

Arguably, the most complete public statement of the bombers’ position appeared on the Istimata (Absolute Struggle) webpage, which Imam Samudra said ‘sets out the essence of my struggle’. It declared: ‘Let it be acknowledged that every single drop of Muslim blood, he it from any nation or race or sect, from any place they will be remembered and accounted for.’ The site referred to thousands of Muslims who perished in Afghanistan, Sudan, Palestine, Bahrakat Ra’its, the Philippines, Kashmir, and Iraq, stating: ‘The heinous crime and international conspiracy of the Christians also extends to the Philippines and Indonesia. This has resulted in Muslim cleansing in Moro [southern Philippines], Ammon, Poso and surrounding areas. It is clearly evident the crusade is continuing and will not stop... Every blow will be repaid. Blood will be redeemed by blood. A life for a life. One Muslim to another is like a single body. If one part is in pain, the other part will also feel it.’

It continued: ‘To all you Christian unbelievers, if you define this act [i.e., the Bali bombings] on your civilians as heinous and cruel, you yourself have committed crimes which are more heinous. The cries of the babies and Muslim women ...has [sic] never succeeded in stopping your brutality. Well, here we are the Muslims! We will harness the pain of the death of our brothers and sisters. You will hear the consequences of your actions wherever you are. It concludes by saying: ‘We are the Muslims of the vast Islamic community, of the whole Muslim community. We are the Muslim men... We will succeed in stopping your brutality. The Istimata declaration and testimony from police interviews suggest that the Bali bombings were part of a larger campaign by the bombers to push the US and its allies out of the region. The Istimata declaration refers to the ‘invasion of our holy lands’ and states: ‘You are... the crusade is continuing and will not stop... Every blow will be repaid. Blood will be redeemed by blood. A life for a life. One Muslim to another is like a single body. If one part is in pain, the other part will also feel it.’

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