Key points

> The seizure of Marawi city by Daesh-linked militants is a game-changer for
Southeast Asia, and presents a threat to all countries of the region.

> Limiting the movement of money, technology, recruits and planning support to
extremist groups in the southern Philippines will be crucial to ensure Daesh-
aligned groups do not gain a further foothold, and increase the security threat to
other regional states.

> Daesh supporters escaping from Iraq and Syria could take on influential positions
within Southeast Asia extremist groups, although numbers are likely to be small.

> This is a regional problem, and closer regional cooperation on counter-terrorism
will be required to reduce the threat that Marawi presents.

> Whatever support Australia provides must be informed by regional sensibilities and
calibrated to the needs of Manila and residents of the southern Philippines.

Policy recommendations

> Australia should seek to refocus and increase military education and training
collaboration with the Armed Forces of the Philippines, with a focus on urban
operations, civil-military relations and transition to peace.

> Australia should continue to expand regional counter-terrorism cooperation,
seeking to prevent the spread of emboldened Islamist terrorism beyond the
southern Philippines and to limit the damage there.

> Australia should focus its efforts in areas where it has distinct capabilities — such
as on illicit financial transfers and the security of the maritime domain.

The next Mosul?

On 23 May 2017, Daesh-aligned militants seized parts of Marawi city on the southern
Philippines island of Mindanao. Philippines military and police forces have spent
subsequent months attempting to retake the city. The fighting has displaced hundreds of
thousands of civilians, and led to significant damage of Marawi’s city centre. Approximately
600 militants, 129 soldiers and 45 civilians have been killed. A small number of Daesh fighters
remain, reinforced by local recruits.
This is a shock for the Philippines and for the region: militants professing allegiance to the Daesh brand of global jihad have seized and held a major urban centre for more than two months.

As its so-called ‘caliphate’ in Iraq and Syria continues to shrink, Daesh is seeking to exploit opportunities to maintain relevance. Its extremist propaganda has cited the southern Philippines — with its history of conflict, poor governance and an aggrieved Muslim population — as new focal point to continue the jihad.

In June 2016 the group’s official media released a video showing an Indonesian, a Malaysian and a Filipino urging compatriots who could not reach Syria to go to the Philippines instead. In August 2017, two videos — one featuring Australian accented Mounir Raad (also known as Abu Adam al-Australi) — called for supporters to join the fight in the Philippines. Daesh central had earlier called for an ‘East Asia wilayat’ or province of the ‘caliphate’, with leader Abu Bakr Baghdadi endorsing local Islamist militant Ipsilon Hapilon as its future leader.

Yet caution should be exercised in simply assigning a global jihadist narrative to recent developments in the southern Philippines.

At play is a more complex – and pragmatic — interconnection between local grievances, failing outlets for those grievances, and the unifying narrative, financial resources and technical support provided by Daesh.

The traditional Mindanao Muslim rebel groups — the Moro National Liberation Front (MNLF) and the Moro Islamic Liberation Front (MILF) — have long been in peace discussions or agreements with Manila, and are now seen by some younger Mindanao Muslims as part of the establishment, and not delivering on the aspirations of the Moro people.

Viewing the current conflict only through the lens of global jihad risks undermining the local factors influencing continued instability in the southern Philippines. Doing so would likely imperil reconstruction and reconciliation.

Equally, failing to acknowledge the influence of Daesh and interpreting Marawi as simply the latest development in a known local issue risks underestimating the potential terrorist threat. There are established financial and personnel links between Syria/Iraq and the individuals involved in the Marawi siege, and it would be unwise to discount the impact of the Daesh narrative.

Unknown territory for the Armed Forces of the Philippines

Part of the difficulty in retaking Marawi seems to stem from a lack of Armed Forces of the Philippines (AFP) preparation for modern urban warfare and counter improvised explosive device capabilities. This is understandable: the AFP has spent decades fighting communist and Islamist insurgencies in the jungle, and the militants’ tactics and technical IED knowledge appear to have come direct from Daesh.

The Australian Defence Force’s (ADF) Task Force Taji element, operating in conjunction with the New Zealand Defence Force components out of Camp Taji northwest of Baghdad, has trained thousands of Iraqi military personnel since 2015, including in urban warfare. The ADF also has significant training and counter-IED experience from operations in Afghanistan. It is in this context that Foreign Minister Bishop has offered to send Australian Defence personnel to ‘advise and assist’ AFP units operating in Marawi, in addition to the two Australian AP-3C Orion surveillance aircraft already operating in the southern Philippines.

Australia and the Philippines have a long cooperated on defence education and training, both under the Defence Cooperation Program and through joint exercises. Australia is the second largest provider in military education for the AFP, after the United States.

Australia should seek to build on existing bilateral training and education engagement with the AFP, perhaps with a greater focus on urban operations. Looking to the longer term, Australia should also offer to provide military, police and aid assistance to assist the Philippines in the delicate transition from conflict in Marawi to establishing an inclusive peace for its citizens.
Restricting the flow

Curbing the movement of money, technology and fighters to extremist groups in the southern Philippines will be crucial to ensure Daesh-aligned groups do not gain a further foothold.

The six-party talks on cross-border terrorism, held in Sulawesi at the end of July, recognised this. Australia, Brunei Darussalam, Indonesia, Malaysia, New Zealand and the Philippines agreed to – among other measures – facilitate information sharing on tracking suspected terrorists, strengthen collaboration on border management, and enhance cooperation among financial intelligence units.

Australia has capabilities to provide further assistance in these areas, where appropriate.

The Australian Transaction Reports and Analysis Centre (AUSTRAC), for example, already works closely with regional partners to counter illicit transfers and money laundering, including through the annual Counter-Terrorism Financing Summits, a joint initiative of AUSTRAC and Indonesia’s Financial Transaction Report and Analysis Center.

There may be opportunities for AUSTRAC to further collaborate and conduct capacity building work with regional financial intelligence teams.

On maritime security, there may be opportunities to work with regional coast guards, enabling tighter border control, particularly in the Philippines-Indonesia-Malaysia tri-border area. The three countries recently began conducting joint patrols in the Sulu Sea, and Australia has prior experience in supporting regional partners secure their maritime domains.

This also matches with previously stated Australian security goals; with strengthening regional maritime security a ‘Strategic Defence Objective’ in the 2016 Defence White Paper.

Foreign fighters

Despite Daesh propaganda, there are a range of limiting factors on the number of fighters likely to try to head to the southern Philippines from the Middle East.

Firstly, while as many as 750 fighters from Southeast Asia (including Australia) travelled to Syria and Iraq, this is small in comparison to the tens of thousands from Arab countries and the Caucuses. A significant number of those from Southeast Asia have been, or will be, killed in the ‘messianic’ defence of the caliphate; survivors may seek to travel to other battle zones closer to the Middle East.

Second, many in the global Islamist struggle will continue to see the Philippines as marginal — not a battle for the historic heartland of Islam.

Indeed, the number of foreigners fighting alongside extremists in Marawi appears to be small — mostly Indonesians and Malaysians.

That said, should Daesh fighters make it to the Philippines from the Middle East, their skills and the prestige of having fought for the ‘caliphate’ will likely see them become influential within jihadist circles. Social media aptitude will mean wide publicity and distribution of propaganda highlighting this association, and a small number of skilled bomb makers could make a significant impact in Southeast Asia.

Regional implications, regional solutions

The ‘success’ of Daesh-aligned militants in Marawi will have a major impact on jihadism in Southeast Asia. There are long-running ideological and personnel connections between Muslim extremists in Indonesia, Malaysia and the Philippines, and others will seek to learn from the events in Marawi.

The most crucial lesson from the Marawi experience is what can be achieved with unity of purpose and coordination among previously disparate extremist groups – supported by Daesh’s planning, finance, weapons and imprimatur.

In Indonesia, conversely, Daesh-linked groups have little administrative or command cohesion, and have not been able to launch any large-scale attacks. There are however early indications that the Marawi siege is leading to attempts to unite supportive groups in Indonesia.

The international community is unlikely to maintain focus on the southern Philippines, not least because of its remoteness to Europe and North America. The response will be vastly
different from the way the world reacted to the rise of Daesh in the Middle East.

The message is clear: this is a regional problem, to be solved regionally.

On 22 June, Indonesia, Malaysia, and the Philippines held a trilateral security meeting in Manila, aimed to enhance cooperation in combating terrorism and violent extremism. The three countries vowed to work on an action plan detailing joint counterterrorism approaches, including sharing intelligence, curbing illicit activities along their borders, stopping terrorism financing, and containing the spread of terrorism-related content in cyberspace.

If this action plan can actually be agreed to, have substance and be implemented, it will have direct impact on the extremist threat in Southeast Asia.

A second mini-lateral initiative — the six-party talks on cross border terrorism cited above — is an opportunity for Australia support furthering regional information and intelligence sharing on tracking individual’s movements and groups dynamics.

More than military

In the aftermath of the Marawi siege, domestic contextual factors will be harder to ignore.

Preventing a second Marawi-style attack in the southern Philippines will require a response and reconstruction effort that goes well beyond military operations and counter terrorism. In this larger context, there is probably little Australia can do beyond targeted aid spending, which Foreign Minister Bishop has announced, and using military and police links to facilitate effective transition in Marawi from military operations to peace.

Poor governance, ungoverned spaces, low socio-economic indicators, frustration with the MNLF/MILF and a stagnating process to create the Bangsamoro Autonomous Region will all continue to act as push factors for some young Muslims.

Indeed, some of these pressure points might actually worsen in the aftermath of Marawi. The difficulty in providing for a huge number of displaced people, reconstructing a major city and the impact of martial law will most likely compound the grievances many locals feel towards the central government.

Unless significant improvements are made, and unless locals are empowered, some young Muslims will continue to be attracted to an extremist view of Islam. And they will continue to pose a threat to the Philippines, to the region, and to Australia.

About the authors

This Policy Options Paper draws on a consultative workshop held in Canberra on 3 August 2017, involving a range of experts from Australia and the region, as well as Australian Government officials. The discussion was convened jointly by the ANU Strategic and Defence Studies Centre and National Security College, with substantial contributions from the Australian Strategic Policy Institute and the Lowy Institute.