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E P R E S S

Out of the Ashes: Destruction and Reconstruction of East Timor

Abstract for chapter 14

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'An international strategy for the new East Timor' attempts to think through the international outlook from the perspective of a new East Timorese government.

The preliminary thoughts are intended as a contribution to the discussion that should go on among East Timorese leaders as they craft a strategy for engaging the region and the world. An attempt is made to view the world from the perspective of a policy-maker in the new East Timor by outlining some key ingredients for consideration in the construction of an international strategy.

There will be some hard choices as East Timor struggles to weigh up competing priorities, but the choices have to be made as the leaders struggle to make the transition from a disparate resistance movement to a fledgling state.

Keywords

ASEAN, Australia, economic growth, government, Indonesia, INTERFET, Portugal, security, stability, United Nations

An international strategy for the new East Timor:
some preliminary thoughts

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East Timor is an unlikely candidate for statehood. It is very small, very poor and war-torn. It has very little human capital, very little infrastructural or administrative capacity and a very large and possibly antagonistic neighbour. And yet a new state is indeed in the process of being born. Economic circumstances dictate that aid will be indispensable for the foreseeable future. Political and strategic circumstances dictate that the cultivation of international supporters willing to come to its assistance in the event of threats to its national security will also be indispensable for the foreseeable future. How East Timor positions itself and the terms on which it interacts with a range of countries and international organisations will have important consequences for the ultimate task of pursuing political stability and economic development. In short, an effective international strategy will be critical to the birth, development and survival of East Timor as an independent state.

In this brief essay, I attempt to think through the international outlook from the perspective of a new East Timorese government. The hurdles faced by this prospective state are truly daunting. The preliminary thoughts offered here are intended as a contribution to the discussion that must now go on among East Timorese leaders as they craft a strategy for engaging the region and the world. A strategy that serves the interests of a resistance or independence movement is unlikely to be a strategy that serves the interests of a new state.

There are important details about the 'shape' of the new East Timor which are not yet known and which will inevitably have a significant bearing upon the design and conduct of international strategy. For instance, we do not know what institutional framework of government will be adopted, we do not know what coalition of interests will be dominant in the new government, and we do not even know when the East Timorese will be able to begin governing themselves given the uncertainty about the scope and duration of the expected UN administrative mission. Although we are missing important pieces of information of this sort, we can nevertheless identify a range of issues that are going to be important for East Timor's interaction with the outside world. We can infer these from East Timor's domestic, political and economic circumstances, from the 'structure' of its international circumstances, and also from experiences from other parts of the world.

In broad terms, the leaders of the new East Timor have an acute need to seek friends internationally, on both a bilateral and multilateral basis. Without international support the new state will very probably fail at its two most fundamental and intertwined tasks: providing stability and security, and facilitating economic growth and development. Set out below is a brief discussion of a range of items that should be high on the agenda for discussion by East Timorese as they contemplate international engagement. These stretch from dealing with key countries and UN peacekeepers, through to questions of membership of multilateral organisations, border negotiations and human resources.

Perhaps the single most pressing international issue for East Timor is its relationship with Indonesia. No amount of aid will help East Timor to grow economically if domestic resources and the attention of policy-makers are tied down by protracted conflict with Indonesia. Private capital simply will not enter such an environment. It would be very easy for a hostile Indonesia to destabilise East Timor with cross-border raids or to continue active support for pro-integration militia groups or to obstruct air and sea access to East Timor. A key question, therefore, is: will Indonesia be actively hostile to East Timor?

If we look to other international experiences for insight, the nearest analogy is a post-colonial situation. In most cases, however unhappy the severance, it is very rare for colonial powers to actively harass their former colonies or to attempt to reverse the separation. The

primary exception to this is cases in which there is a sizeable dispossessed émigré population that cannot be reconciled to the new situation and is able to exercise political influence within the former colonial power. Cuba and Ireland are among the few examples. It does not appear that this will be the case with East Timor. Although there has clearly been a genuine pro-integration portion of the East Timorese population – landholders, some business people, government officials, etc. – these people appear to have either abandoned their previous views or left East Timor for West Timor and other parts of Indonesia. There is little evidence at this stage to suggest that they are in a position to mount a rearguard action. Importantly, this group does *not* include the pro-integration militias who, for the most part, are hired thugs with changeable loyalties. With the departure of Indonesia, it is not at all clear that the militia have any real political constituency or social base inside East Timor.

If there appears not to be a critical mass of truly committed pro-integrationist émigrés capable of influencing Indonesian policy, there remains the possibility that the Indonesian government, or perhaps a section of the Indonesian military, might for its own reasons harass East Timor or provide remnants of the pro-integration militia with the resources to do so. Although there appears to be some activity of this sort still underway at the time of writing, in my judgment, it is very unlikely once the separation and human resettlement processes are *completed*. There are several reasons for believing this. First, Indonesia faces many deeply pressing problems of its own that will require enormous attention. Second, the great majority of Indonesians have little interest in East Timor and wish it no harm, so there is little domestic demand in Indonesia for an anti-East Timor posture. (This is in marked contrast to the situation in, for instance, China, where there is widespread and strong public sentiment that Taiwan is part of China.) Third, Indonesia stands to lose a great deal of international financial assistance were it to conduct or sponsor a campaign of violence or destabilisation against East Timor. Although quite unlikely, it is not impossible to construct scenarios under which this might happen, depending on how Indonesia's own political circumstances evolve.

What should East Timor do in this situation? East Timor has a clear interest in good rather than bad relations with Indonesia. If possible, in its direct dealings with Indonesia, East Timor needs to pursue a policy of functional diplomatic engagement. Notwithstanding

the past violence and tension, as a matter of priority East Timor needs to work to find a means for diplomatic coexistence and, if practicable, co-operation. The bilateral relationship with Indonesia is unlikely ever to be close, but it is not unreasonable to think that it might be functional. There would be many advantages to East Timor if this were so.

Striving to build a working diplomatic relationship with Indonesia is, at best, only one component of an overall international strategy. East Timor also needs to have regard for the defence of its own national security. However, unlike other small states with large and potentially worrying neighbours – Cuba, Singapore, Israel – East Timor is simply not capable of developing a substantial indigenous defence capability in the near term. Self-help is not a realistic option for the time being. This points clearly to the need for East Timor to work assiduously to cultivate international support from key countries and agencies. In the short term, the most important such challenge is East Timor's relationship with the United Nations. This is particularly complex.

Without the involvement of the United Nations, East Timor would not now be separating from Indonesia. Equally, without the involvement of the United Nations, East Timor will face an extremely uncertain short-term future. The current UN-sponsored International Force in East Timor (Interfet), armed with a Chapter 7 mandate for active peace-enforcement, has been essential to pushing back the threat posed by the departing pro-integration militia. This Australian-led force will soon be replaced by a UN administrative mission and peace-keeping operation. Although less potent in military terms (working with a milder Chapter 6 mandate) the expected peace-keeping mission would be a significant element in deterring the possibility of serious Indonesian-sponsored destabilisation efforts, since this would almost assuredly trigger punitive action against Indonesia by the international community.

UN involvement is thus of vital importance to East Timor. But, perversely, the UN is also a potential hazard for the new state. There is a danger that the planned UN bureaucratic presence in East Timor will stifle or retard the political processes that East Timorese leaders and the East Timorese population need to work through for themselves. The nation-building and state-building tasks ahead of East Timor involve much more than neutral monitoring and peace-keeping activities. Hard political bargains need to be reached on fundamental

issues like constitutional design, the creation of an indigenous security force and so on. If, as is quite likely, the UN has complete authority in the 'administration' of East Timor and local political leaders are kept to the side in a tame consultative capacity, there is a real danger of artificial and politically unsustainable outcomes being reached. By comparison with its international record for peace-keeping and election monitoring operations and even peace-enforcement operations, the UN's record for state-building is poor. The experience in Somalia is a stark illustration of this. Unlike Somalia or Cambodia, the UN will in effect have a clean political slate in East Timor, since the previous political elite has departed. This may mean that the UN mission will assume broad ranging government powers. No matter how well intentioned, the potential for unsustainable political arrangements to be imposed is considerable.

This creates a delicate dilemma for East Timor: on the one hand it desperately needs UN involvement, but on the other it must be very wary of a stifling and prolonged UN presence once it arrives. Accordingly, at the same time as working closely with the UN to facilitate the rapid establishment of the new peace-keeping mission, East Timorese leaders will need to push hard to maximise their voice in the conduct of the mission. As my colleague Peter Timmer puts it in his companion essay on developmental priorities in this volume, East Timor will need to ensure that there is a clear exit-strategy for the UN.

Looking beyond the UN involvement, because East Timor cannot sustain a self-help strategy, it is imperative that it work to build an extensive and diverse network of international support. This will be important for both security and economic development. The wider the network of international support – especially among wealthy countries – the greater the access East Timor is likely to have to economic assistance. And the wider the network of support, the more focused pressure can be brought to be bear upon Indonesia, should this actually be necessary.

The two countries with the greatest commitment to supporting the birth of East Timor are Portugal and Australia. East Timorese leaders will need to build close and effective ties with these two countries and may, to some extent, be able to play them off against each other in order to maximise financial assistance. In addition to material support, Portugal also matters because of its potential to help mobilise wider support within the European Union. Australia

matters greatly too, because in addition to aid, it is the country most likely to come quickly to East Timor's assistance in the event of a serious external threat. However, as with the United Nations, very close involvement with either of these countries also carries risks of excessive dependency for East Timor. The chronic problems of nearby Papua New Guinea are a reminder that too close an embrace from even a well-intentioned aid-giver can compound rather than alleviate developmental problems.

Geographic proximity suggests that this is more likely to be a problem with Australia than Portugal. For instance, a possibility that may well emerge in discussion in the near future is that East Timor should enter a security agreement of some form with Australia. In my view this is a bad idea and should be rejected by East Timor's new leaders. A defence agreement with Australia is both unnecessary and very probably also harmful. It is unnecessary because Australia is already heavily invested in the successful birth of an independent East Timor. For many years there was a bipartisan consensus in Australia to resist the idea of an independent East Timor as unwelcome and unrealistic given political realities in Indonesia. This position was reversed as circumstances in Indonesia and East Timor changed radically in the wake of the financial crisis and the fall of Soeharto. Having invested heavily in helping to uphold the outcome of the referendum for East Timorese independence by sending a large military contingent, and with this new position enjoying wide support within Australia, Canberra is most unlikely to ignore calls for assistance if East Timor's security is seriously threatened. Quite simply, given the military and moral commitment Australia has now made, provided East Timorese leaders manage the bilateral relationship with Australia carefully, a security agreement would be superfluous. But more than this, not only would a formal agreement add no additional increment of security, it may in fact carry significant costs. A security agreement with Australia would increase the danger of a PNG-like dependency, it would increase the likelihood of difficult relations with Indonesia, and it would reduce the ability of East Timor to forge its own path and identity in South-east Asia. East Timor already enjoys a *de facto* Australian security umbrella; formalising this would bring no benefits and possibly significant costs.

While cultivating relations with Australia and Portugal, East Timor will also need to reach quickly beyond them and build working links

with a range of other global and regional players. The key candidates are obvious: the United States and Japan. The United States is pivotal because no significant international peace-keeping operation can take place without its support and because it is able to use its leverage within the International Monetary Fund and the World Bank to bring pressure to bear upon financially dependent countries. The United States will not be a leading provider of aid for East Timor, but it could be the ultimate guarantor of its security. The reverse is true of Japan. Japan demands attention because, unlike the United States, it is a very large provider of aid, particularly in the Asian region. Japan has already promised to provide US\$100 m to support the planned UN peace-keeping mission. Although Japanese development assistance typically follows Japanese corporate investment abroad, even modest assistance would have major significance for tiny East Timor. Ideally, a diverse international consortium of donors (modelled perhaps on the Consultative Group on Indonesia) will emerge to help finance the rehabilitation and development of East Timor's economy.

Beyond the United States and Japan, three other countries warrant special attention from East Timor's leaders: the Philippines, Thailand and China. The Philippines may be a natural ally for East Timor, as the other Catholic nation in the region and, moreover, one with a strong commitment to democracy. Similarly, Thailand's strong commitment to democracy may engender natural sympathy for the plight of East Timor. Both Thailand and the Philippines have assumed an openly pro-democracy posture with ASEAN and been outspoken on the need for a more critical intraregional approach to human rights problems. While not being able to provide substantial financial support or security guarantees, the Philippines and Thailand may be able to provide valuable advocacy within South-east Asia on East Timor's behalf. This will be important if East Timor is to evolve into a truly independent state in its own right rather than, for instance, a frail Australian dependency.

The most interesting and least obvious potential diplomatic target of opportunity for East Timor is China. Given China's authoritarian political framework and the questions surrounding the status of Tibet and Taiwan, China may seem an unlikely target for diplomatic efforts by East Timor. Further, there are obvious potential difficulties with this given the periodic tensions in China's relations with both Japan and the United States. Nevertheless, China does have the potential to

be an important interlocutor for East Timor. It is important to keep in mind that without China's consent, neither the current UN peace-enforcement mission nor the planned peace-keeping mission could proceed. As a member of the UN Security Council, China could easily have exercised its veto privilege. Indeed, many observers were surprised that China did not do so, given the Tibet issue. Building a friendly relationship with Beijing may help if the Security Council is called upon again to make another pivotal decision on action regarding East Timor. The principal opportunity cost of this strategy would be that East Timor would have to forgo any offer of financial assistance in exchange for recognition by Taiwan.

Turning from countries that are likely to be of particular importance for East Timor, three other more general issues require attention: membership of multilateral organisations, border negotiations and human resources. Small- and medium-sized states are typically enthusiastic joiners of multilateral institutions. This will be particularly important for a very vulnerable state like East Timor. Membership of the United Nations is the first priority, as an affirmation of East Timor's formal credentials as a new member of the community of states. I would argue that the second priority is membership of ASEAN. Membership of ASEAN would help to cement East Timor's credentials with the region as an entity independent from Indonesia; it may carry some modest developmental benefits if plans for South-east Asia-wide economic co-operation gain real momentum; and it would also help East Timor avoid becoming locked into an Australia-centric orbit. There will, of course, be some resistance from within ASEAN to East Timorese membership, but good working relations with the Philippines and Thailand may well help here.

Along with membership of some potentially helpful multilateral organisations, an issue that the new East Timor will have to face fairly quickly is uncertainty about some of its borders. There are two dimensions to this: one concerns Indonesia, and the other Indonesia and Australia. With regard to Indonesia, the immediate issue is the historical enclave of Ambeno (Oecussi) on the north coast of West Timor, which is officially to be part of East Timor. This historical anomaly has the potential to be a source of major difficulty for East Timor. Not being geographically contiguous to East Timor it will be very costly to service and defend. Given that relatively few people

live there and it has no major economic significance, it may well be that East Timor should consider trading this small geographical outpost with Indonesia for some suitable territorial or policy concession. It may be that this can be profitably tied in with the second border issue – the handling of the ‘Timor Gap’ maritime border zone. Under an earlier agreement between Australia and Indonesia it was decided that the oil resources believed to lie beneath the seabed in the disputed zone would be jointly exploited. It may be that there will be a frictionless deal to transfer Indonesian territorial rights vis-à-vis Australia and the treaty zone to East Timor. However the situation could easily become much more messy and contentious. Although not an immediate priority, this is an issue that is going to require careful attention.

Finally, complicating all of these questions, is the issue of human resources. It is all very well to produce a shopping list of foreign policy priorities, but pursuing the various objectives outlined here requires financial resources and appropriately skilled personnel. Maintaining embassies and servicing even minimal membership obligations in international organisations would place a severe drain on foreign currency resources for East Timor. Even more difficult will be finding the personnel to conduct these international operations. Given that East Timor will not be able to maintain many permanent missions and has only a very small number of internationally experienced personnel on which to draw, great care will be needed in selecting a small team of individuals who can perform these tasks on a moving basis. There are also questions of style and tactics. Until now, international strategy for the East Timorese resistance movement has been largely conducted by the exiled Nobel Laureate José Ramos Horta. The tactics he has successfully employed in the past are very unlikely to be the tactics that will serve now that East Timor is achieving statehood. Searing criticism that captures the attention of the international media will increasingly need to be replaced with quiet bargaining that captures the attention of international bureaucrats and politicians.

The challenges ahead for the world’s newest state are truly daunting. There are many acute domestic problems needing urgent attention. But critical to many of these will be the ability of the country’s new leaders to craft an effective strategy for dealing with the outside world. In this essay, I have attempted to view the world from the perspective

of a policy-maker in the new East Timor and have outlined some key ingredients for consideration in the construction of an international strategy. There will be some hard choices here as East Timor struggles to weigh up competing priorities. Nevertheless, these are choices East Timor's leaders will have to confront as they struggle to make the transition from a disparate resistance movement to a fledgling state.

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