CHAPTER 10

After Xanana: Challenges for Stability

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Introduction

In November 2013, Timor-Leste’s Prime Minister Xanana Gusmão announced he would resign before the regular end of the current parliamentary term in 2017. The timing of that resignation remains unclear, but it now looks likely that at the very least he will not run for office again in 2017. When it does happen, it will have important ramifications for political stability. It will mark the beginning of a long-deferred transition of political power from the closed circle of leaders engaged in politics since before the country’s 1975 invasion by Indonesian forces. It will also be a key step towards the full demobilisation, in the broadest sense, of the guerrilla independence army that Gusmão effectively commanded from 1981 until 2000.

Since being elected prime minister in August 2007, Gusmão’s leadership has been marked by a pragmatic approach to shoring up stability at the expense of deeper institutional development. His election and subsequent decision to merge the defence and security ministries under his own control were instrumental in restoring confidence among many Timorese in the government and its security forces. But by restoring the old military commander as head of government, these steps did little to help develop new leaders or institutions. This is also why Gusmão’s resignation will create new pressures from among veterans who

1 This paper was written for the 2013 Timor-Leste Update conference held at The Australian National University. It has not been updated to reflect the 2015 resignation of Xanana Gusmão. Please see author’s postscript on p.167 regarding this development.
believe their influence may fall once the old FALINTIL (Forças Armadas da Libertação Nacional de Timor-Leste; Armed Forces for the National Liberation of East Timor) command and the government are once again made separate.

This chapter examines some of the implications of Gusmão’s resignation for stability. First, it looks back at the challenges that have characterised the period since independence, with particular reference to the recurrent, low-grade attacks on the government’s legitimacy posed by dissident groups. The chapter argues that because Gusmão, as the former commander of FALINTIL, is both the target and the most effective manager of these challenges, giving him a role outside of government in managing veterans’ affairs might help defend the government in the future.

Second, it examines the implications for the country’s security sector. Gusmão’s unique authority helped temper rivalries within and between the police and the military that could re-emerge after his resignation. A crucial leadership gap remains in the security sector; the search for a successor to an interim police commander appointed from outside the force in 2009 continues, while Gusmão has left himself in charge of the defence and security portfolios he merged in 2007.

The chapter then turns to the political landscape and examines how the path towards Gusmão’s resignation was opened by an early 2013 rapprochement with his old rival Mari Alkatiri, and greater co-operation between their respective parties, the CNRT (Congresso Nacional de Reconstrução de Timor; National Congress for Timorese Reconstruction) and FRETILIN (Frente Revolucionária de Timor-Leste Independente; Revolutionary Front for an Independent East Timor). It suggests that a key issue is what the succession will mean for the transition to a younger generation of leaders. None of the candidates who might take over if he steps down in the next two years has the charisma or independent political base to win a future election. Real change will have to wait until the 2017 elections, when many believe that Taur Matan Ruak, the current army chief, is the most likely contender to become prime minister. The FALINTIL–government link would thus continue, but Ruak is a decade younger than Gusmão or Alkatiri and he has shown more interest in grooming a new generation to take over.

Finally, the chapter considers the challenges that will face Gusmão’s successor and argues that while the current preference among the leadership may be for a ‘consensus’ model of governance, more rather than less democratic competition may be the best safeguard of future stability. One challenge will be dealing with potential troublemakers, including dissident veterans, gangs and martial arts groups, and unemployed youth. A second is reducing the capture of resources by the elite that is producing corruption and growing income inequality that
itself could become a source of unrest. A third is addressing old social and political cleavages that continue to fester. The broadest challenge will be for Timor-Leste to find a way to emerge from the bind it is now in: that one man’s authority is so widely perceived to have been the guarantor of its stability.

**Background: a fractured past**

Threats to political stability and security in Timor-Leste during its short history as an independent nation have primarily consisted of a series of internal challenges to the legitimacy of the state and its institutions. Within a few years of independence, whatever cross-border threat still existed disappeared as the former militias lost Indonesian support and sanction. Since then, the destabilising influences have been domestic, many of them entailing proxy battles for political influence played out through efforts to control or influence parts of the state’s security sector.

One of the root causes behind this volatility lies in the nature of power and influence that developed during the Resistance and how it has been forced to change since independence. The battle for independence was often described as having been fought on three fronts: the armed front, the clandestine front, and the diplomatic front. The latter two included large networks of people active outside Timor—either in other parts of Indonesia, where students and civil servants carried information in and out of Timor and worked with Indonesian pro-democracy movements to strengthen the cause, or outside the region, where members of the diaspora elite lobbied for international attention in New York, Lisbon, Maputo, Sydney, Melbourne, and elsewhere. The dispersed nature of these networks allowed a large number of individuals to develop influence in separate forums. Since independence, that dispersed influence has struggled to fit back into a half-island country of just 1.1 million people.

At home, members of FALINTIL held highly personalised relationships with both their armed subordinates and with members of the clandestine front. These were closed networks of different cells. The central command played an important role in setting overall strategy and co-ordinating efforts, but, at an operational level, the most important relationships were between individual fighters and small groups of followers. These relationships created enduring loyalties that, since independence, have sometimes undermined efforts at institution building (Rees 2004; Hood 2006).

In the early years following independence, a weak security sector provided fertile ground for mobilising old divisions. The most serious problem was how the 2001 demobilisation of the guerrilla army FALINTIL was handled. Some
1,300 ex-combatants were demobilised and enrolled in a reintegration program. Gusmão personally selected 650 fighters to be recruited into the first battalion of the new armed forces; they have since received a regular salary and greater prestige. Meanwhile, the police force—established in 2000 from a mix of 800 Timorese who had formerly served with the Indonesian police and new recruits—struggled in the early years to earn public legitimacy. Those who had served the Indonesian government were often seen as complicit in its crimes, while the rest struggled to learn policing skills.

It was out of the demobilised former FALINTIL, and others who were more loosely associated with the armed front, that many of Timor-Leste’s dissident groups were born. They generally share the following characteristics:

- They mobilise support largely in isolated rural populations by drawing on the personal connections and histories of former FALINTIL members.
- They exhibit a parasitic relationship with rural communities, where they collect funds (usually through petty extortion efforts and harassment, and sometimes by raising membership fees or selling uniforms).
- They are protean in nature, tending to strengthen and weaken again over time.
- The divisions between different groups are often unclear, which makes managing them more complex.
- They operate outside the political system, in part because they would likely fare poorly if they entered mainstream politics.

The largest and most consistently active of these groups is the Conselho Popular pela Defesa da República Democrática de Timor-Leste (CPD-RDTL; Committee for the Popular Defence of the Democratic Republic of Timor-Leste). The group was established before independence and has been questioning the legitimacy of the state ever since, calling for cancellation of the 2002 constitution and the reconstitution of the security forces. Led by ex-FALINTIL fighter, Ologari Assuwain, who joined Mauk Moruk in the 1984 leadership challenge, it is a mix of a small number of former FALINTIL dissidents and their followers. One of its founding patrons was Abílio Araújo—a man who had headed the FRETILIN External Delegation in the 1980s from his Lisbon home but ultimately switched sides and became one of the Soeharto government’s greatest supporters abroad. Since independence, he has been looking for his way back into Timorese politics.

Where these groups have been mobilised to serve the interests of particular political masters, the results have been toxic—both for the development of the security sector and for stability generally. The first interior minister, Rogério Lobato, mobilised various veterans groups onto the streets once it appeared clear
he would be passed over for the post of defence minister in the first government (Rees 2004: 51ff). Having proven his capacity to create unrest, he was appointed interior minister, where he set about institutionalising factionalism through the creation of special units with conflicting loyalties, and helped sponsor informal security groups from outside the police, such as a group called *Forças de Base de Apoio* (Resistance Bases), drawn in part from the informal auxiliary support services who had helped FALINTIL.

These brewing tensions came to a head in the 2006 crisis, when a series of complex political tensions crystallised to create destructive disorder in and around the security forces following the dismissal of 591 members of the army known as ‘the petitioners’. The crisis led to the collapse of the police command and the death of 31 people, including eight police officers shot by the army. Veterans groups such as Colimau 2000 were mobilised as a way of attacking the legitimacy of the army; the army responded by calling up and arming former FALINTIL members as a reserve force (ISCITL 2006). One legacy of the crisis is that while no one would welcome a return to such violence, many of these informal groups believe that maintaining their access to arms is the only way of thwarting any recurrence.

Tensions within and between the police and the army have largely been kept under wraps since the crisis and the experience of the Joint Command, which saw the police and army working together to flush out the followers of Alfredo Reinado and the remaining faction of the petitioners (Wilson 2009). This is largely because of Gusmão’s ability to balance influences within the security forces. By merging the defence and security portfolios and naming himself minister of defence and security, he was able to stave off fears of politicisation.

### Challenges for the security sector

Gusmão’s resignation as prime minister will also likely prompt the resurfacing of certain tensions within the security services. His personal authority helped dampen tensions within and between the police and the army and reassured a broader public that personal rivalries would not be allowed to fester. But while playing an important role in restoring stability after the 2006 crisis, seven years later the stopgap measure has long been transformed into a significant obstacle to institutional development. The long-deferred appointment of a new police commissioner will be important if the post-crisis reforms are to mean much in the long term. In the army, the appointment of an independent defence minister,

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2 Lobato had served briefly as defence minister in the FRETILIN administration appointed in 1975, but left the country days before the Indonesian invasion. He spent most of the occupation in Angola and Mozambique.
drawn from outside the ranks of FALINTIL, would be an important step towards marking the independence of government policy from the influence of the former guerrilla army. A key issue for any future defence minister will be how to handle the retirement of former FALINTIL still serving in the army.

The police

The leadership of the police force is an issue that has not been fully resolved since the force’s chain of command collapsed during the crisis. In April 2009, the then prosecutor-general, Longuinhos Monteiro, was appointed police commissioner to oversee a two-year transitional period aimed at strengthening the chain of command in the police, including implementation of a new policing law that focused largely on introducing a paramilitary hierarchy and style of discipline. Monteiro, widely seen as a Gusmão loyalist, had few enemies within the force. But pressure has always existed for the appointment of a commissioner drawn from within the institution’s ranks. In 2011, Monteiro’s term was extended for two years because a number of key reforms, such as the introduction of a new rank structure, were still ongoing. In 2013, his term was extended again, largely because no one from within the institution was seen as a credible replacement. The rank reform has produced a clear field of candidates with the requisite rank, but the concern seems to be that none of them has the authority to prevent the re-emergence of factional tensions.

The reforms that began in 2009 have had a real impact on police professionalism, but there are still areas of serious concern. Increased pay, a more coherent and extensive rank structure, a greater emphasis on discipline, and improved management functions have all contributed to a healthier police institution. The problems include a continued reluctance to improve police accountability, weak investigations, an over-reliance on large-scale special operations (generally featuring military backup), and undisciplined crowd and riot control (ICG 2013). There is still a serious need for improvement.

The army

The army looks in better shape in terms of leadership arrangements, having already experienced a transfer of command in October 2011. That transition followed the resignation of Taur Matan Ruak, who handed over command to his deputy, Lere Annan Timor. Lere is widely seen as somewhat rash of temper and has not always been viewed as politically impartial (he remains a strong FRETILIN supporter). But he is assisted in the job by two well-respected subordinates: Filomeno Paixão, his deputy, who is widely seen as having improved the military’s administration; and Falur Rate Laek, the chief of staff.
Two fundamental challenges loom on the horizon. The first is establishing real independent civilian control over defence policy. This cannot be said to fully exist until there is a defence minister drawn from outside FALINTIL. In August 2012, Gusmão proposed Maria Domingas Alves, the former minister of social solidarity, as minister of defence and security. She had developed a strong reputation for management but had no expertise in the portfolio. She would also have been the first woman to hold such a post—something many in the defence forces apparently opposed. Ruak formally rejected the nomination. A second nominee, the head of the intelligence services, was officially approved as minister but never inaugurated; he apparently declined to take up the post believing he did not have Gusmão’s real support.

The second challenge will be retiring the ageing contingent of ex-FALINTIL forces who are still serving in the military. The impact of this transition will be more political than operational. Many of the first battalion formed in 2001 are now older than the statutory age of retirement (55); rates of absenteeism among those ranks are understood to be high. Procedurally, their retirement was held up pending the establishment of a civil service statute on retirement, and the legal basis for their retirement (and pensions) has only been in place since 2013. But politically it has also been a sensitive question because it will represent a greater severance of the link between FALINTIL and the state. That is likely to fuel further demands for attention from not just the FALINTIL veterans but also those who have staked their political legitimacy around their ties to veterans. This is one reason why having Gusmão move to lead a forum such as a proposed veterans council could be a key tool for managing tensions.

New configurations of political power

If the question of a leadership transition within the security sector remains a vexed one, the same is true among the country’s political leadership. One thing is clear: if Gusmão resigns this year, his successor will not be from the small circle of leaders known in Timor-Leste as the ’75 Generation.

The political path to transition has already been opened by a rapprochement in early 2013 between Gusmão and his old foe Mari Alkatiri. In February 2013, the two men—whose parties together control 55 of 65 seats in parliament—announced what they called ‘a new political arrangement’, in which FRETILIN, the sole party in opposition, would play a constructive role on issues of national interest in exchange for a greater role in decision-making. It is likely that the move also involved a consensus on stepping back from leading political roles. It is impossible to imagine Gusmão stepping down if he believed Alkatiri would make another bid for leadership in 2017.
If both men step down, a real transfer of political power from the old guard to a younger generation is possible. But it will likely involve a managed transition—first to a Gusmão protégé to serve out his remaining term, and then to a consensus candidate who many believe will be Taur Matan Ruak.

The old guard

Xanana Gusmão, now 68, and Mari Alkatiri, 64, are the foremost representatives of the ‘75 Generation—shorthand for the elite that has thus far dominated Timorese politics. After serving as president for five years (2002–07), Gusmão set up CNRT as a vehicle for replacing Alkatiri as prime minister. It is a presidentialist party—established and held together largely as a vehicle for Gusmão—in a parliamentary system. Alkatiri returned in 1999 from exile in Angola and Mozambique, became Secretary-General of FRETILIN—which he had helped found in 1975—and served as the first prime minister from May 2002 until June 2006, when he was forced to step down in the wake of the 2006 crisis. Alkatiri is Secretary-General of the party while Francisco ‘Lu Olo’ Guterres, a former FALINTIL commander who served largely in non-combat roles, is the party president. José Ramos-Horta, 64, the former president, and Mário Carrascalão, 77, who was governor of Indonesian East Timor from 1983 until 1992, and served briefly as a vice-prime minister from 2009 to 2010, round out the group but have been largely marginalised in recent years following disappointing showings in the 2012 elections.

Discussion of how and when a transition of political power will take place has never been cast as a decision for voters. Instead, it has been framed as an issue for the older generation to determine the ‘readiness’ of their juniors.

That determination has not been forthcoming, as none has shown much interest in handing over power. A process known as the Maubisse Forum, which began in 2010 with the sponsorship of the Catholic Church, was nominally aimed at discussing the preparation of younger leaders in advance of the 2012 elections. Gusmão, Alkatiri, Lu Olo, Ramos-Horta, and Carrascalão all attended, as did Taur Matan Ruak. It produced few results; an expanded meeting the following year (Maubisse II) pledged only to work towards a peaceful election, with Gusmão suggesting that the younger generation still lacked the authority to lead.

Political parties have not proven effective avenues for the advancement of younger leaders. FRETILIN is widely considered to have the broadest cast of younger, charismatic leaders, many of whom have their own support bases and experience serving as ministers in the first government. But despite their lobbying, there has been little serious discussion of leadership change at party level—a 2011 internal leadership vote was contested only by the incumbents.
CNRT has few obvious potential successors as party chief; the party has staked its electoral appeal so much on the figure of Gusmão himself, and has drawn support from such a disparate range of groups that there are real questions about whether it will survive Gusmão’s resignation.

Where younger politicians have risen to important positions, they have struggled to obtain real influence. *Partido Democrático* (Democratic Party) was formed in 2001 in large part to meet the political aspirations of former student activists. Since 2007, the party has tried to get its leader, Fernando ‘Lasama’ de Araújo, elected as either president or prime minister, but it has been weakened by internal leadership disputes. After Lasama’s failure to make it into the second round of presidential polls in April 2012, the party nearly fell apart: his own camp favoured an alliance with FRETILIN and supported Lu Olo in the second round, while others, led by party secretary-general Mariano Sabino, defended an alliance with CNRT. After the election, *Partido Democrático* entered into coalition with CNRT, and Lasama was appointed vice-prime minister. The role has turned out to be largely ceremonial.

**The next government**

If Gusmão resigns before the 2017 elections, he will choose his own successor. There is no discussion of calling new elections. Under the constitution, the president appoints a person selected by the parties with representation in parliament. FRETILIN—the only other party that could form a coalition government—has made clear that it will not seek to challenge CNRT’s ‘prerogative’, as the party with the most seats (*Tempo Semanal* 2014). Many Timorese commentators have taken to framing the question as who will receive Gusmão’s blessing.

This means the next prime minister is most likely to come from within CNRT. There are three leading figures within the party, none of whom has a strong political base independent of Gusmão—one reason why there are questions surrounding the longevity of the party following his retirement. Agio Pereira, the current Minister of State and long-time trusted adviser of Gusmão, is widely considered the forerunner. The other two are Dionísio Babo Soares, the current Minister of Justice and Secretary-General of the party, and Bendito Freitas, the current Minister of Education.

There is, nevertheless, a chance that CNRT could choose to put forward a candidate from outside the party if it were to go into coalition with FRETILIN. The three figures most frequently cited are Rui de Araújo, minister of health in the first post-independence government; Lasama, *Partido Democrático*
President; and Estanislau da Silva, the FRETILIN member of parliament who served briefly as prime minister in 2007 after then Prime Minister Ramos-Horta left office to serve as president.

None of these potential replacements—with the possible exception of Rui Araújo—would herald a real political transition because they do not wield authority independent of Gusmão and are thus unlikely to be re-elected.

Prospects for more lasting change exist following new elections in 2017. Taur Matan Ruak, now President, is the leading contender, although not everyone is convinced he will run. Ruak, who is from Baguia in eastern Baucau subdistrict, was the last FALINTIL senior commander from 1998 to 2001. He then served as Timor-Leste’s first armed forces chief from 2001 until his resignation in September 2011 to run for the presidency. He originally struggled to win over voters in the west, but in the second round of the election he beat Lu Olo in every district except Baucau and Viqueque—winning 61 per cent of the overall vote.

Many of Ruak’s supporters saw his transition from the military to the presidency as a natural step toward becoming prime minister. His popularity has likely increased since the election. He has made extensive trips to rural communities across the country, promising to act on their concerns in the capital, and positioned himself as the leading constructive critic of government. He has also invested in a core staff of younger advisers who have breathed some new life into the once stuffy presidential staff, indicating he may be more interested in developing future leaders than many of his older counterparts.

If he runs in 2017, Ruak will have to either join an existing party or create his own to enter government. One option would be for him to join CNRT, where he would likely be welcome given that there is no one else strong enough to lead it into an election without Gusmão. He is far less likely to join FRETILIN, but he has generally maintained good relations with the party.

If he establishes a new party, it is likely to draw a considerable number of voters away from existing parties, particularly CNRT (if this happens, the party is unlikely to survive Gusmão’s retirement). In any case, he is likely to continue to both attract young voters and promote younger people for party and legislative positions.
Challenges for a successor

Gusmão’s successor will face an array of potential security problems, from challenges by armed groups to economic discontent to a possible deepening of old social and political cleavages. None will be new; the difference is that Gusmão will not be in a position to address them.

The main security threats will still be internal. The dissident ex-FALINTIL members and aggrieved veterans have not gone away. Some veterans of the Resistance (a broadly defined constituency) believe they are entitled to a nearly endless stream of benefits, including state pensions, scholarships for their children, preferential access to state contracts, health care abroad and more. It will be in the interest of future governments to decrease these benefits that may have peaked in 2012 at US$109.7 million (or 9 per cent of actual annual state expenditures) but remain a heavy burden on the state. Ruak has become an outspoken critic of the veterans’ sense of entitlement and of the poor execution of many small infrastructure projects that they have won through preferential treatment in securing government contracts. Limiting the benefits provided to them, though, will be politically difficult and could cause the kind of mini-rebellion that Mauk Moruk tried to provoke.

A younger generation of spoilers that came to prominence in the 2006 crisis may play a bigger role in the future. It includes a diverse range of army deserters, martial arts groups, and gangs, many of whose members had either joined or co-operated with FALINTIL, in roles such as estafeta (messenger) during the last years of the Resistance. They have few political objectives of their own but can be mobilised to support the interests of others. Gusmão’s response to the crisis, which saw figures who had played leading roles in the crisis awarded lucrative government contracts, has also arguably established a perverse incentive for causing future trouble.

Timor-Leste’s unemployed youth could also be a source of unrest, particularly in a country where nearly 70 per cent of the population is under 30, have limited engagement with the political system established by their elders, and see a small elite benefiting from government contracts and public expenditures projects. Some 95 per cent of the country’s revenue is built on oil and gas receipts; a Petroleum Fund established to maximise these earnings has grown to over US$16 billion. The elite that decides how to spend this wealth is small: the finance minister and the natural resources minister are siblings, for example.

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3 However, see Magalhães in this collection.
Wealth distribution remains markedly uneven, particularly between rural areas and Dili, and is likely growing worse, given that so much of government spending (which makes up the bulk of the non-oil economy) is centred in the capital.

Several old political cleavages that Gusmão succeeded in papering over could also re-emerge. The most important is the old division between former supporters of integration and independence. A significant portion of Gusmão’s first and second cabinets were drawn from those who in 1999 had supported continued integration with Indonesia—a strategy that both promoted reconciliation with Indonesia and helped sponsor a boom in investment and construction activities by Indonesian firms. Some Timorese, however, resent that those who once opposed independence are now reaping its benefits. This sentiment is particularly pronounced among members of the army.

A second potential cleavage concerns the favoured position of Portuguese-Timorese *mestiços* (mixed race). A significant portion of Timor-Leste’s small political elite is of mixed descent—many born from Portuguese *deportados* sent to its farthest colonial outpost as punishment. Many took part in the Resistance from their exile abroad. No party has publicly tried to mobilise support around the issue, but many admit that quiet resentment exists and that it could grow in the future, particularly if it becomes a proxy for resentment along class lines.

**Conclusion**

One way or another, the illustrious political career of Xanana Gusmão is drawing to a close. If he does not step down as announced at the end of the year, at the very least it looks clear that he will not run again in 2017. He is one of the few guerrilla leaders who made a successful transition to political leader, and he has been a huge force for stability. Now the reins need to be passed to a new generation. It will not be easy for the country’s weak institutions to adapt to a less personalised system of governance, but they will never have the opportunity to develop as long as it remains in place.

The security challenges are daunting, and professionalisation of the security forces remains a work in progress, and needs to be a top priority of a successor. But Gusmão’s departure, whenever it takes place, and the replacement of the ’75 Generation by younger cadres, should help expand the political elite and make the country less prone to political problems rooted in the feuds and rivalries of the distant past.

The consensus between Gusmão and Mari Alkatiri, if it lasts, is a prerequisite for a workable transition. But it should not come at the expense of open competition between and within the parties—the one pressure most likely to produce a new
crop of leaders. The end goal should be a political system that accommodates many voices, grants no special favours to particular groups, including veterans, and does a better job of distributing benefits beyond Dili.

Postscript

On 9 February 2015, more than a year after he publicly announced his intention to resign before the end of his term, Xanana Gusmão stepped down as prime minister. What followed was a negotiated transition of power—just one week later, Rui de Araújo (named by Gusmão in his resignation letter) took over as prime minister, with a slimmed-down cabinet of 34 members. Four others named as possible successors in this essay—leading CNRT figures Agio Pereira and Dionisio Babo, Estanislau da Silva from FRETILIN, and Fernando Lasama de Araújo from Partido Democrático—each took on senior roles as ministers of state. The Ministry of Defence and Security was divided into two, with former police commander Longuinhos Monteiro taking over the Ministry of Interior and Cirilo Cristovão the Ministry of Defence. Gusmão himself took on the post of Minister of Planning and Strategic Investment. Araújo’s appointment marks an important step in the transition of political power to a younger generation, but the extent to which his tenure leads to a more lasting transformation in Timorese politics will depend in part on how much informal authority Gusmão is willing to cede.

References


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