

**Development in the Shadows:
How the World Bank and the Frente Clandestina Almost Built a New Government
in Timor-Leste**

by

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Submitted to the Department of Urban Studies and Planning
in partial fulfillment of the requirements for the degree of

Master in City Planning

at the

MASSACHUSETTS INSTITUTE OF TECHNOLOGY

June 2009

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Judith Tandler

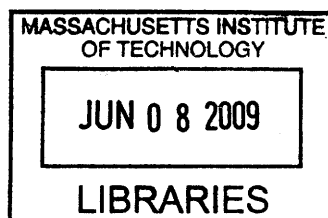
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Abstract

The failures of post-violent conflict development projects have so far outweighed the successes. In response, international aid organizations have deepened and broadened their dedication to state-building projects across all aspects of institution-building, to include economic, social and political. I chose to examine the implications of this commitment by looking at Timor-Leste's first local governance project and studying the relationship between its two main actors: the World Bank and the National Council of Timorese Resistance. While largely panned as a failure by NGOs, donor organizations and the government of Timor-Leste itself, this project brought the traditional local leadership closer to having a true role in governance than similar efforts by any other actor working in Timor-Leste. A historical analysis of the application of traditional Timorese relationships with outsiders reveals parallel stories of similar partnerships.

When in Timor, local leaders described to me an interesting story in the Frente Clandestina, the resistance movement that formed the core of Timor-Leste's proto-government structure. Counterintuitively, this organization was built on a foundation of weak relationships and distrust in order to function as an effective military logistical operation fighting an occupation government. This challenges the literature on social capital, social cohesion and trust which inadequately describes its relevance to recent events.

Unfortunately, the collapse of this project demonstrates that divergent agendas, inaccurate assumptions about state-building by the international community, and the misuse of terminology such continues to be a fundamental problem. Outbreaks of violence in recent years have highlighted the problems of ineffective institutional construction. Timor-Leste was hailed as a model state "built from scratch", but those rosy predictions have not endured. Its first 10 years of independence can teach us a lot about the principles of legitimacy, democracy and dignity in the post-violent conflict development experience of building institutions.

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Acknowledgements

I would like to thank my advisor Judith Tandler and my reader Daniel Esser for their suggestions, guidance and patience in this research that has taken me halfway around the world more than a few times. In particular, Judith has pushed me further than any teacher I have ever had before.

I sincerely appreciate the honest and informative conversations with Silvano Cardoso, George Francisco dos Reis Carvalho, Francisco de Carvalho, Claudino "Dino" vus N, Romeo, Corneilo da Costa, Luis, Eusebio Diaz Quintas, Aderito Alves, Malongo, Loymau, Laurantino and the many wonderful men, women and children of Suku Lalini and Suku Dilor.

I want to extend my gratitude to Armindo da Costa, Josh Trindade, Casimiro dos Reis, Bency Isaac and the watchful eyes of La'o Hamutuk for helping make my research on the ground so fruitful.

I offer my most sincere thanks to for the gracious hospitality of Rita da Silva Nunes da Cruz and Francisco de Carvalho.

I want to thank Christina Erickson Cary McClelland, Kim Glenn, Shukri Ibrahim, Patrick Burgess, Claire Rawsely, Mayra Walsh and my sister-in-law Jeca Taudte for helping point me to good people.

I want to thank Shirley for helping me unblock my writing, the Marine Corps for introducing me to Timor-Leste and my mother Carol, father Matthew and brother Stephen for supporting me through all of the years it has taken me to get to this point in my professional and personal development.

Finally, I want to thank my uncle Alan for my inspiration to reach farther and my grandmother Clementina without whose encouragement to come to MIT, none of this would have been possible.

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Contents

1. Introduction.....	13
1.1. Motivation.....	14
1.2. Background.....	17
1.3. Methodology.....	19
1.4. Conventions and Terminology.....	20
1.5. Overview.....	23
2. A Natural Foundation.....	25
2.1. Bringing the Outsider In.....	26
2.2. From FRETILIN to Frente.....	34
2.3. Praying for Survival.....	46
3. A Resistance Movement in Transition.....	53
3.1. Where for Art Thou Clandestina?.....	53
3.2. Bypassing a Disconnect.....	57
4. An Accidental Project.....	65
4.1. The CEP Is the Answer.....	66
4.2. Success inside Failure.....	75
4.3. Local Reality.....	84
5. Conclusion.....	91
6. Bibliography.....	95
7. Appendix.....	103
7.1. A Brief 450 Year History.....	103
7.2. Institutional Relationships in Timor-Leste.....	116
7.3. Methodological Annex.....	117
7.4. The King and I - An Account of a Research Trip to the Lacluta Sub-District...	123

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Acronyms

ADB	Asian Development Bank
ARD	Associates in Rural Development
ARP	Agricultural Rehabilitation Project
CCT	Cooperativa Café Timor (Timor Coffee Cooperative)
CEP	Community Empowerment and Local Governance Project
CNRM	Conselho Nacional da Resistência Maubere (National Council of Maubere Resistance)
CNRT	Conselho Nacional da Resistência Timorese (National Council of Timorese Resistance), not to be confused with the CNRT (National Congress for Timorese Reconstruction)
EPTA	East Timor Public Administration (Ministerio da Aadministração Interna)
ETTA	East Timor Transitional Authority
FALINTIL	Forças Armadas da Libertação Nacional de Timor-Leste (Armed Forces for the National Liberation of East Timor)
FC	Frente Clandestina (Clandestine Front)
FRETILIN	Frente Revolucionária de Timor-Leste Independente (Revolutionary Front for an Independent East Timor)
INTERFET	International Force for East Timor
JAM	Joint Assessment Mission
KDP	Kecamatan Development Project
LICUS	Low-Income Countries Under Stress
MoPF	Ministry of Planning of Finance
NCBA	National Cooperative Business Association
NC	National Council
NCC	National Consultive Council
TA	Transitional Authority

TFET	Trust Fund for East Timor
UN	United Nations
UNDP	United Nations Development Programme
UNOPS	United Nations Office for Project Services
UNTAET	United Nations Transitional Administration in East Timor
WB	World Bank

Figures

Illustration 1: USS Bonhomme Richard (center) and UNTAET barge (right) from the Dili shoreline.....	14
Illustration 2: map of Timor-Leste (FKA East Timor) in relation to Australia and Indonesia.....	17
Illustration 3: the uma lulik: the "sacred house" structure of traditional Timorese society.....	28
Illustration 4: a historical comparison of administrations in Timor-Leste.....	36
Illustration 5: the structure of the Frente Clandestina (1990-1998).....	37
Illustration 6: the structure of the Community Empowerment and Local Governance Project (in gray).....	71
Illustration 7: a loaded anguna in Maubisse, Ainaro.....	117
Illustration 8: the village elders of Suku Lalini, Vikeke prepare for nahe biti bo'ot at Loymau's house.....	119
Illustration 9: Sunday morning market at Maubisse, Ainaro.....	120
Illustration 10: Armindo da Costa (translating), Xefe Aldeia Luis and me (interviewing) in Luis' house in Number 1, Dili.....	121
Illustration 11: map of the Lacluta sub-district in Vikeke, based on conversations with the village chiefs (xefe suku).....	128
Illustration 12: noodles, rice, boar and barria for dinner in Suku Dilor, Vikeke.....	130
Illustration 13: the King and I in Suku Dilor, Vikeke.....	131
Illustration 14: spending the afternoon with villagers of Suku Lalini, Vikeke.....	132
Illustration 15: Malongo, the DJ and villagers of Suku Lalini and Dilor enjoying the night.....	134

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1. Introduction

This thesis explores the first large-scale project that any donor or aid agency implemented in Timor-Leste. From 2000 to 2004, the World Bank ran the Community Empowerment and Local Governance Project (CEP). The National Council of Timorese Resistance (CNRT), a proto-government organization, itself build upon the Frente Clandestina resistance movement of the 1990s, championed the project for the World Bank. The project was largely based on an Indonesian community development project that the World Bank had initially designed with President Suharto in order to bypass his own corrupt provincial governments.¹ I will show that the CEP was more successful than other donors and NGOs have given it credit for because of the project's links to the core traditional elements of Timorese society. A better understanding of traditional Timorese society as well as how the project's champion organization, the CNRT, functioned is important for understanding why this project was more successful than other governance projects in Timor-Leste. I will show that as a local governance project, the CEP demonstrates that donors do not have to shy away from the core components of a society because of perceived sensitivity issues. Traditional, ritual and political factors need to be integrated into development projects free from the fear of problems with favoritism or legitimacy. This runs counter to Western democratic ideas of equality, but it runs in line with Timorese democratic ideas of dignity and respect.

¹ Michael Woolcock, "Local Conflict and Development Projects in Indonesia", MIT, MIT, 6 April 2009

1.1. Motivation



Illustration 1: USS Bonhomme Richard (center) and UNTAET barge (right) from the Dili shoreline

23 February 2000 – The warm morning mist began to part ahead of us, as we approached the northern coastline of East Timor. My Marine unit aboard the USS Bonhomme Richard was tasked with providing humanitarian and civic assistance to this new island nation in southeast Asia.² We were part of Operation Stabilise, the American component of the International Force for East Timor. We were told by our commanders that the United

² U.S. Congress, House, Committee on International Relations, "A Report Regarding Forces in East Timor", 106th Congress, 2nd sess., 1 March 2000

Nations had asked us to participate as a strategic counterweight to Australia whose historic support for the Indonesian occupation of Timor detracted from its objectivity. We moved heavy equipment across the mountains, repaired schools and acted as a buffer against renewed outbreaks of militia violence. After only a few weeks of operations there we were back at sea, most of us having quickly forgotten our recent experience there. But not me. I maintained a strong interest in US foreign policy, military humanitarian operations and international interventions. I continued to pay attention to developments in Timor-Leste. In 2008, I decided to return, and learn how the Timorese have experienced their state-building project.

Recent research has criticized the adequacy of donors' commitment to post-violent conflict development, suggesting that instead of the multi-year assistance programs of the past, organizations need to consider efforts that span multiple decades.³ Donors and aid agencies all continue to lengthen their commitments with each state-building project, and this has been accompanied by a simultaneous self-expansion of their developmental responsibility. In addition to economic interventions, donors and aid organizations have required countries to adopt Western-style democratic institutions in order to stabilize their economies and prepare a business environment more conducive to investment. Some of the popular metrics used to measure progress in this area include the UNDP's "Human Development Index", the Heritage Foundation's "Economic Freedom Index" and the World Bank's "Doing Business Index". Timor-Leste ranked 150 of 177 in "Human

³ Satish Chand and Ruth Coffman, "How Soon Can Donors Exit from Post-Conflict States", Working Paper Number 141, (Washington: Center for Global Development, 2008), 1-52

Development” in 2005, and 168 of 178 in “Doing Business” in 2007. According to the UNDP, countries emerge from violent conflict with varying degrees of institutional stability. Some, such as Guatemala, Sri Lanka and Macedonia inherited a largely intact structure. Others such as Sudan, El Salvador, Mozambique, Angola, Cote d’Ivoire and Burundi came out of violent conflict only partially intact. Lastly there was Liberia, Bosnia-Herzegovina, Sierra Leone, Somalia and DR Congo which emerged without any institutions to speak of.⁴ The World Bank has grouped Timor-Leste in this last category as well, citing middle-class flight, lack of formal institutions and disintegrated social and physical cohesion⁵. That is one way to understand this young nation, but I believe there is another.

I wanted to know how the international organizations understood Timorese institutions and how the Timorese understood Western institutions. Naturally, I started off knowing very little about the local and traditional aspects of Timorese society beyond my short encounter in 2000. Most of what I had read was framed in Western paradigms and provided by donors' after-action reports. What I discovered, by way of a footnote from a World Bank document and a meeting at a hotel in Dili, the capital city of Timor-Leste, was a rich oral history that has so far eluded the main development literature. That made me want to find out more. I visited with local leaders and villagers in different parts of the country who furthered my learning in the dynamics of Timor. The Timorese researchers

4 United Nations Development Program, “Sustaining Post-Conflict Economy Recovery, Lessons and Challenges”, BCPR Occasional Paper 1, (2005), 2-3

5 World Bank, Operations Policy and Country Services, “Fragile States, Good Practices in Country Assistance Strategies”, (2005), 6

whose work I have read and who I have talked to, as well as others from the region, have been looking at more sociological issues, attempting to explain the Timorese understanding of history and politics. Some have even theorized new models of national governance that synthesize Western methods of governmental accountability with traditional notions of power distribution.⁶ I feel that the issues I raise in this thesis do not get the detailed attention they require in the development community.

1.2. Background

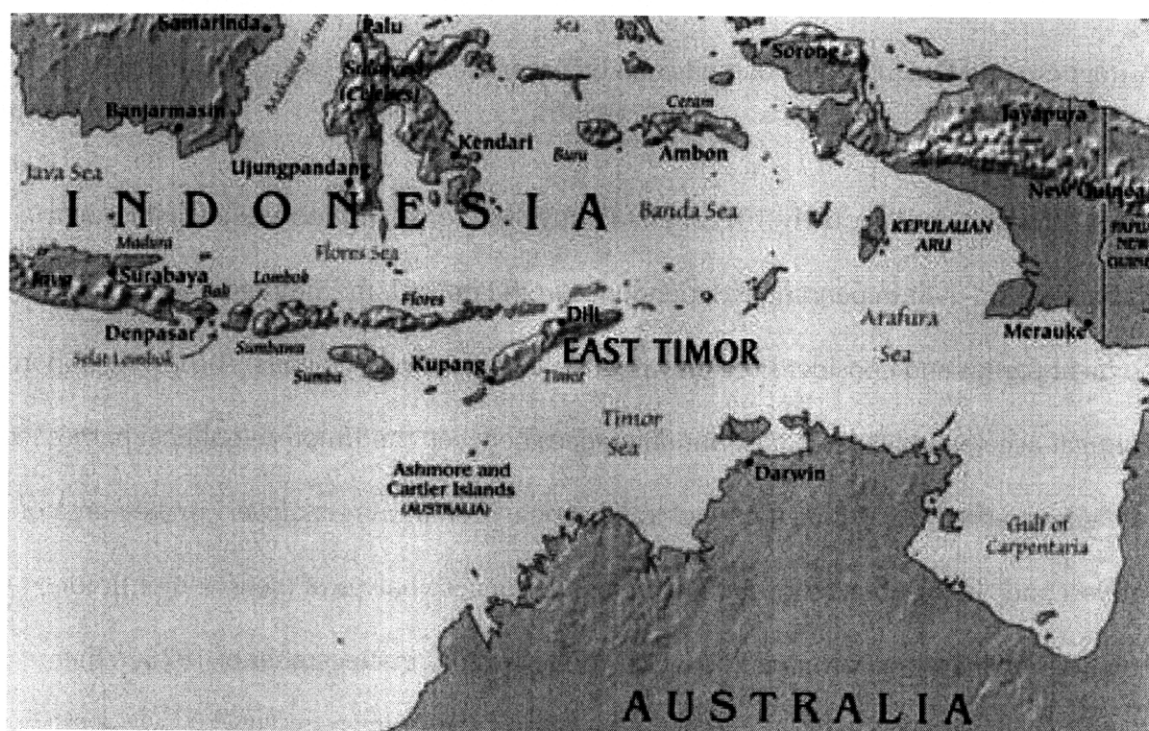


Illustration 2: map of Timor-Leste (FKA East Timor) in relation to Australia and Indonesia

Timor-Leste, the eastern half of an island about 350 miles northwest of Australia, is one of

⁶ For a detailed proposal on integrating traditional Timorese institutions with Western-style governance institutions at national level, see Josh Trindade, "Reconciling Conflicting Paradigms: An East Timorese Vision of the Ideal State" (2008)

the newest nations in the world, but this land of approximately one million people has a very long history.⁷ As one of the primary exporters of sandalwood in the 16th Century, Timor's resources were prized from the imperial courts of China to the medieval kings and queens of Europe. The rapidly expanding seaborne empire of Portugal sought to capture this valuable trading opportunity for itself.⁸ Within a few decades, Portugal had set up a number of trading posts on the island and regarded the largely unoccupied territory as one of their south Asian colonial possessions. The Catholic Church came with the first Portuguese, but would not figure prominently in Timorese society until the struggle for independence from Indonesia four centuries later.⁹ In the intervening 400 years, Portuguese and Dutch traders battled each other for the rights to precious Timorese resources.

It wasn't until the early 1970s, that Portugal's interest in Timorese affairs began to wane. Sensing their impending independence from Portugal, the Timorese began to form political parties and consider how they might manage their own affairs. The 1974 coup in Portugal accelerated those plans, but differences between the Timorese political parties led to civil war in 1975.¹⁰ Citing the need to prevent a "Communist takeover" in their area of interest and "unify" the the former Dutch and Portuguese halves of the island of Timor, neighboring Indonesia invaded and annexed the territory in December of 1975.¹¹ The

7 For more on the history of Timor-Leste, please see A Brief 450 Year History (section 7.1) in the appendix.

8 Ernst Van Veen and Leonard Blussé, eds., Rivalry and Conflict: European Traders and Asian Trading Networks in the 16th and 17th Centuries, Studies in Overseas History #7, (Leiden: CNWS, 2005), 220

9 A.H. de Oliveira Marques, History of Portugal, Volume II: From Empire to Corporate State, (New York: Columbia University Press, 1972), 253-256

10 *ibid*

11 Anthony Pecotich and Clifford J. Shultz, II, eds., Handbook of Markets and Economies: East Asia, Southeast Asia, Australia, New Zealand, (Armonk: M.E. Sharpe, 2006), 200

Timorese political parties that had been fighting each other over the future of their recently de-colonized land quickly turned their guns on the invading Indonesians, beginning a quarter century cycle of resistance and brutal reprisal.

For 24 years, the Timorese occupied the lowest position in society in their own land. The Indonesians ran a centralized government and implemented a policy called “transmigration” through which the state incentivized resettlement from more densely populated provinces such as Java into more rural provinces like Timor Timur.¹² These Indonesian migrants took most of the government's civil service jobs, leaving only lower level work for native Timorese. The Asian financial crisis in 1997 set off a wave of events that eventually broke the Indonesian occupation of Timor-Leste.

1.3. Methodology

I conducted library research and online research for three months prior to travel to Timor-Leste. Once there, I spent three weeks in three of Timor's thirteen districts finding contacts and building links to organizations in the country. I attended traditional ceremonies and met with one of Timor's kings as well as village chiefs, UN representatives and many citizens of the new nation. After returning to MIT, I conducted more library and online research over the course of a semester. Six months later, I returned to Timor-Leste for eight days to do more contact-building and conduct interviews. I spoke with researchers, government officials, NGO representatives, traditional leaders and former members of the

¹² John G. Taylor, The Price of Freedom, (London: Zed Books, 1999), 124

resistance. Please refer to the Bibliography (section 6) for a list of all the material I referenced, and the Methodological Annex (section 7.3) in the appendix for more detail on my trips, interviewees and contacts. Transcripts of interviews are also available in the appendix in Interviews & Conversations (section 7.4). These were conducted in accordance with COUHES protocol (#0807002833).

1.4. Conventions and Terminology

There are a few terms that I would like to provide some clarity on prior to the reader moving on:

Post-Violent Conflict vs. Post-Conflict – Many authors use the terms “conflict” and “violent conflict” interchangeably. In this paper, I am talking exclusively about violent conflict.

Conflict without violence is a natural phenomenon and a large component of the Western definition of democracy. The distinction between non-violent conflict and violent conflict is important.

Local Governance – According to UN-HABITAT, any government whose mandate is delegated from a higher level of government to a lower level can be considered to be “local government”.¹³ That higher level could be as large as a national government or

¹³ United Nations Centre for Human Settlements (Habitat), “Towards a World Charter of Local Self-Government”, Joint Consultation Document, (Nairobi: 25 May 1998), 10

small as a sub-regional municipality. In Timor-Leste, the distinction between a local government that consists of 75,000 people and one that consists of 100 people has not yet been made clear. In 1915 there were 5 main kingdoms in Timor. With a colony-wide population of 377,000 this equalled roughly 75,000 people per kingdom. By 2002, the population of Timor-Leste had reached about 1,000,000, spread across 13 districts. This was roughly 75,000 per district. Therefore, today's districts, in terms of population, are about equal to the size of the kingdoms nearly a century ago. However, many who write about Timor refer to today's district administrators and their offices as the "local government".¹⁴ UNDP's Local Governance Support Program in 2006 was also focused on the district-level territories of 75,000.¹⁵ On the other hand, the World Bank's local governance project, CEP, dealt with communities as small as a few hundred citizens. Both the UN and the World Bank claimed to be running local governance projects. Today, the Timorese government focuses on village-level governance directly, but continues to have issues distinguishing between district-level local governance and village-level local governance. The implementation of an on-again off-again plan to convert the country's district-level governments into municipalities had in 2008 again been postponed indefinitely.

Timor-Leste, East Timor, Timor Timur, Portuguese Timor – This country may officially be

14 Jarat Chopra, "Building State Failure in East Timor", *Development and Change*, 3.55 2002: 979-1000, 985

15 United Nations Development Program, "Local Governance Support Programme: Project Document", (November 2006)

young, but it has a detailed history that is at least half a millennium old. When the Portuguese came and brought Timor into their empire, they named it *Portuguese Timor*. After the Indonesians took over the land, they renamed it *Timor Timur*, the 27th province in Indonesia. English-speaking media referred to it as *East Timor*, a direct translation of its Indonesian name. After emerging from the care-taker government of the UN, it adopted a Portuguese translation, calling itself the *Democratic Republic of Timor-Leste*. In Tetum, the language most spoken in the country, it is known as the *República Demokrátika Timór Lorosa'e*. I have attempted to use the topically relevant name throughout the discussions in this paper. For ease of reading, I sometimes shorten the name simply to *Timor*.

FALINTIL, FRETILIN, CNRM (see **Acronyms** on page 9)- As with the country name, there are many different terms for the resistance movements that fought in Timor-Leste's struggle for independence. Some authors use these terms interchangeably, but they are actually distinct organizations with different missions and philosophies. I have taken great care to use the correct organizational name in each case.

Conselho Nacional da Resistência Timorese (CNRT) – There are actually two CNRTs. Much of the literature tends to conflate the organizations. Xanana Gusmão, one of the leaders of Timorese resistance, founded the first CNRT in 1999. It was called the National Council of Timorese Resistance and lasted until 2001. It was initially a political party, but after merging with the Frente Clandestina, became a proto-government organization. The

second CNRT is a successor in acronym only. Xanana Gusmão founded this political party in 2007. The second CNRT is the National Congress for Timorese Reconstruction and was not involved in the World Bank's local governance project.

1.5. Overview

In the first chapter I give an overview of my introduction to Timor-Leste and attempt to provide the reader with my perspective. I also present the methodology of my research and describe a few of the popular terms used in this thesis.

I begin, in chapter two, by introducing the elements needed to understand why the World Bank's project was more successful than others have written. I begin with an illustration of the traditional Timorese social structure and show how this has made the integration of indigenous and exogenous political actors possible. I use examples from Timor's past to demonstrate this point. I then explain the somewhat elusive story of the Frente Clandestina resistance movement. After independence, this organization formed the backbone of the World Bank's local governance project champion, the National Council of Timorese Resistance (CNRT). In trying to understand the organization, I argue that the literature of social capital, social cohesion and trust and the discussions of the positive or negative impacts do not capture the important particulars of this history and its relevance to more recent outcomes. Lastly, I show the support that the Catholic Church provided to the Frente Clandestina by filling in gaps in its capabilities.

In the third chapter, I cover the apparent disappearance and reappearance of the Frente Clandestina. I illustrate how the circumstances surrounding the Indonesian occupation of Timor began to change the behavior of resistance organizations as Timor's independence drew near. I then talk about how the United Nations' governance agenda necessitated its "reappearance".

In the fourth chapter I review the Community Empowerment and Local Governance Project, run by the World Bank from 2000 - 2004. I explain why its designers created the project and why it is relevant to Timor-Leste's continued development of local governance. I point out that while the project has been largely panned as a failure of development by NGOs, donors and the Timorese government itself, there were actually positive aspects that took it far beyond the results of other local governance projects by those same actors in Timor. I address the more general issue of participation in this project, and then reflect briefly on the impact of terminology and vague definitions, such as "democracy" and "local governance". The appendices at the end provide some additional detail that may be of interest to the reader.

2. A Natural Foundation

Understanding how the Frente Clandestina functioned is important for understanding why the World Bank's local governance project remains the most viable effort at a local-level governance-building strategy since Timor-Leste's independence. A better understanding of the traditional model of Timorese society illustrates how building relationships with outside groups such as the Portuguese and the Catholic Church was a natural process for the Timorese. The World Bank needed a strong partner to socialize its local governance project. The organization it worked with, the National Council of Timorese Resistance (CNRT), was founded in 1999 by Xanana Gusmão, but its backbone was the Frente Clandestina resistance movement. By design, it was an organization that was not based on trusted relationships. Moreover, if we try to categorize it, conventional organizational theories do not sufficiently explain how this organization survived and functioned. This organization built itself upon a loose coalition of civilians, resistance fighters and local government officials who were able to work with each other because of the trust-less nature of the organization. Its ties to the only other growing organization in Timor during the Indonesian occupation, the Catholic Church, helped it fill in the gaps in its capabilities.

2.1. *Bringing the Outsider In*

Incorporating new groups of people from outside the kingdom is a big part of Timorese cultural tradition, and over the past 450 years has defined Timor-Leste society. The territory was a colony of the Portuguese empire for 425 years, interrupted only briefly by a Japanese occupation during World War II. The Catholic Church has had a presence on the island since Portuguese times and is very active in modern day Timor-Leste. When the Portuguese began to lose interest in mid-Century, the Indonesians came in and ran Timor as one of their provinces for nearly 25 years. Since its violent break from Indonesia in 1999 many wealthy nations such as Australia, Japan and the United States, as well as international organizations such as the United Nations, Red Cross and the World Bank have maintained a heavy presence here. This subsided briefly in 2005, but outbreaks of violence by groups of Timorese and the subsequent displacement of 10% of the nation's population caused a return of that heavy presence the following year. Both in traditional ceremonies I attended and in conversations I had with villagers in the Vikeke sub-district of Lacluta, I was told the history of Timor-Leste strictly in terms of these periods. Some of those I talked to regarded the "international" period with the same disdain with they had for the Indonesians and Portuguese occupations because of the many unresolved issues that persist today. In order to understand these relationships better we must first understand the Timorese tradition of *uma lulik*.

Throughout all of those periods, the Timorese built relationships with foreigners, but some of those relationships were more successful than others. The successful ones build

upon a system of beliefs common throughout Austronesian societies that power and authority occupy two circles of influence: the ritual and the political. Originally, this dualistic nature allowed a society to categorize its beliefs, understand the natural world around them and manage the daily requirements of a functioning society. Even before colonists and international aid agencies existed, this belief system helped to explain the arrival of outsiders and determine how members of the society should interact with them.¹⁶

In Timorese society, the Austronesian dual-natured view of the world is represented by the idea of *uma lulik*.¹⁷ Ancestors exist in the inner circle of *uma lulik*. According to tradition, the ancestors represent the most sacred values and moral code of society, and have the power to influence events in the real world. Extended families, known as Houses, occupy the middle and outer circles of *uma lulik*, as depicted in Illustration 3. A House that lies in the middle circle wields the ritual power of that society. This circle also contains fertility, prosperity and peace, considered to be female values. A House here is responsible for all decisions related to the land and is embodied by the Landlord who has the power to choose the holders of political authority. Any House lying in the outer circle of the structure wields political authority, but is subordinate to the middle circle's ritual authority. Both in turn are subordinate to the authority of the ancestors in the inner circle. In traditional society, this is usually done through the bonds of marriage. A ritual House, a Landlord, provides the wife to a male in a House outside the *uma lulik* structure. The

16 Sofi Ospina and Tanja Hohe, "Traditional Power Structures and the Community Empowerment and Local Governance Project: Final Report", East Timor Transitional Authority and World Bank, Dili, September 2001, 28-33

17 "uma lulik", Tetum for "sacred house"

male's House gains political power, moving into outer circle of *uma lulik*. Protection and security, regarded as male values, exist in the outer circle, so the new political House is responsible for protecting all the Houses inside of it, including both the ritual House and the ancestors.¹⁸

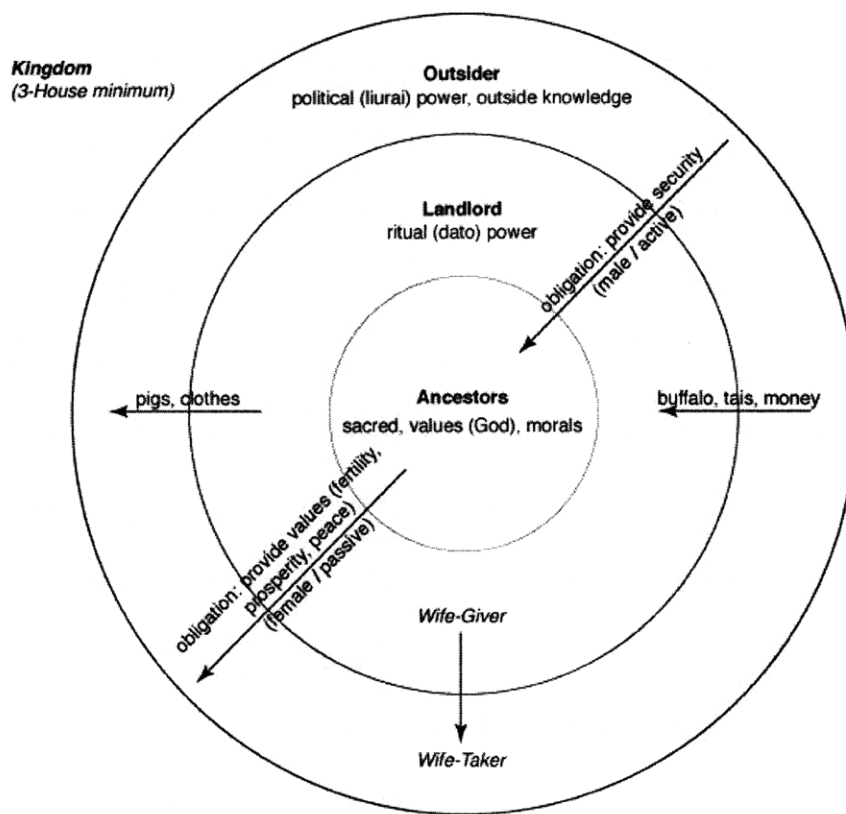


Illustration 3: the *uma lulik*: the "sacred house" structure of traditional Timorese society

The advantage of this structure is that there are appropriate roles for both outsiders and insiders in Timorese society. Since the Landlord determines which House will occupy

¹⁸ Josh Trindade, personal interview, 24 January 2009; Josh Trindade, "Reconciling Conflicting Paradigms: An East Timorese Vision of the Ideal State", 2008, 14

the position of Outsider, both exogenous and indigenous actors can be tied into the traditional structure. The Landlord brings the Outsider into the hierarchy of *uma lulik* because of the new and foreign knowledge they can add to society. The hierarchy of Houses is dictated by the time of "arrival". The ancestors come before the Landlord, then the Landlord brings in the Outsider. Subsequent newcomers occupy lower rungs on the hierarchy and this arrangement expands ad infinitum.¹⁹ The minimum number of Houses needed to maintain the entire system is three, but by using marriage or blood-oaths to bring outside Houses into the system, many tightly-bonded kingdoms with hundreds of Houses formed across present day Timor-Leste and West Timor. Timorese society considers the most senior political Houses in this structure to have "royal blood". The kings of Wehale and Sonebait that the Portuguese first encountered when they arrived were the leaders of the most senior political Houses at that time.²⁰

The Portuguese tried very hard to blend their administration with the traditional hierarchy. Many of them intermarried, a practice the Portuguese administration did not actively discourage. As immigrant Portuguese created social and economic bonds with the locals they met, they fulfilled the traditional role of the Outsider and defended the locals in their battles against other Timorese kingdoms.²¹ Certainly, the Portuguese also benefited from this arrangement. Maintaining a good relationship with coastal people who could ensure their continued trading prosperity protected their financial interests. Some say that

19 Tanja Hohe, "The Clash of Paradigms: International Administration and Local Political Legitimacy in East Timor", *Contemporary Southeast Asia*. 24.3 December 2002:569-589, 572-574

20 Ospina and Hohe, 22

21 John G. Taylor, *East Timor: The Price of Freedom*, (London: Zed Books, 1999), 4

the Timorese voluntarily adopted Portuguese customs in order to mislead and outwit the colonists.²² In 1699, visitors to Lifau, in the present day district of Oe-Kusi, remarked how though everyone spoke Portuguese, only a handful appeared ethnically European.²³ However, this arrangement seems much more purposeful on the part of the Portuguese. The Portuguese did not have sufficient resources to maintain control of their colony in Timor. They found intermarriage to be an effective way to gain political power and leverage the resources of the island. Portugal certainly had difficulty projecting its military so far from home, or else they would have been able to push back neighboring Dutch imperial interests much sooner.²⁴ Portugal itself was a small nation in Europe and had trouble recruiting its own citizens to serve on the long military and merchant voyages throughout Estado da India.²⁵ Eventually, the majority of its naval conscripts came from its colonies in other parts of the empire rather than the homeland.

By the early 1900s the Portuguese wished to take more direct control of their colony in Timor. They had greatly increased their commercial interests on the island by introducing coffee, a cash crop, in the late 1800s. Then rumors of oil discoveries began to spread in 1920s.²⁶ In 1934, the Portuguese administration ceased to recognize the authority of the political heads of the kingdoms (*liurai*) and turned instead to the political

22 *ibid*, 10

23 C.R. Boxer, The Portuguese Seaborne Empire 1415-1825, (London: Hutchinson & Co., 1969), 143-146

24 The Dutch and the Portuguese fought a protracted campaign back and forth across the island of Timor from the late 1500s through the 1800s. For more information see Ernst Van Veen and Leonard Blussé, eds., Rivalry and Conflict: European Traders and Asian Trading Networks in the 16th and 17th Centuries, Studies in Overseas History #7, (Leiden: CNWS, 2005), 220-227

25 "Estado da India", Portuguese for "State of India", embodying their southern hemisphere maritime strategy from the 1500s - 1900s

26 Australian Financial Review, 29 May 2006

heads of the villages, the village chiefs. However, according to *uma lulik*, the Portuguese lacked the ritual authority necessary to appoint and replace political heads.²⁷ The Portuguese administration's new laws had no effect on the practical exercise of power because they had no basis with which to change the outer circles of Timorese kingdoms. The Portuguese were in the outer circle as well. Timorese continued to recognize the relationships between the traditional political figures and the ritual authority despite the changes in law. Village chiefs continued to descend from Houses with royal blood, respecting the sequence of authority laid out by ritual authority in the past.²⁸

The Portuguese continued to try to alter the political landscape in Timor by placing Portuguese symbols of authority into the most sacred positions of traditional society. By moving the Portuguese flag and the Bible into the inner circle of *uma lulik*, they believed they could gain enough ritual authority (in other words, shift from the outer circle to the middle circle) to force the traditional political authority to shift from the kings to the village chiefs.²⁹ In my experiences in Timor-Leste, it has taken until the generation born after 1980 for this idea to fully take root. When discussing *liurai* with older Timorese, they frequently assumed I was referring to the kings, whose royal lineage continues to be recognized in Timor-Leste, despite their decline in political power. The younger generation regards the village chiefs of today as the *liurai*. The common terminology for traditional political leadership, *liurai*, thus decreasingly referred to the kings of old and increasingly referred to the village chiefs throughout the districts.

27 Trindade, 24 January 2009

28 Ospina and Hohe, 49

29 Trindade, 24 January 2009

Curiously, use of the term *liurai* has shifted concurrently with the Catholic Church's rise in popularity in Timor. Soon after Portugal pushed its decentralization of indigenous political power, its interest in its colonies began to wane. The Catholic Church, a partner of Portugal throughout its imperial adventures, increasingly inserted itself into development issues. The Church took advantage of previous Portuguese inroads into *uma lulik*. The Portuguese had inserted the Bible into the sacred center as a symbol of ritual power, so the Church had merely to continue that association. Catholic priests began to refer to themselves as *amu lulik*, Tetum for "sacred Father".³⁰ However, the Church was not nearly as aggressive as the Portuguese. After nearly 300 years of mission work, the Church had managed to convert only 30% of the nation of 500,000 to Catholicism by the time of the Indonesian invasion in 1975.³¹

Only a handful of Indonesians tried to adopt the strategies that the Portuguese and the Church had used to gain legitimacy. In one account reported by Ospina and Hohe, a village chief from the Baukau district spoke of a 1984 blood-oath between himself and a military commander from the Indonesian military.³² The new agreement apparently quelled the violence and prevented more people from dying, but it is unclear whether this really furthered the political legitimacy of the Indonesian government in Timor. Moreover, this kind of relationship-building by the Indonesians and the Timorese was much less frequent than the overt use of force by the military. The Indonesian government outlawed

30 Trindade, 24 January 2009

31 Anthony Pecotich and Clifford J. Shultz, II, eds., Handbook of Markets and Economies: East Asia, Southeast Asia, Australia, New Zealand, (Armonk: M.E. Sharpe, 2006), 219

32 Ospina and Hohe, 60

any adherence to the traditional system of authority. It recognized ritual and political traditions but only as non-substantive customs.³³ Hollowing out the source of sacredness at the core of the Timorese value system while still recognizing the ritual and political manifestations of authority did not work to the Indonesian's advantage. Even efforts by President Suharto to celebrate the ritual traditions of Timor fell flat, failing to garner any meaningful support from Timorese society.³⁴

The actions of the pro-integration militias after the referendum best expressed Indonesia's frustration with its failure to make inroads into Timorese society. Timorese society embodies much of the symbology and ideology of their ancestral Houses in their physical structures. Many Timorese that I spoke with showed me photographs of their family's traditional homes and explained the various motifs and meanings embedded in the architecture. In August 1999, when the militias set fire to most of the urban and rural infrastructure in the country, they were symbolically burning down Houses as they burnt down people's homes.³⁵

Fighting centuries-old notions of traditional societies was important for the Indonesians right up until the last day of occupation because those traditions lay at the core of Timorese society. The values *uma lulik* embodied were as important to those resisting occupation as at any other time. The Frente Clandestina resistance movement, who formed the core of the World Bank's Community Empowerment and Local

33 Trindade, 24 January 2009

34 Pecotich and Shultz, 220

35 Andrew McWilliam, "Houses of Resistance in East Timor: Structuring Sociality in the New Nation", Anthropological Forum, 15.1 March 2005: 27-44, 28, 31

Governance Project champion, the CNRT, would use the ideas contained in *uma lulik* to make themselves more resilient.

2.2. From FRETILIN to Frente

By 1990, the increasingly brutal tactics of the Indonesian military had forced the Timorese to reorient the organization of their resistance to fight a more asymmetrical conflict that pitted their organizational and fighting strengths against the Indonesians' weak spots. The new National Council of Maubere Resistance (CNRM) grouped together disparate components of military and political opposition. Elements from within the CNRM as well as the traditional leadership throughout the country formed a shadow government structure called the Frente Clandestina in order to more effectively coordinate and supply the opposition forces. The Clandestina sustained itself remarkably well through the decade, surviving on the merits of its internal structure and its connections to other more visible organizations.

Soon after the 1975 invasion, the Timorese began to fight a fairly successful war of resistance against the Indonesians, but that did not last very long. By 1979, the FALINTIL resistance movement was broken.³⁶ It had been relatively easy for the civilians to resupply the FALINTIL in the mountains, but the Indonesian military resettled most of the population in work camps on highly-guarded valley plantations. Nicolau dos Reis Lobato, president of the FRETILIN opposition group was killed at the end of 1978, throwing its

³⁶ Taylor, 94-153

leadership into disarray.

Despite this low point, the situation began to improve for the Timorese resistance movement in the early 1980s. However, it would again take a turn for the worse towards the end of the decade. The lone, surviving member of the original FRETILIN leadership, Xanana Gusmão, assumed the presidency of the organization in 1981. By 1983, the resistance movement had gained enough strength to cause the Indonesian military to request a ceasefire which the leaders of FRETILIN agreed to. In spite of the ceasefire agreement, the Indonesian military launched the second Operasi Keamanan, or “fence of legs” campaign, in 1984, forcing civilians to form a human chain and march across the island, in an attempt to weed out insurgents.³⁷

With an increasing number of setbacks, thinned out combat forces and a population near the breaking point, the groups opposing the Indonesian occupation needed to reorganize themselves. Gusmão resigned from the FRETILIN and in 1990 created the CNRM. The CNRM was to be the diplomatic front for all groups resisting the occupation. It was also to be the shell under which all the resistance movements could regroup, exchange information and share materiel. The FALINTIL became the CNRM's primary armed faction. Its biggest challenge was how to resupply in an environment where all the resources they needed were located in guarded plantations instead of mountain villages. The CNRM needed to create a logistical support structure that could operate in the same locations as the occupying Indonesian forces and not be compromised.

³⁷ “Operasi Keamanan”, Bahasa Indonesian for “Operation Security”

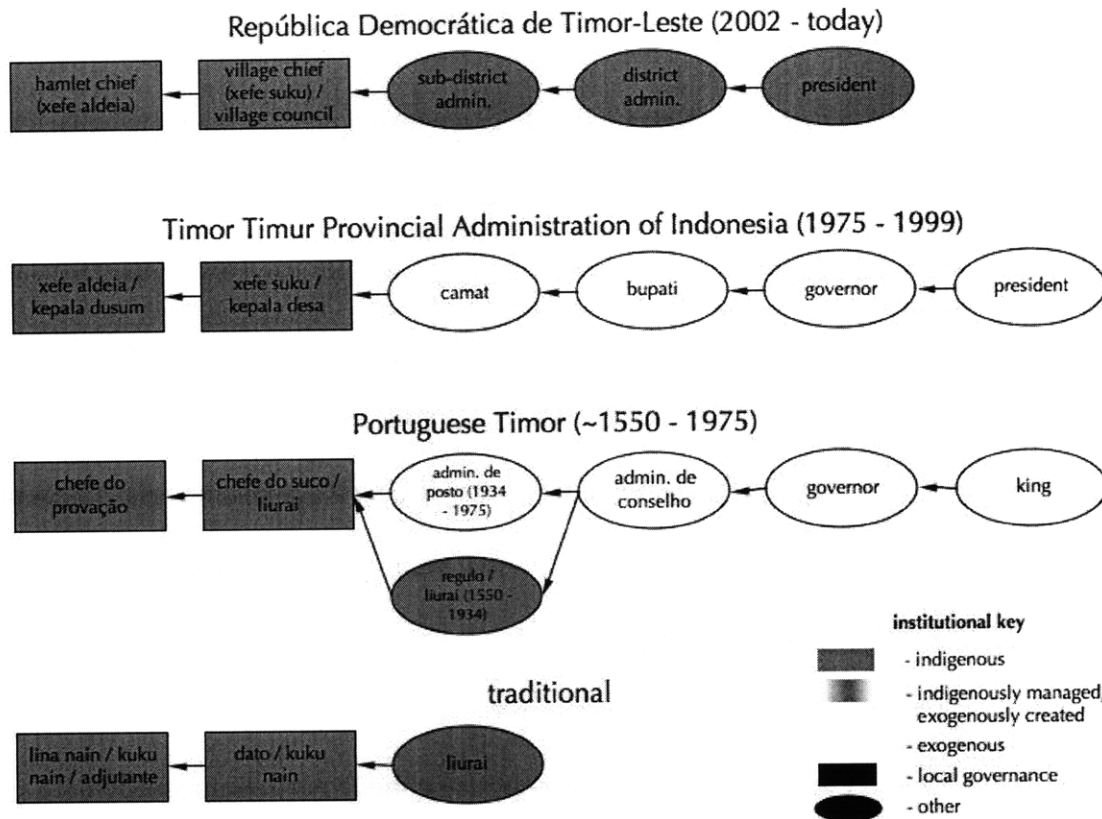


Illustration 4: a historical comparison of administrations in Timor-Leste

The Frente Clandestina developed around 1991 and effectively placed a new local governance structure inside the one that was already working with the Indonesian government. At that time Timorese village chiefs in each district reported to a *camat*, an Indonesian district-level administrator. Their relationship was much like their prior one with the Portuguese *administrador de posto*. Illustration 4 shows the equivalent government roles of current and past administrations of Timor-Leste. The Clandestina created a position parallel to the village chief, the *nucleos de resistência popular (nurep)*, responsible for organizing village support for the FALINTIL. According to discussions I had with village

leaders in Timor, the FALINTIL commanders in consultation the traditional leadership of the village usually chose the *nureps*.³⁸ Many of the *nureps* had royal blood, that is they came from Houses with political power. According to *uma lulik*, this ensured their traditional legitimacy. By supporting the Clandestina traditional leaders gained more political clout. Security and protection were an important part of *uma lulik's* outer circle.

Timor Timur Provincial Administration of Indonesia (1975 - 1999)

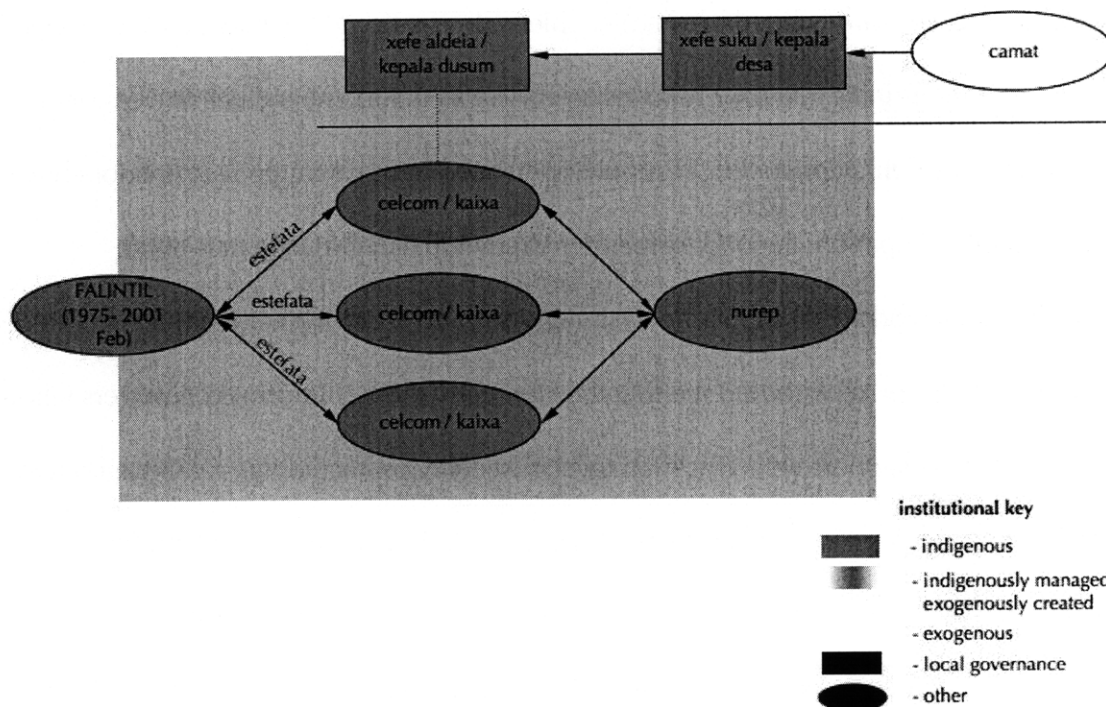


Illustration 5: the structure of the Frente Clandestina (1990-1998)

The *celcom*, played a vital role in the Clandestina, directly linking the Clandestina, the FALINTIL commanders and the local government. Illustration 5 depicts the relationship

38 Silvano Cardoso, personal interview, 29 January 2009; Corneilo da Costa, personal interview, 29 January 2009

between the various roles in the Frente Clandestina. One of the hamlet leaders I spoke with in Timor explained to me his old role as a *kaixa*.³⁹ After our conversation, it became apparent that the *kaixa* and the *celcom* were one and the same. His job was to go from door-to-door at night soliciting for support from the people of the hamlet. It is his belief that many of the hamlet chiefs in Timor also fulfilled the role of *celcom* in the Clandestina. Hamlet chiefs (*xefe aldeia*) were insulated from the Indonesian government because they only reported to the Timorese village chiefs (*xefe suku*) above them. A village chief from Lourba that I spoke with echoed the hamlet chief's description of night-time solicitations.⁴⁰

The Clandestina's full story remains as elusive as the members themselves. Firstly, it only operated at night. Conducting resupply operations in the daytime was not possible under military occupation. Second, some of the individuals who were part of the Clandestina also worked for the Indonesian administration. The former members of the Clandestina that I spoke with told me that they typically did not inform the villagers who they were directly supporting.⁴¹ This high level of secrecy protected the organization and the individuals working in it. If someone was captured, they did not know enough to give away a significant piece of the organization. Even the *estafata* who collected food and supplies gathered by the *kaixa* had no idea who had made the donations they carried to the FALINTIL. This secrecy allowed the Clandestina to thrive against some very overwhelming odds.

The Clandestina is a confounding organization. It existed only informally within the

39 Luis, personal interview, 30 January 2009

40 Cardoso

41 *ibid*; Luis

CNRM, entirely “off the books” for the duration of its existence with most of its members never knowing each other. They did not record their actions or codify their procedures. Many of the role descriptions and even the name of the organization came well after the Clandestina had begun operations. Members were loosely associated with one another and yet by all accounts, considered themselves to have a very cohesive network. The group had a long-term focus that placed more emphasis on the successful outcome of the group effort, rather than on benefits for the individual.

Repressive laws and living conditions excluded the Timorese from participating in a productive Indonesian society. Most civilians, by 1990 lived in the model villages in the valleys. The FALINTIL's inability to supply itself led directly to the creation of the Clandestina. Putnam's research of civic associations in Italy illustrated groups created by exclusion from socioeconomic systems.⁴² Many have extrapolated his discoveries to apply to situations outside of Italy, but this reasoning doesn't sufficiently account for the means by which that exclusion occurred. The method of that exclusion would certainly have had an effect on the dynamics of that organization.

In Timor, fear of the Indonesian occupation was severe enough to force the Timorese to organize the Clandestina's shadow government structure. Uphoff 's work on social capital introduced the qualification of relationships.⁴³ He divided the codified relations between people, networks and associations from the set of forces driving the

42 Robert D. Putnam, Making Democracy Work: Civic Traditions in Modern Italy, (Princeton: Princeton Univ. Press, 1993), 168

43 Partha Dasgupta and Ismail Serageldin, eds, Social Capital: A Multi-Faceted Perspective, (Washington: World Bank, 2001), 215-220

relationships between them. The first component he called structural and the second component, cognitive. Building on this idea, McIlwaine and Moser's research demonstrated that fear can also be a big component of cognitive social capital.⁴⁴ So can social capital explain how this organization retained its cohesiveness?

In order to form a shadow government, the Clandestina needed to be a cohesive organization, just as the leaders I spoke with claimed.⁴⁵ Colletta and Cullen defined social cohesiveness as the degree to which linkages between peers and linkages up and down the ladder of power intersect each other.⁴⁶ They argued that a proper balance of horizontal and vertical linkages would result in a stronger and better-glued society. Conflict weakens the bonds and bridges created by social capital, resulting in an environment of reduced trust and damaging this cohesion.⁴⁷ McIlwaine and Moser also discovered in their Guatemala and Colombia research that violence and force could erode social capital and break down social cohesion.⁴⁸ Both Varshney in India and Colletta and Cullen in Rwanda found that inwardly-focused groups perpetrated many of the violent conflicts there. They attributed the problems they found to a lack of relationships between Hindus and Muslims, and Hutu and Tutsi, respectively.⁴⁹ However, Uphoff's structural social capital framework does not allow groups to function in isolation. According to that logic, it is

44 Cathy McIlwaine and Caroline O.N. Moser, "Violence and Social Capital in Urban Poor Communities: Perspectives from Colombia and Guatemala", Journal of International Development, 13 2001: 965-984, 2001, 980

45 Luis; Cardoso

46 Nat J. Colletta and Michelle L. Cullen, "The Nexus Between Violent Conflict, Social Capital and Social Cohesion", Social Capital Initiative, Working Paper No. 23, World Bank, September 2000, 4

47 *ibid*, 25

48 McIlwaine and Moser, 975

49 Ashutosh Varshney, "Ethnic Conflict and Civil Society: India and Beyond", World Politics, 53 2001: 362-398, 382; Colletta and Cullen, 6

inaccurate to say that any two groups lack ties between them. Acknowledging that a fearful, animosity-filled relationship existed between Varshney's Hindu organizations and their Muslim counterparts would better describe the reality.

Timorese citizens had very little opportunity to build vertical linkages in their society. The position that they occupied in the Indonesian province was relatively flat and low in the overall hierarchy. Very few positions of power were given to native Timorese, and yet by all accounts this society was very cohesive, with nation-wide resistance movements that survived very strong opposing forces. Looking at a number of post-violent conflict cases in Africa, Aron discovered that while there were losses of social capital in Sierra Leone and Rwanda, a few, such as Eritrea, actually saw an increase in social capital during the conflict.⁵⁰ This inconsistency puts Aron and McIlwaine and Moser at odds with each other, making the overall social capital definition less convincing.

Downward pressure from the Indonesian government and military actually enhanced social cohesion in Timor by creating the first cross-kingdom sense of national identity. Just a few years before the *Clandestina* appeared, José Ramos-Horta wrote in his autobiography that there were three unifying elements of Timorese life: the resistance movement, the Tetum language and the Catholic Church.⁵¹ At that time the Church had followers in less than 50% of the nation and the Tetum language had 22 dialects, but the resistance stretched across the entire province, from Lospalos to Maliana. Varshney said that associational organizations were particularly strong for peace and stability because

50 Janine Aron, "Building Institutions in Post-Conflict African Economies", Journal of International Development, 15 2003: 471-485, 474

51 José Ramos-Horta, Funu: The Unfinished Saga of East Timor, (Trenton: The Red Sea Press, 1987), 205

they could absorb exogenous shocks.⁵² Colletta and Cullen found that vertical forces in Rwanda were so strong that local leaders who had chosen pacifism or attempted to grant asylum to Tutsi were coerced by higher levels of government to participate in or permit the killings in their village. Powerful Hutu leaders in Rwanda, acting in the name of the state, declared that it was the civic duty of all Hutu to cleanse their society of the Tutsi.⁵³ Colletta and Cullen also discovered that Rwandan villagers blamed exogenous market forces and the introduction of money-based transactions for damaging their inter-group trust and intra-group mutual assistance organizations. They said those forces were at least as damaging than the violent conflict itself.⁵⁴ The vertical penetration of other actors was so strong that it damaged their horizontal bonds, throwing social cohesion off balance. However, Timorese society and *uma lulik* specifically is designed to incorporate exogenous shocks. It has proven quite resilient over the last 450 years.

The Catholic Church was one of the few other organizations that grew stronger during the conflict in Timor, its membership rising from 30% of the population in 1975 just prior to the invasion to over 90% by the time of independence. Colletta and Cullen found that coping organizations sustained themselves particularly well throughout violent conflict. These organizations stood out because their intra-organizational ties actually increased over the course of the conflict. McIlwaine and Moser made similar findings in Guatemala and Colombia, discovering that the strongest and most trusted organizations in civil society were consistently the women's groups and churches who served as support

52 Varshney, 368

53 Colletta and Cullen, 19, 22

54 *ibid*, 24

groups for victims of violent conflict.⁵⁵

The Clandestina was an alternative to the existing formal governance institution of the Indonesian state. Helmke suggested that a stable pattern of behavior that doesn't conform to formal rules is evidence of an informal organization in operation.⁵⁶ The logistical support that kept the FALINTIL resupplied and operational is evidence of the Clandestina's existence. That a nation-wide governmental structure could emerge seemingly overnight after the passage of the autonomy referendum is further proof that some kind of structure existed in the shadows. Helmke would call the Clandestina a substitutive organization because it replaced the existing but ineffective open market logistical system for the FALINTIL.

The paradox is that the FALINTIL and the traditional leadership were short-term beneficiaries of this new organization, but the civilians were not. The traditional leaders enjoyed increases in the stock of their political and social capital. Their hand was strengthened by association with the FALINTIL and the Clandestina, who were both highly regarded as strong embodiments of male values of protection and security in the framework of *uma lulik*.⁵⁷ The FALINTIL fighters benefited by having a new resupply mechanism. Civilians, on the other hand, did not gain any direct social or economic benefit from this association, unless the resistance was successful. Ostrom would argue here that investment in long-term benefit over short-term cost is a formative stage in the

55 McIlwaine and Moser, 980

56 Gretchen Helmke and Steven Levitsky, "Informal Institutions and Comparative Politics: A Research Agenda", Perspectives on Politics, 2.4 December 2004: 725-740, 733

57 Cardoso; Da Costa; Luis

construction of social capital.⁵⁸ This benefited the FALINTIL fighters but is still an insufficient explanation for civilian participation.

By joining the Clandestina, civilians could ensure that their leaders in the hamlets and villages would continue to act in their best interests, comfortable with the fact that those leaders were still part of the provincial government. This soft power gave the traditional leadership a sense of obligation towards the group, effectively giving the group loose control over their actions. Tsai found a similar dynamic in rural China. There embedding local officials in an organization that was open to everyone in the community created a “solidary” group, providing an informal institution of accountability.⁵⁹ A member of the local government could be part of one of these solidary groups, usually a temple or community organization.⁶⁰ The group then would increase the moral standing of that member of the government by praising him for an action of his that had benefitted the community.

Weak ties between members of the Clandestina allowed the organization to survive some rather overwhelming odds. Granovetter looked at many different groups of people and discovered that those that were weakly bonded internally were more likely to survive in the long term.⁶¹ Groups with tight bonds, on the other hand, only had the appearance of cohesiveness, and in reality were actually quite fractured. The problem he discovered was

58 Dasgupta and Serageldin, 183-193

59 For more on “embedding”, see Peter Evans, *Embedded Autonomy*, Princeton: Princeton University Press, 1995

60 Lily L. Tsai, *Accountability without Democracy: Solidary Groups and Public Goods Provision in Rural China*, (Cambridge: Cambridge University Press, 2007), 4-15

61 Mark S. Granovetter, “The Strength of Weak Ties”, *The American Journal of Sociology*, 78.6 May 1973: 1360-1380, 1374

that the tightly-bonded groups he observed were not able to expand themselves or link to other groups and so over time died off.

The Clandestina could not rely on social capital and positive relationship-building or it would have compromised its own protection mechanism. Members of the Clandestina only knew the next link in their chain of operations. They shared minimal inter-personal information with each other in order to protect themselves and the group if captured. They operated as secretly as possible, taking only small risks. Cook, Hardin and Levi pointed out that relationships based on trust between people and groups are more rare than people assume. Distrust actually fosters the development of cooperation, because networks are forced to remain open.⁶² This allows groups to easily absorb new members and expunge ones that hurt the group. Members that were in a position to hurt the organization, like government officials working for the Indonesian government, could be held in check. As Locke pointed out, trust within organizations is really situational and relational, not personal.⁶³ As such, it can be built over time. Trust and ties remained as minimal as needed for members of the Clandestina to accomplish their missions.

The Clandestina succeeded as an organization because people could participate without investing too much of themselves into it. Trust was not required for it to function. Social cohesion in this case was more a result of people working together and building ties based on *uma lulik* and due less to a social-capital based frequency of interaction. Some have called this merely the appearance of cohesion, but in Timor, resistance movements

⁶² Karen S. Cook, Russell Hardin and Margaret Levi, Cooperation without Trust, Russell Sage Foundation Publications, 2005, 4, 81, 92

⁶³ Richard M. Locke, "Building Trust", draft, 2009, 9-12

were nation-wide and well-coordinated. The Clandestina, via the CNRT, thus provided the World Bank with a strong, national, reputable and accountable organization with which to push its local governance initiative. But prior to independence and prior to merging with the CNRT, the Clandestina still had some gaps in its capabilities. For that it would have to turn to the only other organization growing during Indonesian times.

2.3. Praying for Survival

When I had asked village leaders about the role of the Church in the affairs of the traditional leadership, they pointed me instead towards the relationship between the Church and the Clandestina.⁶⁴ The Clandestina was good at dealing with a specific set of issues, but some issues were beyond the capabilities of the organization. The Clandestina had quickly mastered the art of supply chain management and organizational efficiency, but recognized that it needed help communicating with other organizations and securing the release of captured group members. The Clandestina's messengers, the *celcom*, could only operate at night, and the requirement for secrecy meant that they could only shuttle information between the *nureps* of the hamlets and villages and the FALINTIL commanders. They could not communicate with other *celcom* to gain awareness of the larger situational picture. The Church, however, did not have such limitations. They were present in every district, every sub-district and in all of the large villages. They were accountable only to the the Papal state and so could communicate between villages and

⁶⁴ Cardoso; Da Costa

districts without much interference from the Indonesian government. As one of the only other organizations growing stronger during the occupation, it is fitting that the Clandestina's most beneficial relationship was with the Catholic Church. The Church had ties with many organizations in Timor-Leste, but it is worth understanding the history of the Church in Timor and exploring this particular relationship.⁶⁵ The Catholic Church and the Clandestina were the two actors that the large donors would initially rely upon to help them engage the local population.⁶⁶

With its large population, Indonesia was an important part of the Church's ongoing goal to increase the size of its membership. The Church had been in parts of Indonesia since it was a Dutch colony, but only began rapidly expanding its presence after the Protestant empire relinquished its colony in 1965. Catholicism is one of the only two Christian religions approved by the Indonesian government and only one of six allowed in total. Its popularity grew in the 20th Century because Indonesians regarded it as non-communist and non-Chinese. This was important to many Indonesians as they strove for independence. From this position of strength and influence, the Church was able to act in the Timor Timur province with virtual impunity. It frequently served as a conduit for

⁶⁵ People had more faith in the reliability of information coming from the Church than that from the local government. Cooperativa Café Timor (CCT) in Dili, a coffee cooperative started in 1994 by the National Cooperative Business Association (NCBA) also used the Church's information dissemination mechanism. When I spoke with CCT members in Timor, they told me a similar story of Church support for capabilities their organization lacked in the 1990s. When CCT wanted to tell farmers about coffee processing or coffee marketing, they would rely on the Church to pass the word along. At Sunday mass farmers received CCT's updated pricing information. After Timor-Leste's independence, this practice continued. That this continues today may speak to the effectiveness of current Timorese local governance efforts. In order to survive as an organization, the Clandestina, like the CCT relied upon the Church. I spoke with Bency Isaac on 29 January 2009 and Eusebio Diaz Quintas on 30 January 2009 regarding operations at CCT.

⁶⁶ Asian Development Bank, "Technical Assistance to East Timor for Community Empowerment Program", February 2000, 2

organizations within the province that wanted to reach members of the Timorese diaspora. As such, its role in Timorese society quickly expanded with the Indonesian occupation. The Church found a dedicated following to enlarge its base and the Timorese found an advocate in their own drive for independence.

The Church was not always so involved with the internal affairs of the Timorese, however. It had been in Timor for hundreds of years before it began to play a role that could be characterized as pro-Timorese. Just before the Church arrived with the first Portuguese traders in Timor, it had begun its post-medieval reformation. In Portugal, the Ecclesiastical Council of 1567 decreed that only orthodox-style Roman Catholicism was permitted; that the Crown of Portugal had a duty to spread the Roman Catholic faith; and that the conversion of subjects should be pursued, but without the use of force. From there, the *padroado real* remained the guiding principle for maintaining Portugal's territorial claims well into the 20th Century.⁶⁷ When the Portuguese began arriving in Timor, the Catholic missionaries accompanying immediately started the work of seeking converts.⁶⁸ Over the next 400 years the number of Catholics in Portuguese Timor remained historically low at about 13% of the population, but would eventually have membership numbers in excess of 90% by the turn of the 21st Century.⁶⁹

One of the reasons that the Catholic Church's membership took off in the latter half of the 20th Century was its increased involvement in primary and secondary education. In

67 "padroado real", Portuguese term meaning "union of the Church and the Portuguese Crown"

68 Boxer, 67-68

69 A.H. de Oliveira Marques, History of Portugal, Volume II: From Empire to Corporate State, (New York: Columbia University Press, 1972), 253-256

1941, the Church in Timor took over primary education responsibilities from the Portuguese colonial authority.⁷⁰ The Japanese destroyed most of the schools in Portuguese Timor during the course of its seizure and occupation in World War II. Despite this setback, the Church rebuilt the primary system and expanded into secondary education in the 1950s.⁷¹ The Church's persistent push into education gave it newfound credibility in the eyes of the Timorese. Its leverage of Portuguese inroads into *uma lulik* helped as well.

In 1975 the Church appointed Monsignor Martinho da Costa Lopes as vicar-general, the first native-born Timorese to lead the Catholic Church in Timor.⁷² Under Dom Martinho, the Church continued to expand its education programs, funded by the global Catholic congregation. After the 1975 invasion, the Indonesian government quickly set up their own school system, but required all public schools to teach only Javanese culture. As a result, the Tetum and Portuguese languages could only be taught in Catholic schools.⁷³ This became the only legal place for Timorese to learn and discuss their culture. Over the next several years, Dom Martinho became an outspoken critic of the Indonesian occupation of Timor. The Church leadership in Jakarta, seeking to maintain its good relationship with the Indonesian government, forced his 1983 resignation. The Indonesian government then helped the Church select a more malleable replacement.

In 1983, Bishop Carlos Felipe Ximenes Belo became the head of the Timorese diocese. Much to the surprise of both the Indonesian government and the Church, Bishop

70 Taylor, 13

71 De Oliveira Marques, 256

72 Rowena Lennox, Fighting Spirit of East Timor: The Life of Martinho da Costa Lopes, (Annandale: Pluto Press, 2000), vii

73 Taylor, 128

Belo was even more outspoken than his predecessor. Over the next few years, he successfully lobbied elements of the Church leadership in Jakarta to raise concerns with the central government over human rights abuses in Timor Timur. He was even able to get the ear of the Pope. The Pope visited Timor-Leste in October of 1989, holding a mass attended by nearly 100,000, the Church's popularity having already grown substantially since 1975.⁷⁴ Massive public demonstrations followed his visit, drawing international attention to the plight of the Timorese. Bishop Belo continued to speak out about the Indonesian occupation throughout the 1980s, and was eventually recognized by the international community with a Nobel Peace Prize in 1996 along with Ramos-Horta.

While the Church's popularity was rising in the 1990s, many of the resistance movements were losing their leadership. In November 1992, Gusmão was jailed in Java, where he would remain until 1999. Ramos-Horta worked the international scene, pitching diplomatic solutions to the UN and the powerful nations of the world. As a result, there was no one left in the province with sufficient political capital to maintain opposition. The FALINTIL, the military component of the CNRM, shrank to its smallest size between 1991 and 1994, but did not disappear, thanks to the support of the Clandestina. With no other powerful actors remaining, the Clandestina had become the primary means of domestic resistance to the occupation.

The Church served a vital role linking elements of Timorese society together as well as supporting institutions with gaps in their capacity. For the Clandestina, the Church matched their highly visible activities spotlighting the Timorese situation, with behind-the-

⁷⁴ *ibid*, 152-157

scenes support. Village chiefs that I spoke with in Timor-Leste told me that without the Church's support, captured members of the Clandestina or FALINTIL would never have returned.⁷⁵ Priests could go to the Indonesian military or government officials to secure their release. Clandestina members, the CNRM leadership and the FALINTIL commanders could not do this on their own. In the same manner, the Clandestina relied upon the Church to help them with shuttling information in and out of the province. The jailed head of the CNRM as well as the Timorese diaspora were able to stay connected to the Clandestina through the Church. While it never dissolved, the primacy of the Clandestina's role in the resistance movement would not last the rest of the occupation.

⁷⁵ Cardoso; Da Costa

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3. A Resistance Movement in Transition

Even with the solid foundation of traditional Timorese society and the support of the Church, events surrounding the Indonesian occupation of Timor began to alter the conditions in which the Frente Clandestina operated. Better covert operations by the Indonesian military and more overt resistance by a new generation of Timorese students made the FALINTIL, whom the Clandestina were supporting, less effective. The structure and mission of the Frente Clandestina did not appear to last through the final years of the resistance, but in reality went dormant until post-independence conditions necessitated its return. The following is the brief story of its fade and subsequent reappearance.

3.1. Where for Art Thou Clandestina?

Towards the latter half of the 1990s, the Frente Clandestina began to decrease its activities. One reason was that the shrinking size of the FALINTIL resistance fighters' force resulted in lower demand for the Clandestina's logistical support activities. However, the Clandestina continued to coordinate resistance activities through their shadow governance structure and ties to the Catholic Church. Operations may have been reduced, but they remained the only resistance organization that had the ability to coordinate across the Timor Timur province. Other forces continued to drive down demand for Clandestina services, but it

did not disappear, it merely went dormant for a few years. Even stories of its activities became scarce, but it would reemerge strongly soon after Timor achieved its independence from Indonesia.

The international situation was changing the conditions in which the Clandestina operated. An increasing number of exogenous events was making the Indonesian occupation of Timor less sustainable. The awarding of Nobel prizes to Bishop Belo and Ramos-Horta in 1996 had brought renewed international attention to the Timorese struggle for independence.⁷⁶ Portugal began to press the United Nations for support for autonomous rule in its former colony of Timor.⁷⁷ The only country that seemed to buck the trend of international pressure was Australia, who had signed a treaty in 1990 with the Indonesian government for oil and gas extraction in the Timor Sea.⁷⁸ The atmosphere was changing inside Indonesia as well, however.

A new generation of student activists in both Indonesia and the Timor Timur province were regularly taking to the streets and pushing the envelope of acceptable protest. Many young Timorese students, educated in schools in Jakarta, were directly influenced by their Indonesian classmates' struggle against the central government. In the capital city, Indonesian students were increasingly vocal in their opposition to the repressive policies of the Suharto regime. This experience inspired the Timorese students and expanded the resistance options available to this younger generation of Timorese. One

76 Don Greenless and Robert Garran, Deliverance: The Inside Story of East Timor's Fight for Freedom, (Crows Nest: George Allen & Unwin, 2002), xii

77 Rowena Lennox, Fighting Spirit of East Timor: The Life of Martinho da Costa Lopes, (Annandale: Pluto Press, 2000), xxv

78 *ibid*, xv

of the Timorese citizens that I worked with in Timor-Leste described to me his account of a 1997 student protest he participated in Dili.⁷⁹ He had been pro-Indonesia throughout high school, but after witnessing atrocities committed by the military, felt compelled to partake in protests against the occupation. He described to me the feeling of unity he shared with his fellow students as he held a banner in front of the Indonesian troops, caring less for his own life than the passion of the cause. This was a different form of resistance than that which had brought together the members of the Clandestina: these students were out in the open and exposed to violent retaliation.

The 1997 Asian financial crisis accelerated the changes that were happening concurrently in Indonesian politics. Suharto was forced to resign amidst massive protests following the rapid devaluation of the rupiah, the Indonesian national currency. The following year, at the urging of Portugal and the United Nations, the new Indonesian president, Habibie, floated the idea of an autonomy resolution for Timor Timur. In January 1999 he announced his decision to go forward with his plan.⁸⁰ He had not consulted the highly influential military leadership about this decision beforehand, so there was much confusion in his government about how and when this would actually take place.

It has been well-documented that over the course of the 1990s, the Indonesian military retreated from most of its overt activities and began executing smaller, more covert operations with commando units and plain-clothes troops.⁸¹ The Indonesian military's special forces, the Kopassus, began operations recruiting indigenous militias sympathetic

79 Armindo da Costa, personal interview, 27 January 2009

80 Greenless, xi

81 John Matinkus, *A Dirty Little War*, Random House Australia, 2001

to the Indonesian cause in order to reinforce the occupation. The Indonesian government also more actively attempted to restrict media access to the province as reporters increasingly exposed atrocities committed by the military. Because the Indonesian military had been caught off guard by Habibie's announcement, they hastily launched Operasi Sapu Jagad and stepped up their covert operations even as they began to withdraw troops from the province ahead of the referendum.⁸²

The Clandestina's operations decreased as the more visible Timorese political organizations began to maneuver towards more open structures. As the proposed date for the referendum drew closer, the idea of full independence began to gain traction with the Timorese. Sensing the building international attention, Xanana Gusmão rebranded the CNRM as the National Council of Timorese Resistance (CNRT). He had decided to drop the co-opted ethnic slur “Maubere” from the organization's title. With the dissolution of the CNRM, however, there was no longer any umbrella over the Clandestina. Its organizational structure maintenance in a more open society.⁸³

Combined with more overt student activity and an increased frequency of

82 “Operasi Sapu Jahad”, Bahasa Indonesian for “Operation Clean Sweep”

83 The only documentation I have found so far has been from the Timorese researchers I spoke to and the research of theirs that I have read. References on the Internet are useless, containing a lot of contradictions and conflated information. Personal accounts, however, are quite vivid. When I spoke with members of the National Cooperative Business Association (NCBA), an international NGO, they knew very little about the Clandestina. When I then spoke with the general manager of the Timor Coffee Cooperative (CCT), it seemed to be the first time that the NCBA managers were learning how CCT handled members of the Clandestina working in and amongst the migrant workers of their Dili factory. (Many of the workers at the Dili plant come from other parts of the country and only live there during the peak May-September season.) Everything we discussed about the Clandestina was unknown to the NCBA, and seemed to be known but not generally talked about by the Timorese in the room. Most of my conversations with village and hamlet chiefs regarding the Clandestina went about in this manner as well. The younger generation of Timorese I spoke with was even less aware of its existence. I spoke with Bency Isaac on 29 January 2009 and Eusebio Diaz Quintas on 30 January 2009 regarding operations at CCT.

exogenous events that changed Indonesia's hand in its dealings with Timor, the Clandestina found a less sympathetic and permissive operating environment. Its services would be needed again after the referendum, however, as it had to deal with a new problem: local governance of a newly-independent state.

3.2. *Bypassing a Disconnect*

The events of 1999 unfolded very rapidly. Discussions between Australia, Portugal, Indonesia and the United Nations regarding the future of the Timor Timur occurred at an accelerated throughout that year as the economic and political situation in Indonesia went through upheaval. After the autonomy referendum failed in August, pro-integration militias initiated a wave of violent acts across the former province. International peacekeeping forces arrived in September, and the UN put in place a caretaker government before the end of the year. Despite acknowledging the existence of an indigenous core capacity, the donors and aid agencies working in Timor proceeded with a clean-slate agenda and sought to introduce new institutions in all areas of economy, politics and society.⁸⁴ However, this was not what the existing political powers in Timor had envisioned. The disconnect between the political parties and resistance fighters pursuing independence on one hand and the donors and aid agencies working on rebuilding the state on the other cleared the way for the return of the former shadow government structure. The Frente

⁸⁴ Volker Boege, Anne Brown, Kevin Clements and Anna Nolan. "On Hybrid Political Orders and Emerging States: State Formation in the Context of 'Fragility'", Berghof Handbook Dialogue No. 8, Berghof Research Center for Constructive Conflict Management, October 2008, 11-12

Clandestina was needed once again.

Initially, all of the large donors and aid agencies that came to Timor worked from the research done by the World Bank's Joint Assessment Mission (JAM) conducted between October and November 1999, only a few months after Timor Timur's autonomy referendum and ensuing violence.⁸⁵ According to the Asian Development Bank's (ADB) Technical Assistance document, the past 24 years of Indonesian occupation had significantly eroded the traditional system of governance in Timor.⁸⁶ It believed that there was effectively no government remaining on the ground. Technical expertise and capacity had vanished and most of the physical infrastructure in major cities and towns across the nation had been destroyed. This view was not unique to the ADB, however, it was also part of the United Nations' baseline characterization. Until as late as 2003, documents and reports produced by the UN consistently described the nation as completely lacking in physical and institutional capacity. As recently as last year, the 2008 edition of a justice systems introduction for UNDP described how brand new institutions had to be built "from scratch" in Timor.⁸⁷

How did the international development institutions translate this dire situation into action? It became justification for a complete rebuilding of all social, political and economic institutions. Everything needed to be rebuilt "from scratch".⁸⁸ At the same time,

85 World Bank, "Report of the Joint Assessment Mission to East Timor", 1999, 4-5

86 Asian Development Bank, "Technical Assistance to East Timor for Community Empowerment Program", February 2000, 2

87 United Nations Development Program, "UNDP Justice System Programme: Induction Guide", May 2008, 25

88 World Bank, "East Timor – Community Empowerment and Local Governance Project, Project Information Document", 27 December 1999, 4

the ADB also believed that the Catholic Church and the National Council for Maubere Resistance (CNRM), recently rebranded as the National Council of Timorese Resistance (CNRT), stood alone as the only institutions with a significant level of social capital. As a result, the ADB and the World Bank created the Technical Assistance program to leverage that capital in its effort to rebuild a system of governance. The ADB wrote that it saw an opportunity to put in place a more decentralized and more participatory bottom-up system, a chance for Timor-Leste to develop a brand new, Western-style, democratic system of governance.⁸⁹ However, the United Nations was planning for a more centralized governance institutions. But this is not what the CNRT and traditional leaders in the villages had in mind. For them, a powerful national government was essentially a return to the Indonesian structure and was incompatible with Timorese society.⁹⁰

The United Nations relied upon past state-building experiences like that in Kosovo to inform their institutional recommendations, while the World Bank used past development projects to inform their solutions to Timor's particular problems. Much of the World Bank's problem-framing came from their experience with the inadequacies of Indonesian development and its solutions after the 1997 Asian financial crisis. Before the crisis and Suharto's subsequent resignation of the presidency, Indonesia was very centralized. The World Bank had designed a project called the Kecamatan Development Project (KDP) as a means for the central government to bypass mid-level governments and directly reach local communities.⁹¹ After the new Indonesian government took office, the

⁸⁹ Asian Development Bank, 2, 8

⁹⁰ See *Bringing the Outsider In* (section 2.1) for a more descriptive discussion on Timorese social structure.

⁹¹ "Kecamatan", Bahasa Indonesia for "sub-district"

state made rapid strides towards decentralization and implemented the KDP. The UN's proposed governance structure on the other hand was informed more by the pre-crisis Indonesian regime and by a strong top-down approach to institution building than by the efforts of the KDP and the post-crisis Indonesian government.

The UN was hard at work creating national-level institutions in Dili, the capital of independent East Timor. Sérgio Vieira de Mello, the head of UNTAET, established the East Timor Transitional Authority (ETTA) which put Timorese citizens into the civil service positions that the departing Indonesians had vacated. In November 1999, he established the National Consultive Council (NCC) with the following numbers of representatives:⁹²

7	National Council of Timorese Resistance (CNRT)
3	political interest groups outside the CNRT umbrella
3	UN Transitional Administration for East Timor (UNTAET)
1	Catholic Church
1	East Timor Transitional Authority (ETTA)

While this institution contained members of the CNRT, the CNRT was at that time still a political party and had not yet merged with the former shadow government of the Frente Clandestina. Some of the chiefs that I spoke with said that the UN was not working enough with the existing local leadership to design the new government.⁹³ They felt that the rapidly emerging government under UNTAET was too centralized and too closely resembled a scaled-down version of the Indonesian structure that existed before it. They felt that their voices were not being heard. The UN and the indigenous political powers in

92 Anthony Pecotich and Clifford J. Shultz, II, eds., Handbook of Markets and Economies: East Asia, Southeast Asia, Australia, New Zealand, (Armonk: M.E. Sharpe, 2006), 206

93 Cardoso

Timor quickly developed a clash of ideas.⁹⁴

As dissatisfaction grew with the direction of governance being pushed by the UN, the members of the Frente Clandestina that had been active during the Indonesian occupation began to fill this void.⁹⁵ Many hamlet chiefs had a dual role as a *kaixa* in the Clandestina, demonstrating the division between the daytime governance structure that had worked with the Indonesian government and the nighttime governance structure that had operated in support of the FALINTIL fighters.⁹⁶ The “blurry line” between their roles was not unlike the one that Tendler used when describing how actors slip between public and private roles as governments change hands between parties.⁹⁷ Just because the Clandestina had reduced its profile just before the autonomy referendum, does not mean its members disappeared. They continued to be active citizens and government officials taking part in voting and dealing with the issues of independence.⁹⁸ When the need arose for the Clandestina to return and help build the new government, those members crossed back over the blurry line and resumed their prior roles. Their embeddedness ran both ways, in society and in governance.

The CNRT needed to strengthen its presence on the ground as it still was only a political party. It reached out to the Clandestina since the Clandestina had been part of the

94 Tanja Hohe, “The Clash of Paradigms: International Administration and Local Political Legitimacy in East Timor”, *Contemporary Southeast Asia*, 24.3 December 2002:569-589, 579

95 Sofi Ospina and Tanja Hohe, “Traditional Power Structures and the Community Empowerment and Local Governance Project: Final Report”, East Timor Transitional Authority and World Bank, Dili, September 2001, 61-65

96 Luis

97 Judith Tendler, “Social Capital and the Public Sector: The Blurred Boundaries Between Private and Public”, MIT, MIT, 11 April 1995, 2-9

98 Cardoso; Luis

CNRM before. The CNRT quickly absorbed the structure of the Clandestina. Even at the time of the merger, the Clandestina structure remained much more pervasive in Timor than UNTAET.⁹⁹ As the CNRT grew in size, the UN began to feel threatened by its new far-reaching influence. The UN saw the CNRT as too exclusionary. The CNRT had unified all the of various Timorese political parties, but it did not contain the pro-integrationists that had participated in the Indonesian-sponsored militias. This contentious stance between the UN and the CNRT would remain this way through the first half of 2000.¹⁰⁰ Eventually, the UN recognized that it had failed to reach outside of the central government based in the capital city. In July 2000, UNTAET dissolved the NCC and replaced it with the National Council (NC). This new body included representatives from the 13 districts as well as various underrepresented groups in an attempt to account for the diverse voices in Timor's heterogeneous society.¹⁰¹ But, this did not address the grievances of traditional Timorese leaders.

Unresolved grievances in Timore-Leste sparked confrontation in 2006. Groups that had been united in their opposition to the Indonesian occupation splintered and led to new outbreaks of violence in 2006. When I spoke with Timorese about the 2006 unrest, all of them made clear to me that the divisions exposed had not existed in 2000. There were some local issues, but being such a heterogeneous society, those divisions did not preclude other notions of cultural or social identity. Timorese society already had built-in

99 Jarat Chopra, "Building State Failure in East Timor", *Development and Change*, 3.55 2002: 979-1000, 991

100 World Bank, "Timor-Leste: Project Performance Assessment Document", 27 June 2006, 1

101 Anthony Pecotich and Clifford J. Shultz, II, eds., *Handbook of Markets and Economies: East Asia, Southeast Asia, Australia, New Zealand*, (Armonk: M.E. Sharpe, 2006), 206

mechanisms for dealing with exogenous forces. *Uma lulik* had codified the process of granting political authority to those coming in with outside knowledge. These grievances were not with the donors or the aid agencies that were helping the country, but they pointed to a social dysfunction, something that was not being addressed by the institutions they were building. The World Bank's CEP provided the chance to address those grievances, but would get cut short, a casualty of donors' and aid agencies' divergent agendas.

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4. An Accidental Project

The World Bank's Community Empowerment and Local Governance Project ran from 2000 - 2004. It was the first local governance project and first large-scale project of any kind after Timor won its independence from Indonesia. Although largely panned as a failure of development by NGOs, donors and the government of Timor-Leste, the project was able to make inroads in the rebuilding of local governance that no other project in Timor-Leste has been able to achieve.

When some attribute the latest wave of problems that began in Timor-Leste in 2006 to corruption and resource curses, they are applying a strictly Western lens to Timor's development issues. Singling out untraceable money flows or unaccountable politicians as the primary cause of those issues, as some have written, is short-sighted at best. Generic arguments about the problems of corruption and the like do little to resolve any of the fundamental problems that exist in this developing nation. It is more useful to understand the role of differing agendas amongst aiding agencies and donors, and how chosen terminology and vague definitions have muddied the developmental language in Timorese institution building.

4.1. The CEP Is the Answer

The World Bank and United Nations had each agreed on how to split the responsibilities of reconstruction, with the UN focusing on security and political matters and the World Bank dealing with economic issues. The UN agreed to run the country as a mandate under the United Nations Transitional Administration in East Timor (UNTAET) until it deemed Timor-Leste capable of running its own affairs. The World Bank partnered with the Asian Development Bank (ADB) to create the Trust Fund for East Timor, through which grant money would flow to physical infrastructure projects as well as projects to improve the healthcare and education systems. This clear jurisdictional distinction between the World Bank's responsibilities and the United Nations' quickly blurred, however, as the necessity of simultaneously addressing political and economic issues became unavoidable.

The World Bank believed that traditional society in Timor contained a core capacity for governance, but it faulted the former Indonesian administration with undermining that capacity through its relocation and model village programs. Not only had the military moved citizens from mountain villages down to valley plantations, but the Indonesian administration had prevented native Timorese from fully participating in government by making only lower-level government jobs available to them. Indonesian migrants from other provinces filled the majority of upper-level jobs. The Indonesian government's transmigration policy reformulated ethnic concentrations throughout Indonesia by encouraging citizens from Indonesia's ethnic and religious majorities to move into

minority provinces such as Papua and Timor Timur.¹⁰² After the autonomy referendum failed in 1999, most non-Timorese Indonesians fled to the provinces of West Timor and nearby Bali, hoping for a chance to return when the political climate calmed. When it became apparent that Timor Timur would instead become fully independent from Indonesia, most of those civil servants decided not to come back.¹⁰³ Even with the World Bank's Joint Assessment Mission (JAM) recommending to the new Timorese government a 60% reduction in the civil service sector from the level of the prior Indonesian administration, the rapid departure of so many Indonesian civil servants resulted in a capacity vacuum that the World Bank, the United Nations and others needed to fill as rapidly as possible.¹⁰⁴

The World Bank believed that its plan to reform the civil service sector would achieve three things: create a new, more participatory local governance structure that could provide the capacity for dealing with economic and political problems at the local level; relieve the burden on the central government; and meet the JAM's reduction goal.¹⁰⁵ The World Bank highlighted its own experience in community-driven investment funds, which it viewed as the most appropriate vehicle for local governance efforts.¹⁰⁶ It believed that past development projects in the southeast Asian region had little impact on

102 John G. Taylor, *East Timor: The Price of Freedom*, (London: Zed Books, 1999), 124

103 I was told that the Indonesian government ended this transmigration policy in the few years after the 1997 Asian financial crisis as part of the reforms that have dramatically altered the Indonesian state over the past 10 years, but could not confirm this.

104 World Bank, "Report of the Joint Assessment Mission to East Timor", 1999, 4

105 Asian Development Bank, "Technical Assistance to East Timor for Community Empowerment Program", February 2000

106 World Bank, "East Timor – Community Empowerment and Local Governance Project, Project Information Document", 27 December 1999, 2-4

development, because their lack of local ownership had made citizens dependent on hand-outs from the central state government. It criticized the top-down management style of the prior Indonesian administration for retaining information and knowledge in a top-heavy bureaucracy, thus retarding economic progress at the lower-levels of society. And so in December 1999, the World Bank launched the first large-scale project in any sector of development in East Timor, the Community Empowerment and Local Governance Project (CEP), only four months after the outbreak of violence and only a few months after the International Force for East Timor (INTERFET) and UNTAET had begun operations in Timor-Leste.

The project designers looked to promote Timor-Leste's development and governance by transplanting what they assumed to be a successful intervention in Indonesia, the Kecamatan Development Project (KDP).¹⁰⁷ The World Bank designed the CEP leveraging many of the same resources they had used to create the KDP. The CEP documentation claimed that it and the KDP had similar goals and objectives, but made no explicit comparisons.¹⁰⁸ By using the KDP as a model for the CEP, the World Bank was establishing similarities between contemporary Indonesian development and post-violent conflict redevelopment in Timor-Leste. The KDP had been designed as a social project rather than an economic one, and as such had been a unique effort for the World Bank. The emphasis for the KDP had been on transparency and accountability, already popular ideas for promoters of "good governance" in the international community. The KDP also

107 "Kecamatan", Bahasa Indonesia for "sub-district"

108 World Bank "East Timor – Community Empowerment II", 10 January 2001, 3

focused on community participation at the local level.¹⁰⁹ Similarly, the CEP team regarded transparency, accountability and participation as paramount to the project's successful outcome.¹¹⁰ President Suharto had championed the KDP in the early stages of design, but did not participate in its implementation. The CEP designers felt that their project also needed a major proponent, but without strong support from a national Timorese figure, the CEP had to rely on the experience and motivation of its own staff, many of whom came from the KDP team. Fortunately, they soon found national support in the National Council of Timorese Resistance (CNRT).

The Technical Assistance guidelines published by the ADB stipulated that anyone working as an international team leader or consultant to the CEP had to have been a member of the KDP or at least worked with its staff. However, no one had yet done a comprehensive evaluation of the impacts of that project. That wouldn't begin until at least 2004, four years after the start of the CEP in Timor-Leste.¹¹¹ In reality, the KDP was still very new, different and only somewhat locally relevant for Timor-Leste. Like the CEP, the KDP focused on community-level issues and operated in southeast Asia, but the countries these projects were operating in had different colonial experiences and different cultures. Timor had a heterogeneity that had developed naturally and was integral to its social tradition of *uma lulik*, while Indonesia's heterogeneity had been forced upon it when the Dutch consolidated a few hundred islands into a single colony. Later, in 2006, the World Bank's

109 Patrick Barron, Claire Q. Smith and Michael Woolcock, "Understanding Local Level Conflict in Developing Countries: Theory, Evidence and Implications from Indonesia", Social Development Papers, Working Paper No. 19, World Bank, December 2004

110 World Bank, 10 January 2001, 3

111 Barron, Smith and Woolcock, 3

own critique used the 1997 financial crisis in Indonesia to justify a link between the two projects, even though this event had occurred while Timor-Leste was still subject to the development policies of the Indonesian government.¹¹² This retrospective justification is largely absent from the discussion in the original project documentation.¹¹³ Furthermore, considering the low level of development Timor Timur had already experienced as a restive province of Indonesia, it is doubtful that the 1997 crisis would have had the macro-level economic impact on East Timor as it did in a more central province like Java.

With the design of the CEP, the World Bank focused on correcting the shortcomings of other aid agencies' post-violent conflict development projects in other countries. Their primary criticism was that projects in other post-violent conflict settings had been much too complex and ambitious to be practically effective.¹¹⁴ The World Bank felt that a modular project with a broad scope would be better suited to handling all of the variation that could arise during implementation. This would facilitate fast flows of financial capital down to the level of society where it was most needed. The CEP documentation pushed the need for the early and rapid dispersal of funds and outlined three fundamental policy goals for the new project:

- to provide a foundation for the new country's structure of local government with a focus on downward accountability
- to provide a framework for channeling aid into communities with local ownership

112 World Bank, "Timor-Leste: Project Performance Assessment Document", 27 June 2006, 1

113 World Bank, "Implementation Completion Report on a Proposed Trust Fund Grant of US\$16.5 Million to Timor-Leste for the Community Empowerment and Local Governance Project", 9 May 2005, 9

114 World Bank, 10 January 2001 11-12

and indigenous capacity

- to facilitate a transition from the UN-administered government to an independent one¹¹⁵

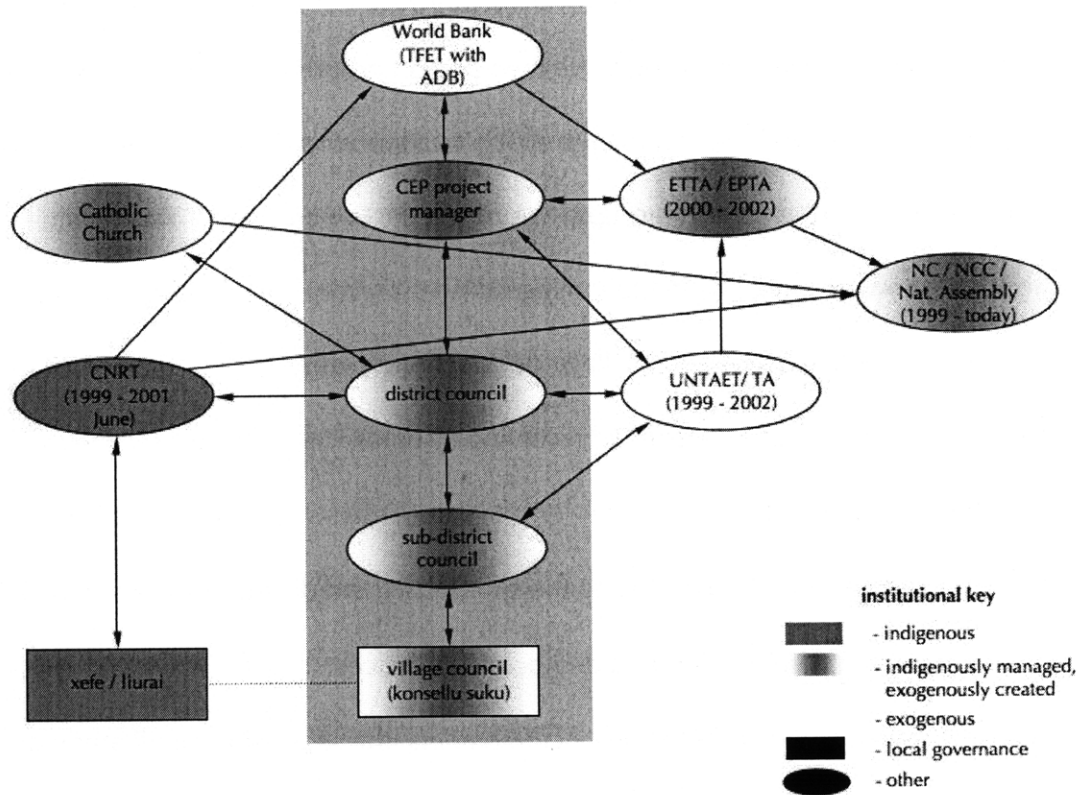


Illustration 6: the structure of the Community Empowerment and Local Governance Project (in gray)

To put the size of the CEP's task in perspective, Timor-Leste had 440 villages and 2336 hamlets as of 1999.¹¹⁶ Its one million citizens were widely dispersed and largely rural, adding to the challenge of disbursing development resources. The project had a project management office at the national-level that reported to UNTAET, ETTA and the

¹¹⁵ World Bank, 27 December 1999, 3
¹¹⁶ *ibid*, 7

World Bank as well as three tiers of councils: a district-level group of support specialists who coordinated efforts across their district; a sub-district group, to be elected by citizens of that sub-district; and a two-person village council, composed of one man and one woman, who managed the projects in their village (as seen in illustration 6). The World Bank also assigned technical facilitators to the sub-districts who would be available to assist villagers with the technical details of their project proposals.¹¹⁷ Project documents required that the villages create an interim group to appoint the first village council, but it does not specify how that interim group was supposed to be created.¹¹⁸ This council fulfilled the following functions in their village:

- preparing and implementing village development plans
- producing codes of conduct and resolving disputes
- managing village funds
- relaying development priorities to the sub-district and district level administrators
- strengthening participation and democratic practices

Once the village had elected its two council members, the sub-district facilitator would immediately allocate a block grant of \$15,000 to that village to fund their first round of development projects.¹¹⁹ The World Bank rapidly replicated this simple structure across all 13 districts and 440 villages in the country.¹²⁰

When the World Bank renewed the financing for the second year of the CEP, the

117 *ibid*

118 *ibid*, 4

119 Asian Development Bank, 3-9

120 World Bank, 27 June 2006, 12

project designers removed the dispute resolution mechanism, but left in place all of the development and governance requirements. They had some concern that having the village councils involved in conflict resolution would take away from the social cohesion aspects of this project.¹²¹ This is an interesting departure from the KDP whose main strength came from its conflict resolution mechanisms.¹²² However, it is also a sign that the World Bank was sensitive to the local context and was willing to quickly address and correct aspects of the project that may not have been working.

The CNRT was the World Bank's ear to the ground, providing it with the sensitivity needed to adapt project design and execution to changing conditions. UNTAET, on the other hand, chose a separate path to pursue its governance-building agenda and started its own governance project at the district level in 2000.¹²³ The UN was focusing its efforts at a higher level of government than the World Bank and the CNRT who worked at the village level. Nevertheless, the World Bank and the CNRT had convinced UNTAET that it needed to work with the CEP to realize Timor-Leste's development goals. However, with so many resources dedicated to the build-up of district administrations, UNTAET could not find sufficient manpower to support the CEP.¹²⁴ In addition, UNTAET had reservations about the CNRT's involvement in the project. Its reluctance came from its negative impression of the CNRT, whom it continued to regard as a monopolistic political party that had crowded out

121 World Bank, "Project Appraisal Document for the Proposed Trust Fund Grant in the Amount of US\$1.5 Million to East Timor for a Third Community Empowerment and Local Governance Project", 3 June 2002, 32

122 Michael Woolcock, "Local Conflict and Development Projects in Indonesia", MIT, MIT, 6 April 2009

123 Ministry of Planning and Finance, National Directorate of Planning and External Assistance Coordination. "Lessons Learned: Joint Government-Civil Society Study of Development Projects: Final Report", March 2004, 5

124 Ministry of Planning and Finance, 34

competing voices.¹²⁵ The CNRT saw itself, however, as a proto-government institution, organizing local leaders at the grass-roots level who continued to mistrust the UN and its district-level advisors.¹²⁶

In the project's second-year funding documentation, the World Bank described its expertise and unique ability for cutting through the obstacles of bureaucracy. It saw the growing bureaucracy of the United Nations-led government as further justification for the continuation of the CEP.¹²⁷ The evolving, complex institutional structures that were emerging from the three-year formation of Timor-Leste's government were, to the World Bank, beginning to resemble some of the same challenges that it had sought to address previously with the KDP in Indonesia. The World Bank in 1997 had worked with President Suharto of Indonesia to create a mechanism by which it could bypass the corrupt mid-level governments of his sprawling and populous nation.¹²⁸

When communication problems began to inhibit the working relationship between the CEP project team and the district administrators of UNTAET, UNTAET argued that it should have been included more in the CEP's design process.¹²⁹ Ultimately, when it came time to have the first set of elections for village councils, UNTAET pushed the process through as rapidly as possible and with minimal support.¹³⁰ It's initially low level of enthusiasm for the project continued to decline.

125 World Bank, 27 June 2006, 4

126 Jarat Chopra, "Building State Failure in East Timor", *Development and Change*, 3.55 2002: 979-1000, 996

127 World Bank, 10 January 2001, 3

128 Woolcock, 6 April 2009

129 World Bank, 9 May 2005, 37-38

130 Chopra, 993

With the donors and aid agencies working different agendas in overlapping areas of responsibility, it is hard to imagine how the CEP could have had any successful outcomes. Both agencies worked from the same set of assumptions, informed by the JAM, but reached different conclusions about how to achieve those goals. The CEP provided the opportunity to address the grievances of the traditional leadership and their desire to take part in the new government.

4.2. Success inside Failure

Only three years into the project, NGOs, the United Nations and the national government of Timor-Leste generally agreed that the World Bank's effort in Timor-Leste had been a failure. The Community Empowerment and Local Governance Project (CEP) had not established the foundation for a new structure of local government. The World Bank in its own after-action report owned up to many of the mistakes it had made.¹³¹ While it created the mechanism for early and rapid disbursement of development funds, this funding vehicle disappeared after the project dissolved in 2004. With poor inter-agency communication and a difficult working relationship with the UN, the CEP also did not facilitate the transition from UN-sponsored government to the independent republic that emerged in 2002. The village councils that exist today are only tangentially related to those councils of the CEP. Despite all of this, there were elements of the CEP that showed significant promise for the strong local governance that continues to elude Timor-Leste.

¹³¹ World Bank, 27 June 2006

In only a few months, the CEP achieved a level of outreach that no prior administration had achieved in over 450 years. The Portuguese had rarely traveled beyond the coastal areas, and the Indonesians had to relocate villagers in order to reach them. The CEP, like the Kecamatan Development Project (KDP) of Indonesia, bypassed the mid-level bureaucratic structures of the government by design. The CEP reached citizens before anyone from the newly-forming central government in Timor-Leste had made a visit to the villages.

The MoPF wrote in 2004 that people were very happy to see aid money going directly from the CEP into the communities.¹³² Under the Indonesian administration most development aid would wind through the bureaucracy and stop short of reaching the villages. Village chiefs I spoke with told me of their positive experiences with the CEP. During our conversations, I was given lists of achievements made with these funds. In Lalini, one chief told me that his village of 1500 had built 106 houses with the support of funding from from the World Bank.¹³³ A chief from Suku Lorba, on the opposite side of the country, credited the CEP with school rehabilitation and construction of water and irrigation systems in his village. He explained to me that the difference between this project and others he had been involved with was that the project management team was genuinely happy to have the village involved in the project planning process. He summed up the experience by saying that the desire to help flowed both ways, from the project team to the villagers and from the villagers to the project team.¹³⁴

132 *ibid*, 31

133 Laurantino, personal interview, 9 August 2008

134 Silvano Cardoso, personal interview, 29 January 2009

However there were also some issues with the project. Those that participated in the project at the village council level as well as those that advised the project at the sub-district and district levels felt that the project suffered from inflexibility. The MoPF report credited the CEP with construction of 235 community centers, covering just over half the villages in Timor over the course of a few years, but argued that the money might have been better spent on schools and roads. They also criticized rules that limited the authority to make changes to the core project management team.¹³⁵ Evans has written that projects with limited choice are really quite common.¹³⁶ Many success stories of participation and empowerment actually involve processes where project designers put strict limits on participants' choices. The KDP had similarly restricted villages' project selections to non-social infrastructure projects.¹³⁷ Villagers drafting project proposals for the CEP were only allowed to choose from a menu of basic infrastructure needs: they could choose to build community centers, schools and clinics; repair homes, roads and bridges; work on electrical, water supply, sanitation and irrigation projects; or create credit organizations.¹³⁸ The CEP's technical advisors limited the pool of projects from which villagers could draft proposals in order to focus villagers' decisions on a few pre-determined outcomes. This was easier to support technically because it limited the amount of expertise that the World Bank needed to budget for, freeing up more funds for the villages themselves. From a Western freedom-of-choice perspective it seems unfair to have such limitations, but more

135 Ministry of Planning and Finance, 14-21

136 Peter Evans, "Development as Institutional Change: The Pitfalls of Monocropping and the Potentials of Deliberation", *Studies in Comparative International Development*, 38.4 December 2004: 30-52, 38

137 Ministry of Planning and Finance, 14

138 *ibid*, 13

importantly, it also did not mesh well with the fundamental Timorese sociological model. Timorese decision-making has historically been done through consensus-building within the ancestral-ritual-political hierarchy of *uma lulik*. Projects in Timor-Leste that did not subscribe to this conceptual framework were accepted with less legitimacy than their peers. This caused problems for the CEP in its early stages. The World Bank's alliance with the CNRT kept the project from failing outright.

The scale of the CEP also seemed to outpace the project's own capacity. Villages lacked the technical expertise for executing infrastructure projects. If the facilitator assigned by the project to help them needed more capacity, she was supposed to be able to call upon additional assistance from the district level. However, technical capacity at the district level also was weak.¹³⁹ UNTAET and the new governmental bodies had agreed to many coordination and deconfliction steps, but partly due to the rapid pace and partly due to the World Bank's own capacity issues, much of that communication went undone.¹⁴⁰ In the end, however, the CEP could claim to have quickly mobilized a large number of citizens country-wide, helping engage them in constructive community work at a formative stage in the country's rebirth.¹⁴¹

Besides building new physical infrastructure, the project also had some less tangible benefits. The skills that village council-members learned were central to the civil service capacity-building goal of the international development bodies in Timor-Leste.

Experience in project management, group facilitation and governance issues was

139 World Bank, 3 June 2002, 16

140 Ministry of Planning and Finance 28-29

141 World Bank, 9 May 2005, 3

important if the country was going to successfully fill the vacuum in civil service capacity created by the hasty departure of the Indonesian bureaucracy.¹⁴² Success in this area is not as clear as in the case for infrastructure and maintenance, but this was a function more of rules imposed on the formation of the national government as opposed to the stipulations of the CEP itself. Thrusting inexperienced villagers into elections and then expecting them to perform well resulted in high turnover rates, but the lower number of high-level civil service jobs, resulting from the national government's implementation of the Joint Assessment Mission's recommendations, meant that the promotion pyramid for civil service was much steeper.¹⁴³ The few slots available were quickly being filled; the vacuum that many feared would exist after the Indonesians left did not last for very long.

The village councilors regarded themselves merely as project team members, rather than as part of the actual structure of local governance. They saw their roles as guides in the CEP process, not as true decision-makers. Largely through informal relationships, the traditional leadership itself was making the decisions.¹⁴⁴ This was a view shared by village chiefs I spoke with in Suku Ahaik and Suku Lalini, both in the Vikeke district.¹⁴⁵ A follow-up report by the MoPF placed the rate of direct selection of village council members by traditional leaders at 30%.¹⁴⁶ Where the World Bank had thought it important to respect, but not include the elders of the village in the project, they had made a fundamental miscalculation.

142 Ministry of Planning and Finance, 24

143 World Bank, 1999, 4

144 Ministry of Planning and Finance, 24

145 Malongo, personal interview, 8 August 2008; Laurantino

146 Ministry of Planning and Finance, 26

Advertisement and implementation of the project came from the CNRT. It had advised the World Bank that the traditional leadership and political parties should be excluded from participating in the village council elections for at least the first three years of the project. It believed that because the chiefs had been an integral part of the pre-independence power dynamic, they would have too much influence on the creation of a new local power structure.¹⁴⁷ In reality, the traditional leadership was heavily involved, as many were part of the Frente Clandestina which merged with the CNRT in 2000. As it turned out, attempting to prevent their involvement was not realistic. Past experiences in Timor-Leste have shown that attempts to shift the power dynamic happen at a relatively slow pace, if they occur at all.

As the one project that created the opportunity for traditional society to enter the new local governance structure, the World Bank's CEP found itself in similar quandary as the Portuguese with the existing paradigm and the one that it hoped to establish through the new village councils. No other development project confronted this issue at the time. The World Bank's relationship with the CNRT was likely a preferred method to link with traditional leadership rather than intermarriage and blood-oaths. The Ministry of Planning of Finance (MoPF) criticized the World Bank for building community centers as mere solidarity building exercises, but when looked at with the understanding of *uma lulik*, this was a poorly executed but valid attempt to move into the center and gain legitimacy with Timorese people.¹⁴⁸

147 World Bank, 9 May 2005, 3-4

148 Ministry of Planning and Finance, 13

The World Bank had begun to recognize its mistake in downplaying the role of traditional leaders by the second round of funding for the CEP.¹⁴⁹ In the project documents, they added a new component to the project, called “cultural heritage”.¹⁵⁰ The CEP framework provided for preservation of oral history, creation of a national cultural center and block grants for small-scale history and cultural centers in the villages. This insight showed a similarity in the thinking of the 1930s Portuguese and the 2000s World Bank project managers, that legitimacy can be achieved by linking new ideas from the outside to the sacred inner circle of *uma lulik*. No other development project in Timor-Leste had made this important connection. This was the same thinking that gave the Church its first bit of legitimacy in Timor and the same thinking that prevented acceptance of the Indonesian administration.

The World Bank lost its project champion early on in the life of the project. In June 2001, Xanana Gusmão, head of the CNRT, dissolved the CNRT umbrella in order to allow members to participate and compete individually in Timor-Leste's first multi-party democratic elections. Many members, however, did not understand this sudden announcement. The dissolution meant that former members of the CNRT, previously united by the umbrella organization, were now on opposing sides in the elections.¹⁵¹ The

149 In the Agricultural Rehabilitation Project (ARP), the World Bank also prohibited village leaders from playing an important role in project implementation and operation. Similar problems of legitimacy and loss of interface between old and new power-holders emerged after the CNRT dissolved, but in this case the World Bank quickly reevaluated its policies. It reversed the rules regarding traditional leadership participation and brought them into the decision-making process of the second ARP. The second CEP was not similarly modified, but the World Bank acknowledged that the lack of inclusion represented a future project sustainability issue. See World Bank, 27 June 2006, 42; World Bank, 3 June 2002, 23

150 World Bank, 10 January 2001, 8

151 Tanja Hohe, “The Clash of Paradigms: International Administration and Local Political Legitimacy in East Timor”, *Contemporary Southeast Asia*. 24.3 December 2002:569-589, 582-583

mass confusion worked to favor the FRETILIN, who had recently regrouped as a political party, and emerged as the dominant political force after the August 2001 elections.¹⁵² They were aligned with the more centralized governance vision of the UN. With a majority in the new National Assembly, they also had the power to pursue and maintain that centralized system of governance. Because the CNRT had been vital to the socialization of the project, support for the CEP immediately began to erode with the CNRT's dissolution and the FRETILIN's consolidation of power. The CNRT had been the conduit through which the World Bank's new village councils and the traditional leadership engaged each other, but that link had now disappeared. That was as close as the village chiefs came to becoming true members of the new Timor-Leste government. Despite having a voice through the CNRT, the traditional leadership's lack of direct inclusion in the original project design had indicated to villagers that these new councils would only be temporary and therefore outside the traditional authority paradigm.¹⁵³ As a result, the traditional leadership had more political power remaining than the CNRT or the World bank had anticipated, but no means with which to execute that power on a national scale. In addition, neither the World Bank nor the CNRT had any of the ritual authority granted by *uma lulik* that would have allowed them to make credible changes to the political landscape.

By the third round of CEP funding in 2002, the project documentation contained a

152 World Bank, 9 May 2005, 4

153 Sofi Ospina and Tanja Hohe, "Traditional Power Structures and the Community Empowerment and Local Governance Project: Final Report", East Timor Transitional Authority and World Bank, Dili, September 2001, 157

statement expressing the belief that traditional leadership was vital to the success of CEP and development in general, but it did not make any recommendation other than to have further discussion on the matter.¹⁵⁴ Despite initial project claims that traditional society contained the core capacity needed to rebuild society and local governance, concerns that inclusion of the traditional leadership itself would undermine attempts to create this new democratic system had prevailed over hopes for their participation. It took a few years too long to reverse course on this mistake.¹⁵⁵

The loss of the project's powerful champion, the CNRT, may have helped seal the project's fate, yet this was the only project in Timor-Leste that had made any link to traditional leadership. My discussions with village chiefs from across the country praised the work of the World Bank in their villages. If there had there been no CEP, no coordinated local governance project would have existed below the district level until 2006 when the UN launched its own local governance project. Without CEP, no mechanism existed by which funds could have been distributed to villages for their own reconstruction projects. Had the project been more sustainable from the outset, the merits of the methodology taking shape by the third round of funding might have become more obvious. Lack of UN support, project design issues and purposeful exclusion of traditional leaders had already begun to erode its effectiveness of the CEP before serious consideration had been given to this sustainability deficiency.¹⁵⁶ Many projects in Timor-

154 World Bank, "East Timor – SP – Third Community Empowerment Project, Project Information Document", 24 January 2002, 4

155 Ministry of Planning and Finance, 26

156 World Bank, 24 January 2002, 4

Leste at the time had made mistakes, but no other had made any connection with the existing local leadership for the purposes of bringing them into the governance structure.

As Locke said, in order to build strong institutions, we must consider institutions that build trust.¹⁵⁷ The same is true in Timor-Leste. The CEP did not achieve that goal, but it offered great promise as it worked through its design issues. By the third round of funding for the CEP, the project documentation showed clear signs that it was heading towards enabling consensus-building mechanisms. This would have allowed the village councils to encapsulate the self-interest of the villagers. What Tsai called encompassing and embedding institutions would have guaranteed that even without complex designs and a resource-heavy push towards a Western-style democratic system, Timor-Leste could have achieved responsible self-governance.¹⁵⁸

4.3. Local Reality

Critics both within and outside the country alternately attributed the violent outbreaks of 2006 to a broken disarmament process, an opaque media and a failed land titling regime. Violence in 2007 was blamed on developmental inequities. Finally, assassination attempts in 2008 were regarded as a failure of post-violent conflict reconciliation.¹⁵⁹ Each donor

157 Richard M. Locke, "Building Trust", draft, 2009, 12

158 Lily L. Tsai, Accountability without Democracy: Solidary Groups and Public Goods Provision in Rural China, (Cambridge: Cambridge University Press, 2007), 227

159 Ben Moxham, "State-Making and the Post-Conflict City: Integration in Dili, Disintegration in Timor-Leste", Crisis States Working Papers Series No. 2, Working Paper No. 32, London: London School of Economics, 2008

and aid agency that came to East Timor in 1999 brought their own institutional prescription for post-violent conflict reconstruction. A review of other post-violent conflict situations and their subsequent traditional-state government relationships has shown how prescriptions produce dissimilar results in different locales.¹⁶⁰ Even the World Bank's decision to use the two-year old KDP as a model for CEP reflects this thinking: that a correct institution for building local governance in southeast Asia had been discovered and should be applied to the situation in Timor-Leste.

More than a few researchers in recent years have talked about how there really are no proper prescriptions for a country's institutions. The Catholic Church gained relevancy once it became seriously involved in the local educational system. Membership really took off when native Timorese started leading the Church in their own diocese, leveraging the Church's political and social capital in areas of Timorese concern. This was a gradual evolution of an indigenously-managed institution with support from the outside. Chand and Coffman talked about the need to create and root institutions, not copy and paste them into a new government.¹⁶¹ In a recent paper, Rodrik illustrated a few cases where institutions that had just enough competence and just enough capacity functioned well

160 For further reading on post-violent conflict state-building see: Volker Boege, Anne Brown, Kevin Clements and Anna Nolan. "On Hybrid Political Orders and Emerging States: State Formation in the Context of 'Fragility'", Berghof Handbook Dialogue No. 8, Berghof Research Center for Constructive Conflict Management, October 2008; Paul Richards, Khadija Bah and James Vincent, "Social Capital and Survival: Prospects for Community-Driven Development in Post-Conflict Sierra-Leone", Social Development Papers, Paper No. 12, World Bank, April 2004; Daniel Esser, "The City as Hub and Prey: Patterns of Violence in Kabul and Karachi", Environment and Urbanization, 16.2 1 October 2004: 31-38; Regine Andersen, "How Multilateral Development Assistance Triggered the Conflict in Rwanda", Third World Quarterly, 21.3 2000: 441-456; Janine Aron, "Building Institutions in Post-Conflict African Economies", Journal of International Development, 15 2003: 471-485

161 Satish Chand and Ruth Coffman, "How Soon Can Donors Exit from Post-Conflict States". Working Paper Number 141, (Washington: Center for Global Development, February 2008), 32-33

enough to solve their nation's particular issues.¹⁶² In addition, they were much less resource intensive than the transplanted alternative. In another paper, Locke pointed out the fallacy in the search for right and wrong solutions. He proposed instead to look to build trust sequentially from indigenous social and governmental strong points.¹⁶³ With all of the institutional breakdowns in Timor-Leste in 2006, it has become clear that the rapid transplanted approach there has caused some problems.

Many people in Timor-Leste that I spoke with me told me that the fighting between the *Lorosa'e* vs. *Loromonu* in 2006 was really an artificial division within Timorese society that had not been an antagonistic relationship before independence.¹⁶⁴ The push for liberalization and democratization, has at times led to increased violence and insecurity.¹⁶⁵ The rapid introduction of new institutions has the potential to disrupt society and cause more problems than existed prior. Stiglitz was writing against the idea of “shock therapy” just as donors and aid agencies were beginning to push the “blank slate” in Timor-Leste.¹⁶⁶ The rapid privatization of public goods provisioning and the misapplication of economic policies brought the rebirth of post-Soviet Russia to a grinding halt. In countries emerging from violent conflict, the quick loss of patronage networks and the high cost of disarmament, demobilization and reintegration has torn governments and societies apart.¹⁶⁷

162 Dani Rodrik, “Second-Best Institutions”, (Cambridge: Harvard University, 2008)

163 Locke, 7

164 Armino da Costa, personal interview, 27 January 2009

165 Diane E. Davis, “Beyond the Democracy-Development Mantra: Challenges of Violence and Insecurity in Contemporary Latin America”, *ReVista: Harvard Review of Latin America*, Winter 2008: 3-7

166 Joseph E. Stiglitz, “Whither Reform? 10 Years of the Transition”, paper presented at the Annual Bank Conference of Development Economics, Washington, D.C., 28-30 April 1999

167 Diane E. Davis, “Undermining the Rule of Law: Democratization and the Dark Side of Police Reform in

Considering the large expenditure of resources that state-building requires, it is useful to discuss the appropriate end result of that aid. La'o Hamutuk, a Timorese NGO that monitors aid agencies in their country, estimated that as of 2006, donors had spent a combined total of \$4 billion in Timor-Leste.¹⁶⁸ This is approximately \$4,000 for every man, woman and child and ten times per capita GDP.¹⁶⁹ Aid flows today continue to be relatively substantial. A team of researchers using a simple definition of state sovereignty recently reexamined the question of resources and goals in Timor-Leste. They believed that a sovereign state was one that could fully fund its recurrent budget exclusively from internal revenue sources. By their estimation, it would take Timor-Leste 27 years to meet that requirement. With unconditional aid that doesn't mandate specific models of governance or economy, Timor-Leste would require international aid and protection until at least 2026. Additional requirements would only extend that date out further.¹⁷⁰

Timor-Leste is a society that is naturally receptive to outside ideas. Unfortunately, this seems to have worked to their disadvantage, making it too easy to import inappropriate ideas. Introducing institutions that are poorly understood by the Timorese themselves has done the country a disservice.¹⁷¹ The traditional method of decision-making in Timor-Leste is by consensus. However, those advising Timor-Leste's institution-

Mexico", *Latin American Politics and Society*, 48.1 2006: 55-86, 58

168 Guteriano Nicolau S. Neves, "The Paradox of Aid in East Timor", Brasilia: University of Brasilia, 2006, 18

169 CIA, The World Factbook, [database on-line]; available from <https://www.cia.gov/library/publications/the-world-factbook/geos/tt.html>; Internet; accessed on 5 May 2008

170 Chand and Coffman, 2-6

171 Volker Boege, Anne Brown, Kevin Clements and Anna Nolan. "On Hybrid Political Orders and Emerging States: State Formation in the Context of 'Fragility'", Berghof Handbook Dialogue No. 8, Berghof Research Center for Constructive Conflict Management, October 2008, 12

forming process regarded a consensus-building approach to decision-making as undemocratic and therefore not an acceptable solution.¹⁷²

Artificial language has also been a problem. Groups that work in Timor-Leste continue to rely on insufficiently-clear definitions in their work with the Timorese. I spoke with two village chiefs in the Vikeke sub-district of Lacluta on the matter of elections and democracy.¹⁷³ One said he was democratically elected in 2005 and the other said he was elected in 1999. The first chief told me that he was serving a 4-year term, while the second one said he had been chief for nine years and wasn't sure the end date of his term. Current Timor-Leste law stipulates that since 2005, elections for village chiefs must occur every four years.¹⁷⁴ After I spoke with chiefs in some other districts, I began to understand that the term "democracy" for some meant simply the ability to have multiple political parties. They also associated democracy with conflict and the manipulation of power by the elites of the national government.¹⁷⁵ There was almost a universal opinion that "democracy" should instead refer to "dignity". Respect for other people in their villages as well as self-respect, they believed, were the embodiments of a true Timorese democracy.¹⁷⁶ If a handful of interviews resulted in such a range of answers, it is conceivable that a wide variation exists in the understanding what a democratic, Timorese institution should look like.¹⁷⁷

172 World Bank, "Implementation Completion Report on a Proposed Trust Fund Grant of US\$16.5 Million to Timor-Leste for the Community Empowerment and Local Governance Project", 9 May 2005,, 31-42

173 Laurantino, personal interview, 9 August 2008; Malongo, personal interview, 8 August 2008

174 Aderito Alves, personal interview, 28 January 2009

175 Silvano Cardoso, personal interview, 29 January 2009

176 Silvano Cardoso; Corneilo da Costa, personal interview, 29 January 2009; Luis, personal interview, 30 January 2009

177 A recent survey of public opinion by the International Republican Institute in Washington asked

Traditional leaders and culture continue to have the respect of many Timorese citizens, but the central government's current village-level governance efforts exclude the traditional leadership from modern governmental affairs. The Head of Administration and Finance at the National Directorate for Suco Administration (DNAAS) that I spoke with is pushing for the new "daily government representative" to take a larger role in day-to-day village affairs at the expense of both the village councils and the village chiefs. He cited a local level glut of ready and willing civil servants: there are many more educated youth in the villages than there are civil service jobs in the government.¹⁷⁸ This, of course, is the same problem that the Community Empowerment and Local Governance Project (CEP) found in the early 2000s. His strategy is to employ some of them as government "daily representatives" that could assist village counselors with their regular duties. Village councils only meet once per month, whereas the daily representatives would work every day. In addition, current village council-members' duties are secondary to their other work as teachers, farmers, etc. Today, the Timor-Leste government views village chiefs as volunteer leaders, and as such does not offer them compensation.¹⁷⁹ The daily representatives, on the hand, will be paid by the central government. After the next set of village council elections in 2009, he plans to expand his pilot program of government representatives in the villages from one to two people, as many as are on the councils they

respondents questions about the current state of political and social affairs in the country. The survey used terms such as "democracy", "corruption", "women's rights", but failed to provide a methodology or a definition of those terms in the results. It is hard to discern whether the ideas that the surveyors were asking about were the same as the ones respondents provided answers to. ; International Republican Institute, "Timor-Leste National Survey Results, November 10 – December 16, 2008", 2008

178 Alves

179 Cardoso

are advising. In Timor-Leste the traditional leadership has yet to be included in any meaningful responsibilities of governance. It remains to be seen whether DNAAS's new centralization strategy will be successful.

5. Conclusion

Post-violent conflict rebuilding is now a large part of the work of donors and other international agencies, but the failures and successes are not as clear cut and dichotomous as much of the literature claims. The Republic of Kosovo is formally recognized by less than a third of the world's countries, yet is considered by many a “success” born from the ashes of conflict. Haiti has had a string of coups and rebellions over the last 15 years, and yet this “failure” continues to have popular elections with high turnouts. Timor-Leste, with all of its institutions rebuilt “from scratch” by the international community, had outbreaks of extremely disruptive violent conflict in 2006, displacing 10% of the national population, and was further traumatized by assassination attempts on the president and prime minister in 2008. Clearly, the popular verdicts are much too simplistic to describe what is going on in these countries.

I wanted to understand the nuances of post-violent conflict development better myself, so I chose to examine the World Bank's Community Empowerment and Local Governance Project (CEP), the first local governance project conducted in Timor-Leste after the declaration of independence. Although donors including the World Bank, NGOs and the government of Timor-Leste itself have regarded the project as a failure, I actually found a less clear-cut judgement after looking at project documents, talking to people familiar with the project, and then couching that in a historical understanding of how Timorese have dealt with previous interventions from the outside. Through the World Bank and its project champion, the National Council of Timorese Resistance (CNRT), the project

brought the existing, traditional local political structure closer to having a hand in governing in their new nation than any other project before or since.

I also found a very interesting story in that of the Frente Clandestina resistance movement, on which the CNRT based its proto-government. This was an organization that defied much of the literature I read on social capital and violent conflict with their emphasis on thick interactions within groups and adversity-resistant inter-group relationships. With its loose coalition of resistance fighters, civilians and lower-level local government officials, the Clandestina is more fittingly described as an informal governance institution that functioned in the shadows of the Indonesian administration. Trust-less relations between members allowed the Clandestina to survive the forces of military occupation. An institution inherently built on distrust, rather than trust is not yet a popular or well-understand idea in the development literature, although it has begun to appear in the political science, sociological and entrepreneurship literature in the work of Tsai, Levi and Locke, amongst others. The possibility that trust may not be the starting point for institution building is not yet acceptable.

Inter-organizational politics and conflicting agendas from donors and aid agencies working in Timor-Leste got in the way of successful implementation of governance projects. Misuse of terminology and poor communication also caused confusion amongst donors and those receiving assistance. Ideas about democracy and local governance, familiar to Western-trained advisors were different and in some cases in conflict with those of the people they were aiding. Initially, the CEP made those same mistakes, but by the

third round of funding for the project, it explicitly recognized that gap and made recommendations for resolution of those inconsistencies. Of the large-scale projects in Timor-Leste, the CEP had the greatest potential for realizing a synthesis of traditional and donor ideas, but had lost its base of support in the new government by the time it was ready to move in that direction.

Even though all of the donors and aid agencies claimed that Timor-Leste would be a model for future state-building efforts because it was rebuilt “from scratch”, they now consider that framing inadvisable. Their disagreement on how to fulfill a reconstruction agenda, however, has not been resolved. Timor-Leste has endured some severe wounds in its development process since the international community made rosier predictions 10 years ago, but there is still much value in learning from its development experience. As a local governance project, the CEP shows us that international institutions do not have to shy away from the core components of a society because of perceived sensitivity issues. Traditional, ritual and political factors need to be integrated into development projects free from the fear of problems with favoritism or legitimacy. This runs counter Western democratic ideas of equality, but it runs in line with Timorese democratic ideas of dignity and respect. Until all of the actors agree that they are building a Timorese institution in a Timorese society, Timor-Leste's survival as a dignified and respected nation will continue to be an uphill struggle.

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7. Appendix

7.1. A Brief 450 Year History

Padroado Real

K.M. Panikkar described the period from 1498 through 1945 as the Vasco da Gama epoch.¹⁸⁰ For nearly 450 years, most of the commerce conducted between nations was done by Portuguese or by groups in direct opposition to their dominance of the international trade. The King of Gujarat in the early 16th Century, Sultan Bahadur Shah is reportedly said to have declared that “wars by sea are merchant affairs”, which helps explain why the Portuguese were able to so quickly build their *Estado da India*. Before the arrival of the Portuguese in Asia, Indian Ocean trade was dominated by Gujarati traders who set up small trading outposts both in continental South Asia and on the many neighboring islands. In 1509, 11 years after Vasco da Gama had set foot in India, Admiral Alfonso de Albuquerque destroyed the combined fleets of Egypt and Gujarat. One year later the Admiral claimed Goa for the Portuguese. With that, Portugal now controlled the central port of trade in South Asia. On the eastern end of South Asia's trade routes was the port city of Malacca. It was from here that various commodities of the islands made their way up to the lucrative Chinese market. This port fell to Admiral Albuquerque in 1511. The Portuguese took its western counterpart, the port city of Ormuz, controlled by Shah

180 K.M. Panikkar, Asia and Western Dominance. (London: George Allen & Unwin, 1953)

Ismail I, founder of the Safavid dynasty of Iran, in 1515.¹⁸¹

Aside from royal ambivalence, a few other factors contributed to Portugal's rapid conquest of Asian seaborne trade. China was the region's the lead regional power. In the 15th Century, Admiral Zhenghe's massive fleet of ships had already traveled to Malacca, India, Persia, Arabia and Africa. However, starting in 1549, the Ming emperor forbade international trade and exploration, most likely because of extensive and costly pirating by Japanese.¹⁸² Despite this, virtually all merchant ships in the waters south of Asia remained unarmed, as even Admiral Zhenghe's had been. Japan itself retreated from international trade as it became more and more consumed by internal feudal struggles, before being finally unified by Toyotomi Hideyohsi in 1598 and centralized by Tokugawa Ieyasu in the mid-17th Century.¹⁸³ China and Japan's retreat from international trade would also allow Portugal to expand into Macao and Nagasaki in the late 16th Century, but their temporary isolationism made it easier for the Portuguese to build out the rest of their trade network.

Through control of international trade and cultural discourse, the Gujarati traders had spread the Islamic faith throughout South and Southeast Asia. The Portuguese attempted to spread the Christian faith similarly with their acquired trading ports and newly established outposts. Two factors contributed to this development. Christian missions that had begun in the 13th Century depended on the Silk Road for travel between Europe and Asia. As the Islamic empires of Central Asia expanded, this overland route was

181 C.R. Boxer, The Portuguese Seaborne Empire 1415-1825, (London: Hutchinson & Co., 1969), 39-46

182 Equally important factors for this retreat include defense of the empire from ever-strengthening attacks by Mongols and the Manchu. Boxer, 43-44

183 Ernst Van Veen and Leonard Blussé, eds., Rivalry and Conflict: European Traders and Asian Trading Networks in the 16th and 17th Centuries, Studies in Overseas History #7, (Leiden: CNWS, 2005), 15-16

cut off, so by the early 1500's these missions had ceased to function.¹⁸⁴ At the same time, the Roman Catholic church was going through some soul-searching. In the early 16th Century, the Portuguese began an Inquisition, similar but longer than the Spanish one before it. Pope Paul III initiated the Council of Trent in 1545 which sought to return the Church to its orthodox roots. In Portugal, the Ecclesiastical Council of 1567 decreed that only orthodox Roman Catholicism should exist; that the Crown of Portugal had a duty to spread the Roman Catholic faith; and that the conversion of subjects should be done without force. This is when the *padroado real* (union of Church and Crown) that had been established at the turn of the Century began to gather strength. *Padroado real* would remain the guiding light for maintaining territorial claims well into the 20th Century.¹⁸⁵

Portuguese Timor

Timor is one of the islands in the Lesser Sunda at the southern boundary of Indonesia's chain of islands. Its climate is uniquely conducive to the growth of sandalwood trees. An extremely important commodity in trade with China, it is prized for its use in furniture-making. After securing Malacca, the Portuguese took over trade of this lucrative Timor export.¹⁸⁶ They enforced their monopoly with a fort built in 1553 on the neighboring island of Solor. The first challengers to the Portugal's dominance of trade in the region came when the Dutch launched a campaign from the east in the Moluccas.

184 Van Veen, 71

185 Boxer, 67-68

186 Trade in tortoise shell and beeswax was also very important to the Timorese export economy to China, and were similarly taken over by the Portuguese. Besides these, the Chinese also wanted Portuguese silver, which was always needed for imperial coinage. Van Veen, 220

They first conquered Tidore in 1605 and then took Solor from the Portuguese in 1613, exiling them to Larantuka, Flores, an island about 10km away. Successive Dutch commanders of the fort acted increasingly independent of the Dutch crown and abandoned the Solor fort in 1629. Jan de Hornay joined the exiled and isolated *Zwarte Portugeesen* (black Portuguese) community, now referring to themselves as *Larantouqueiros* meaning “from Larantuka”, across the water. Having lost local control, the Dutch authorities operating out of Batavia (Jakarta) began to conduct their trade from ships, but because they were only intermittently present, they were no match for the De Hornay family's rapidly rising power. Jan de Hornay's descendent, Antonio, then acting as middleman between the Portuguese operating out of Macassar and the local rajas on Timor, moved his operations to Lifao, in Timor itself. Even a Dutch return to Solor in 1653 and an invasion by the Dutch army out of the Moluccas in 1656 could not unseat Antonio's increasingly oppressive mini-empire on the eastern half of Timor. Francisco Vieira de Figueiredo, a leading Portuguese merchant from Macassar appointed Antonio de Hornay as *Capitão-Mor* (Captain-Major) of Timor in 1663. When Macassar itself fell to the Dutch in 1667, De Hornay further consolidated his power by giving refuge to Vieira de Figueiredo. The closest Portuguese authority, then in Goa, sent their own man to be *Capitão-Mor* in 1683 but he quickly fled. It wasn't until after De Hornay's death in 1694 that Portugal regained formal control of eastern Timor, naming it Portuguese Timor in 1702. The land boundary with the Dutch-controlled portion of Timor roughly stood at the present-day boundary between the Indonesian state of East Nusa Tenggara and the nation

of Timor-Leste.¹⁸⁷

By 1699, Lifao, Timor had become the center of the Lesser Sunda islands, and while most of the town's inhabitants spoke Portuguese, only a handful appeared to be of European descent. Even after the Portuguese regained control the small Portuguese representation on Timor, the *partitido real* (royalists), maintained their power by playing different tribes against one another throughout the 1700s and 1800s.¹⁸⁸ By colonial standards, the Portuguese authority appears to have been relatively progressive. Although this may be due to the geographical practicalities of the country, the traditional structure of authority remained largely unchanged from before the Portuguese arrival in the 1550s until the Indonesian occupation 425 years later.

Efforts to Christianize the local population of Portuguese Timor were marginally successful. Consequently, despite a long period of secular rule, the government passed the Organic Statue of Portuguese Catholic Missions in 1926, effectively delegitimizing all non-Catholic missions overseas. The Concordant of 1940 and the Missionary Agreement of 1940 both brought the support of the Vatican to this effort. Portuguese Timor became its own diocese of the Catholic Church that same year. Even though the number of Catholics in Portuguese Timor still only numbered about 66,000 out of a 1950 population of approximately 500,000, the Church had a major role in expanding primary and secondary education.¹⁸⁹ This ultimately paid off for the Church which had membership numbers in

187 Van Veen, 222-227

188 Boxer, 143-146

189 A.H. de Oliveira Marques, History of Portugal, Volume II: From Empire to Corporate State, (New York: Columbia University Press, 1972), 253-256

excess of 90% by the turn of the 21st Century.

Portugal tried to remain neutral in the Southeast Asian diplomatic battleground that precluded World War II. In 1937, it attempted to placate Japanese desires for access to Timor by establishing the joint *Sociedade Agrícola Pátria e Trabalho* with Japan. This Dili-based organization immediately controlled 25% of the coffee, rubber and cacao export industries and 37% of the imports of Portuguese Timor. In October of 1940, Japan extended its first international air route of Yokohama-Saipan-Palau into Dili. After this air travel arrangement was formalized in October of 1941, Dutch Timor reacted with a gas embargo of Portuguese Timor. The U.K., Australia and the Netherlands all sent troops to Dili to which the Japanese responded with an attack in February of 1942.¹⁹⁰ The three nations' troops retreated to the hills, but along with Portuguese Timorese nationals and Australian air support, fighting continued until Japan acquiesced in 1945, leaving thousands of Timorese dead both from fighting or their treatment in Japanese concentration camps.¹⁹¹ Portugal's governor-general remained on station throughout the War so as to maintain the pre-war power arrangement with Japan.

East Timor

Prior to World War II, Portugal's *Estado Novo* (New State) had primarily focused on the economic development of its two large African colonies, Angola and Mozambique. After the War, Portugal made an effort to create a common market amongst all of the

190 Ken'ichi Goto Tensions of Empire: Japan and Southeast Asia in the Colonial & Postcolonial World (Singapore: Singapore University Press, 2003), 27-35

191 De Oliveira Marques, 234

colonies, but it did not have the power of enforcement. Finally, with the Carnation Revolution and the support of the military, the *Estado Novo* was overthrown in 1974.¹⁹² A combination of independence movements in Portugal's colonies as well as a decreased interest from the Third Republic of Portugal for managing imperial possessions led to its abandonment of Portuguese Timor that same year. Many people had an affinity for the relatively progressive regime and in fact felt abandoned by Portugal's hasty exit.¹⁹³ Indonesian military intelligence reacted to calls for establishing a republic in East Timor with *Operasi Komodo*, a plan to subvert the pro-independence movements. An attempted coup in August of 1975 by pro-Indonesian militias inside East Timor wound up setting off a civil war. The *Frente Revolucionária de Timor-Leste Independente* (FRETILIN), a populist Catholic independence movement, declared victory over its partner-turned-adversary the *União Democrática Timorese* (UDT), a more conservative pro-Portugal and pro-Indonesia movement, on November 28, 1975. A week later, Indonesia invaded the country citing the Balibo Declaration to reunite Indonesia and a need to prevent the emergence of another Communist state in Southeast Asia.¹⁹⁴ As early as 1979, 200,000 Timorese were reported to have perished resisting the occupation.

Given that American President Gerald Ford and Secretary of State Henry Kissinger had visited Indonesia's leadership the day before the Indonesian invasion of East Timor, it has been widely speculated that Indonesian President Suharto wanted American approval

192 The *Estado Novo* came to power under military coup on May 28, 1926, overthrowing Portugal's First Republic (1910–1926), which itself had succeeded the monarchy of Portugal in 1910. De Oliveira Marques, 253-256

193 José Ramos-Horta, *Funu: The Unfinished Saga of East Timor*. (Trenton: The Red Sea Press, 1987), 3

194 Anthony Pecotich and Clifford J. Shultz, II, eds., *Handbook of Markets and Economies: East Asia, Southeast Asia, Australia, New Zealand*. (Armonk: M.E. Sharpe, 2006), 200

or at least a promise not to interfere in any attempt to invade East Timor. The United States, having just lost the Viet Nam war very badly needed to maintain an ally in Southeast Asia in the fight against Communism, something that Suharto had repeatedly demonstrated his ability to do.¹⁹⁵ Since 1949, the United States State Department had regarded the lands of Southeast Asia as an important source of raw materials for both Japan and Western Europe. At the same time, the Cold War increasingly framed American foreign policy decisions, making this part of the world critical for the United States. In 1958, the CIA sponsored a coup attempt on Sukarno, the first president of newly independent Indonesia. In 1965, the Indonesian military, 1200 of which had been trained by the United States, announced they had preempted a coup by alleged Communist forces within the military.¹⁹⁶ This catapulted General Suharto into the national spotlight. Two years later he became the second president of Indonesia. Described by James Reston of the New York Times as the “gleam of light in Asia”, Suharto's forces were no doubt inspired by the mid-60's success of American-backed anti-Communist efforts in neighboring Viet Nam.¹⁹⁷

In the 1980s, José Ramos-Horta of FRETILIN appealed to Australia to act as an intermediary in negotiations with the Indonesian government for East Timor's independence. Kay Rala Xanana Gusmão of the *Conselho Nacional da Resistência Maubere* (CNRM) had also articulated his willingness to speak with the Indonesian government without any preconditions. Then, in 1991, Portugal unsuccessfully sued

195 Jack Anderson, "Another Slaughter", The San Francisco Chronicle, 9 November 1979, 61

196 Congress, House, Committee on Foreign Affairs, Subcommittee on U.S. Policy, "Military Assistance and Training in East and Southeast Asia", 92nd Congress, 1st sess., 12 April 1971

197 James Reston, "Washington: A Gleam of Light in Asia", The New York Times, 19 June 1966, E12

Australia at the World Court for entering into the Timor Gap Treaty with Indonesia for development of oil and gas reserves in the Timor Sea.¹⁹⁸ In 1992, Gusmão was jailed by the Indonesian government and, despite repeated calls for action by the international community, nothing much would change for East Timor until the ramifications of the Asian economic crisis of 1997 began to manifest themselves in Indonesia's political realm.

Timor-Leste

Just prior to Suharto's resignation in 1998, members of the East Timorese diaspora met in Lisbon to draft a document that proclaimed the rights of the East Timorese people. The CNRM, still under the direction of a jailed Gusmão in Jakarta, transformed itself into the *Conselho Nacional da Resistência Timorese* (CNRT) and renewed the push for independence. Suharto's vice-president, Bacharuddin Jusuf Habibie, declared in the summer of 1998 that East Timor would be granted a special status within the Indonesian nation and agreed to work with the United Nations on the issue of East Timor's autonomy. The United Nations established the UN Mission in East Timor (UNAMET). In a surprise move in January of 1999, President Habibie announced that a "consultation" would be held in East Timor to decide between autonomy or independence that could come as early as 2000. He believed that granting the right for semi-autonomy would give Indonesia and his new presidency international recognition, but he had not discussed his plans with the very powerful Indonesian military prior to the announcement.¹⁹⁹ The *Front Bersama Pro-*

198 Rowena Lennox, Fighting Spirit of East Timor: The Life of Martinho da Costa Lopes, (Annandale: Pluto Press, 2000), xiv-xix

199 Don Greenless and Robert Garran, Deliverance: The Inside Story of East Timor's Fight for Freedom,

Otonomi Timor Timur (UNIF) was created to push for political support for autonomy, while pro-Indonesian militias in East Timor stepped up their efforts to dampen pro-independence movements. It was reported that the Australian Secret Intelligence Service intercepted multiple communications between the Indonesian military under the direction of General Wiranto and those same militias. On May 5, 1999 the United Nations, Portugal and Indonesia met to discuss the conduct of the vote that would be held. It was here that the Indonesian military gained the role of security guarantor for the voting process. Australia supported this arrangement over the objections of Portugal and the United States. Despite the threats of militia violence, FALINTIL guerillas laid down their arms and most of the country turned out to vote in August of 1999. The results were overwhelmingly in favor of independence (78.5%).²⁰⁰

The ensuing post-referendum violence by militias sympathetic to the losing interests displaced about 75% of the population and mass destruction wiped out about 70% of the infrastructure and resources of East Timor.²⁰¹ A request for help led to the International Force for East Timor (INTERFET) arrival in late September. This author participated in Operation Stabilise with INTERFET in early 2000 while serving with the 15th Marine Expeditionary Unit. The United Nations Transitional Administration in East Timor (UNTAET) began its 2.5-year role as caretaker of the country with Sergio Vieira de Mello as its administrator. He created the 15-member National Consultative Council (NCC) on November 22, 1999, which consisted of seven members of the CNRT, three members of

(Crows Nest: George Allen & Unwin, 2002), xi

200 Lennox, xxi-xxv

201 World Bank, "Report of the Joint Assessment Mission to East Timor", 1999

non-CNRT parties, one member of the Catholic Church, one member of the transitional administration and three members from UNTAET.²⁰² The United Nations administered Consolidated Fund for East Timor (CFET), which provided direct budget support and would wind up spending approximately \$1.7b by 2006.²⁰³ The World Bank also drafted the Transition Support Strategy and along with the Asian Development Bank, created the Trust Fund for East Timor (TFET) which was responsible for approximately \$147m in aid projects.²⁰⁴

Recognizing a need to be more inclusive, Vieira de Mello reorganized the NCC into the National Council and added representation from all 13 districts in East Timor as well as representatives of the Protestant and Muslim communities, NGOs, farmers, business groups, women's groups and student organizations. He also created the East Timor Transitional Administration (ETTA) to increase the number of Timorese involved in the civil service. This set the field for the 2001 elections for Constituent Assembly.²⁰⁵

The CNRT dissolved itself just prior to the elections so that all of its members could participate in the elections as individual parties, but this presented a bit of confusion for the traditional power structure since most of the village and hamlet leadership in the 13 districts were longtime members of the CNRM/CNRT. After the August 30, 2001 election, 12 of the 13 districts' representatives were FRETILIN, as were 43 of the 75 other seats in the Assembly.²⁰⁶ This group would then become the Parliament of the Democratic

202 Pecotich and Shultz, 201

203 Guteriano Nicolau S. Neves, "The Paradox of Aid in East Timor", (Brasilia: University of Brasilia, 2006)

204 World Bank, Asian Development Bank, "Trust Fund for East Timor", Update No.12, 11 September 2001, 10

205 Pecotich and Shultz, 205

206 Pecotich and Shultz, 208

Republic of Timor-Leste with Dr. Mari Alkatiri as prime minister and José Ramos-Horta as president.²⁰⁷ UNTAET dissolved into the UN Mission of Support to East Timor (UNMISSET) and then became the UN Office in Timor-Leste (UNOTIL) in 2005.

Success Story?

Held up as a model for nation-building, evidence of Timor-Leste's fragility was visible in generally positive reports published by major organizations assisting the new nation.²⁰⁸ Simultaneous decreases in per capita Gross Domestic Product accompanied increases in the Gross National Income. In the World Bank's latest Country Assistance Strategy, it has recommended a reduction in reliance on the petroleum sector in favor of capital development, high-value niche crops for export and tourism. Paradoxically, in the same report it also recommends that Timor-Leste continue to depend on the petroleum sector for sustainable wealth. Numerous notes pointed out the weakness of private sector regulation and identified a large gap between the micro-finance effort and large-scale enterprise lending programs. This in a country that is 86% rural and has a rapidly growing youth population.²⁰⁹

In April of 2006, the government removed approximately 30% of its troops from the military after they protested perceived discrimination against the Loromonu, "westerners", by the Lorosa'e, "easterners". The ensuing violence resulted in displacement of 10% of the

²⁰⁷ CIA, The World Factbook, [database on-line]; available from <https://www.cia.gov/library/publications/the-world-factbook/geos/tt.html>; Internet; accessed on 5 May 2008

²⁰⁸ World Bank, "International Development Association Country Assistance Strategy for the Democratic Republic of Timor-Leste for the Period of FY06-FY08", 2005

²⁰⁹ *ibid*

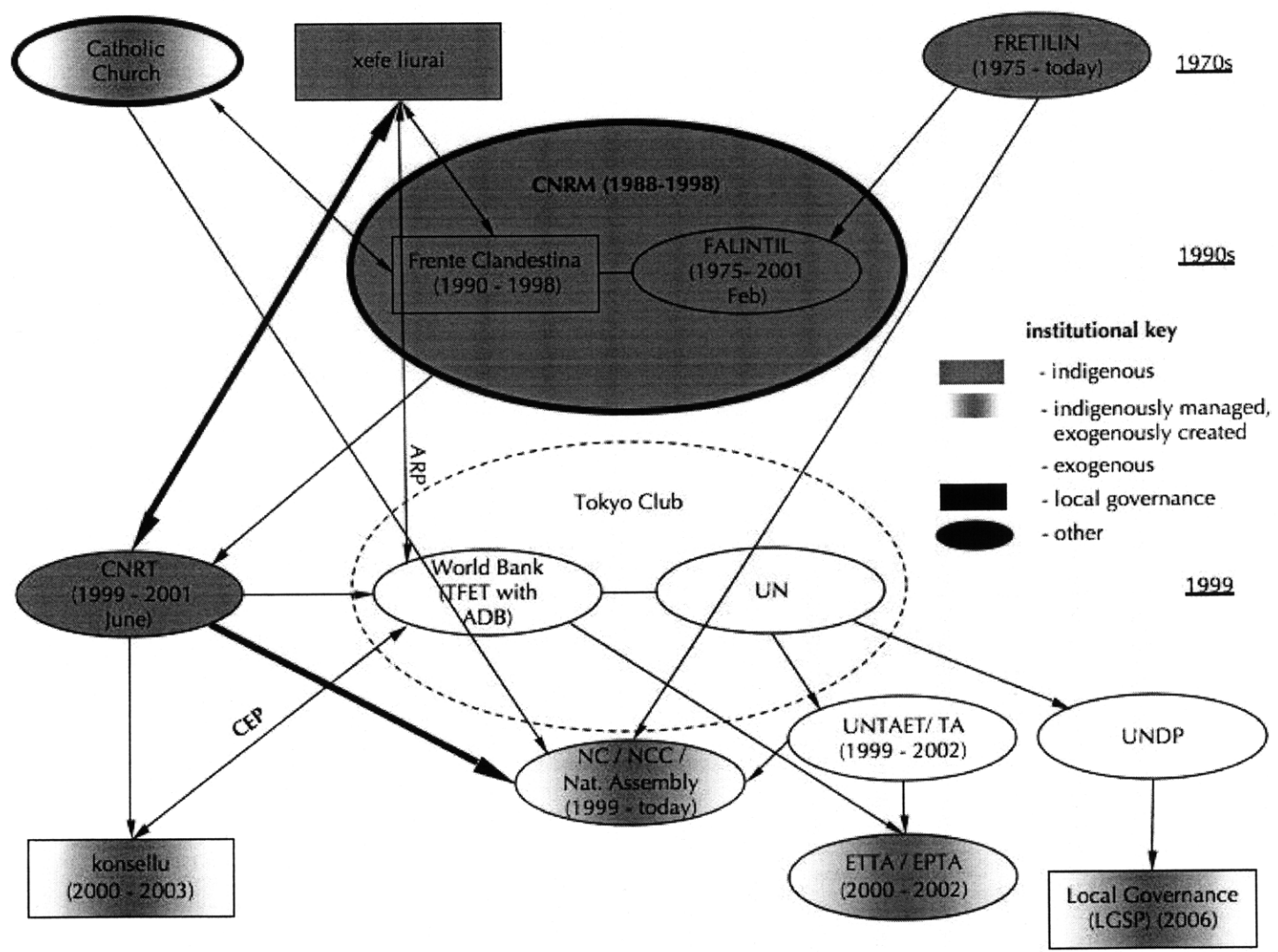
national population and a reversion of UNOTIL to a UN mission (UNMIT) along with the reappearance of international peacekeepers. As recently as February, 2008, near-fatal attacks on the president and prime minister have reminded the Timorese and the rest of the world the fragility of the new nation.

Nearly US\$4 billion dollars has been spent between 1999 and 2006 on this nation of approximately 1 million people by the UN, the World Bank, the Asian Development Bank, AusAID, JICA, USAID and a handful of NGOs like Catholic Relief Services.²¹⁰ With less than expected to show for their efforts, the international organizations have been scaling back their support for Timor-Leste. NGOs are no longer able to obtain funding because of these reduced commitments.

210 Neves

7.2. Institutional Relationships in Timor-Leste

116



7.3. Methodological Annex

I conducted field research in Timor-Leste on two separate trips. On the first trip I spent about a week getting acquainted with Dili, the capital city, and making contacts. I also conducted a number of informal interviews to understand general social and political trends. On the second week, I traveled by



Illustration 7: a loaded anguna in Maubisse, Ainaro

*anguna*²¹¹ to the mountain town of Maubisse (see Illustration 7). There I also conducted

²¹¹ "anguna", a Timorese term for a flatbed truck that provides the most inexpensive option for inter-town transport. Typically carries about 40 people and their cargo and costs \$3 for a single ride. Rides last 3-5

informal interviews. I do not speak any of the 22 dialects of Tetum. These are collectively more widely spoken than the Portuguese national language, which I also do not speak. I attempted to conduct some formal interviews in Spanish. That was successful with some of the older citizens I talked to, but I do not feel my answers were accurate enough to include in this thesis. On the third week, a Timorese co-worker of someone I had met at the Ministry of Foreign Affairs asked me to go to the Vikeke district with him to experience the eastern side of country. There I had the opportunity to interview a few village chiefs and conducted many informal interviews and in exchange for documenting a traditional ceremony, *nahe biti bo'ot*, with video, photo and audio (see Illustration 8)²¹². A few of the younger Timorese had worked with some Australian NGOs and were able to translate the local Tetum dialect into English for me.

Just prior to my second trip to Timor-Leste, I was able to arrange some new meetings in advance. I also met up with an independent researcher who gave me some additional contacts. I spent most of my time on that trip in the capital city, conducting interviews both in person and over cell phone. One of my Australia contacts helped me find a translator to assist me with my interviews. I recorded my interviews on this trip with a digital recorder. I also hand-wrote all of my interviews in notebooks, as with all of the others I had conducted.

hours depending on road conditions.

²¹² "nahe biti bo'ot", a traditional Timorese reconciliation process. Over the course of the ceremony I witnessed the interplay of the political and ritual of *uma lulik* as well as the deference to the authority of the ancestors who came before. For more on this process, see Josh Trindade and Bryant Castro, "Rethinking Timorese Identity as a Peacebuilding Strategy: the Lorosa'e – Loromonu Conflict from a Traditional Perspective", (GTZ International Services: 6 June 2007)

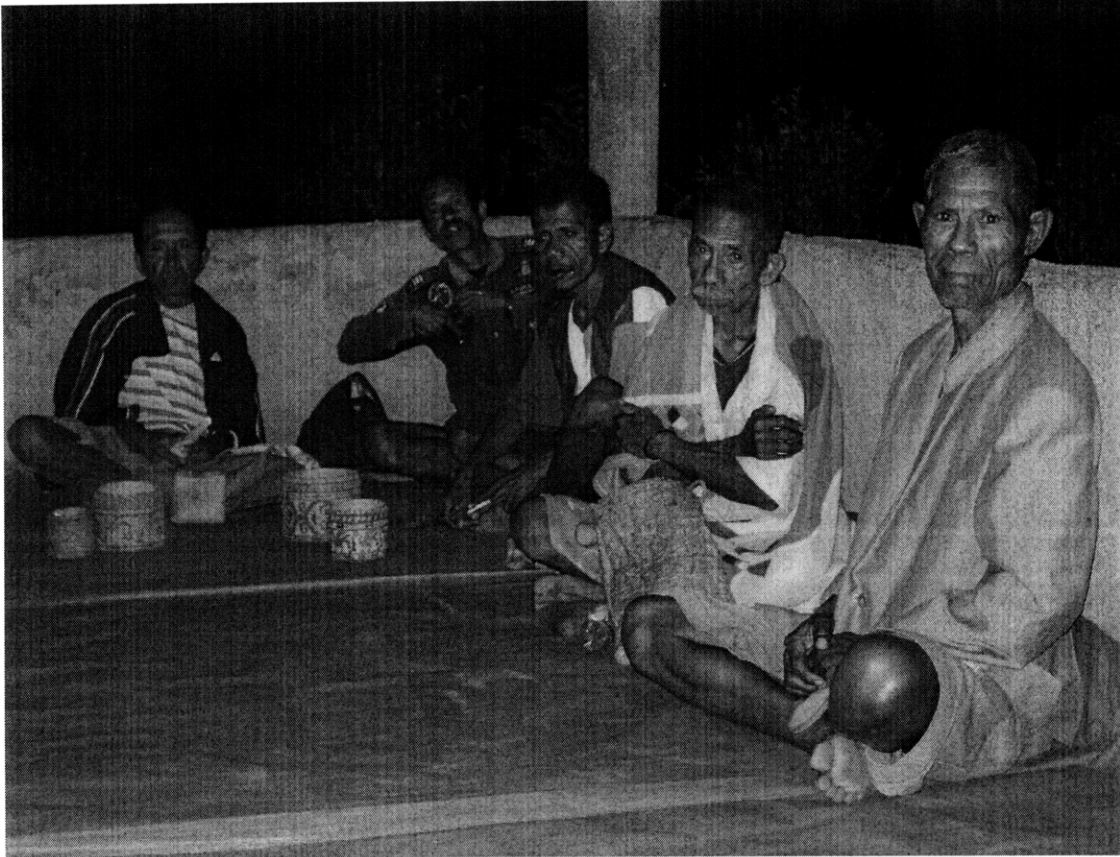


Illustration 8: the village elders of Suku Lalini, Vikeke prepare for nahe biti bo'ot at Loymau's house

2008 July 29 - August 17

- Dili district – includes the capital city of Dili
- Ainaro district – includes the mountain town of Maubisse (see Illustration 9)
- Vikeke district – an eastern district on the south coast

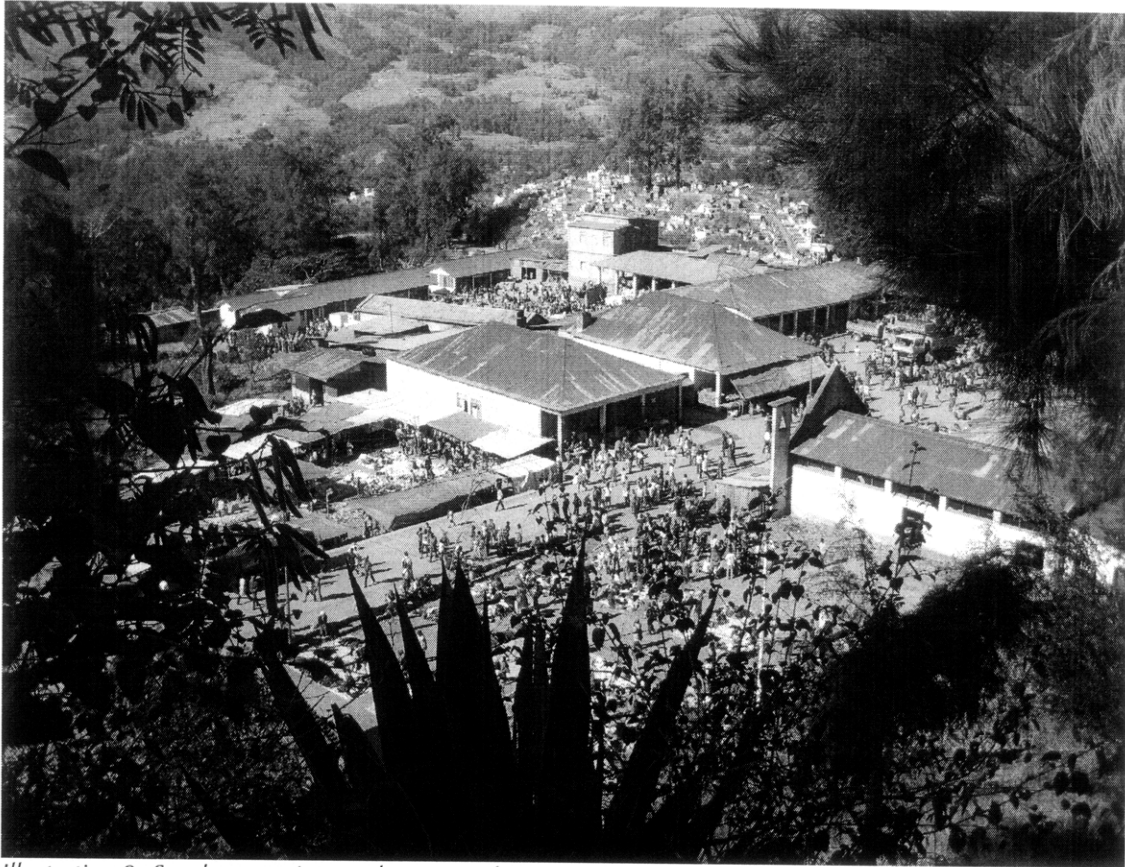


Illustration 9: Sunday morning market at Maubisse, Ainaro

2009 January 24 – January 31

- Bobonaru district – a district on the western side of the country
- Dili district – includes the capital city of Dili



Illustration 10: Armindo da Costa (translating), Xefe Aldeia Luis and me (interviewing) in Luis' house in Number 1, Dili

List of Interviewees:

- (7) village and hamlet chiefs from the Dili, Vikeke and Bobonaru districts
- (3) UN officials from UNOPS
- (3) international NGO officials from ARD, The Asia Foundation and NCBA
- (2) World Bank officials
- (2) researchers at universities in Australia that have studied Timor-Leste extensively
- (2) international contractors working for Timor-Leste ministries (Justice, Foreign Affairs)

(1) team of researchers at La'o Hamutuk, a domestic NGO that monitors development agencies in Timor-Leste

(1) native independent researcher

(1) former council member of the Truth and Reconciliation Commission (CAVR)

(1) official from the National Directorate for Suco Administration, Ministry of State Administration and Territorial Management

(1) official from the Directorate of Information Technology Services, Ministry of Foreign Affairs

(1) official from the Coopertiva Café Timor coffee-producing collective

(1) Timorese king from the Vikeke district

Self-Introductory Paragraph (used for interview solicitation):

I am a student researching how aid organizations work with countries' indigenous/traditional social and political systems. I am trying to better understand how resistance and violent conflict strengthens an oppressed community and what potential that creates for state and institution building. I have been interested in Timor-Leste in particular because of my involvement in peacekeeping operations there in 2000. Do you have some time to discuss your thoughts on this?

7.4. The King and I - An Account of a Research Trip to the Lacluta Sub-District

I am sharing coffee and cigarettes with George Francisco Reis Carvalho. "Kiki" tells me that we will probably leave for Vikeke around 2pm and asks if I mind waiting. He expects the journey will be maybe 5 hours but we need a few more things for the trip and should make it before dark.

I sent out a number of emails last month when I decided that I was definitely coming to Timor-Leste to do my research. I got a lot of responses and just as many referrals and pieces of advice. One such chain of referrals led me to Casimiro Reis, who works at UNOPS in Caicoli, Dili. After some email and SMS-tag I managed to make it to his office this morning where he asked me if I would like to travel to Vikeke where I could talk to some local people and experience some local culture. I would have to travel for a few days, maybe do some long hiking and, by the way, everyone is leaving in 2 hours. Of course, I jumped at the opportunity. After a quick stop at Kiki's to get introduced I power-walked to the internet cafe, printed out some papers and checked email, then went back to the hostel where I repacked, put the pack in a locker and stuffed my satchel for the 4-day trip. I'm taking a lot of notes, so I hope this reads well:

August 7, 14:00 – We are on our way. It is me, Kiki and Malongo in a Suzuki jeep. Just before we got in, Kiki explained to me that Timor-Leste has five kingdoms: Los Palos, Oekusi, Ainaru, Likisá and Vikeke. He told me, that in fact, Casimiro's father is the king of Vikeke, the 7th in a paternal line that extends back a few centuries. So, a few minutes into the trip and I already have my first surprise. This should be an interesting few days.

16:00 – We stop just before Baukau at a gas stop to pick up some water and beer. I am told that beer keeps you awake while you are driving. I guess I am glad that we have already driven through the mountain-coast roads (they were like Pacific Coast Highway).

19:00 – It's dark now and we were supposed to have been there already but the roads are much worse than we anticipated.

20:00 – We arrive in Vikeke after 196km (122 miles). The last quarter of the journey took as long as the first three-quarters on account of the horrible road conditions. We pull up to the house where Casimiro's father, the king, and Francisco “Chiky” de Carvalho live. Chiky explains that he is in charge of the medical facilities in the district, which includes 22 clinics. As we all relax around some coffee he tells me about the lack of electrical power because of recent problems with Vikeke's power generators. He has a generator at the house that is keeping a light or two on, but most importantly keeping the vaccines in

his refrigerator cold.

20:30 – It is time to eat dinner. The men sit down to eat at the table, so I assume that the women and children have already eaten (we were late after all). One of the treats at the meal was a sweet cassava, *caprilia?*, which is local to Vikeke. During the resistance this was the staple food of the Falintil. I am enjoying my food but I notice that everyone is eating a bit faster than me. I am told that it is common for Timorese to eat fast. This also comes from the times of occupation.

21:30 – Before we sit around after dinner to chat, I am shown the room we will be sleeping in. The plan is to get up early and head to the sub-district after breakfast. Politics seems central to the people I am talking to here, but I am told that is more common for the people in the villages (like the ones we will be visiting) to know more about the king than the president of the country. Chiky tries to explain to me the factionalizing of the political parties in Timor-Leste after 2001, but I get a little bit lost. He talks about FRETILIN Radicál, FRETILIN Movimento and FRETILIN Murasa. I knew that the CNRT had disbanded that year, but he tells me that it came back as a new political party and then became the AMB. I have to read more about this. Chiky tells me about the violence that occurred in Vikeke in 2007. Apparently there is a long-standing rivalry between those in the area I am in now who speak Bahasa Indonesia and Tetum and another group in the district who speak 2 other dialects of Tetum. That other group came to this part of Vikeke and burned all the

cars, set all the roofs ablaze with gasoline and broke all the windows. He says this is why he still has a metal roof and chicken-wire/bars where the window frames are.

August 8, 8:00 – I get up, brush my teeth and take a wadoo shower with a bucket. After breakfast I go outside and notice the burned out minivan in front of the house next door.

08:40 – We begin our drive up the mountain to Lacluta sub-district. Kiki, the king and I get in the jeep. Malongo jumps onto a motorbike with someone else heading up there too.

09:30 – We stop to pick up tua sabu, a “wine” that is supposed to be like soju or sake. I am shown a small cup of it and as I reach to grab it I realize that the cup is on fire. It has a blue flame that you can't see in the daylight...must be strong!

10:30 – Uh oh. We were climbing a steep road and we slipped backwards and ran over a dog. The villager was not happy. The gist of the conversation was that the villager should come by and see the king later to be compensated.

11:00 – We arrive at Suku (village) Dilor in the Lacluta sub-district. After we sit and have a coffee we walk over to Suku Lalini. The terrain is now too rugged to drive any further unless we have a motorbike.

11:20 – We arrive at Loymau's house, Loymau is a very animated speaker, with his sweeping gestures and widely varying intonations. We have lunch here and drink coconut juice and tua mutin, a white palm wine which tastes much smoother than the tua I tried in Dili. I notice a driller bee flying around the back porch. I am used to seeing them in New York at my parents' house but the ones here are the size of small birds and are pretty loud. I am introduced to a woman here who is apparently 105 years old. She still has her eyesight, teeth and mental capacity. She likes to come her hair a lot. I can't imagine how many things she has seen over the last 100 years.

15:00 – I asked Loymau about the World Bank projects I am looking at but he really doesn't know about them. Another man named Casimiro comes by. I want to ask him, but I told to wait until after 5pm when everyone is more relaxed. I am generally pretty good about sensing cultural differences from my own and adapting, but it appears I am still even a bit too fast at bringing up business here in Timor-Leste. Kiki and I are offered corn husk-rolled cigarettes with natural tobacco. We both laugh in amazement about how instantly sobering these large cigarettes are. We had been drinking a lot of tua mutin by this point.

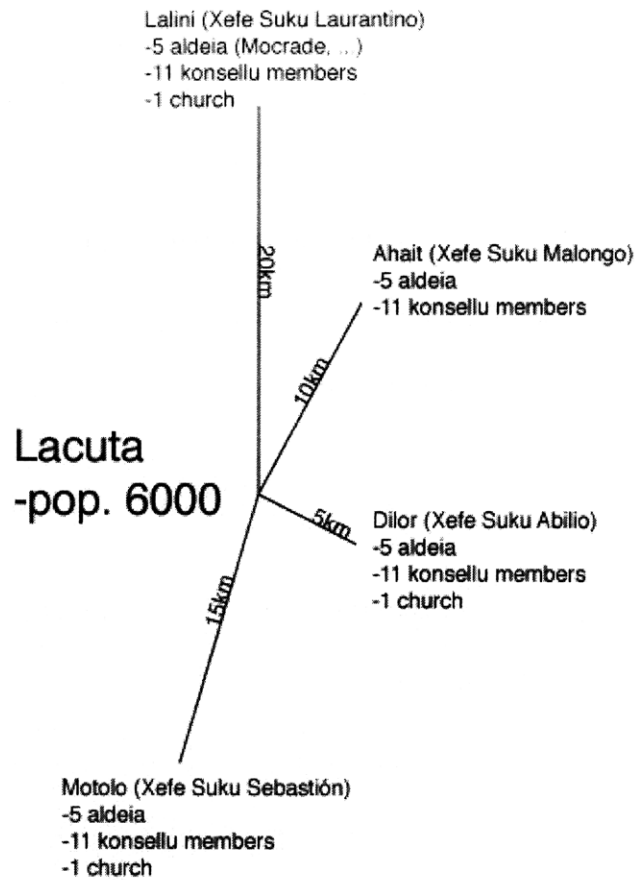


Illustration 11: map of the Lacluta sub-district in Vikeke, based on conversations with the village chiefs (xefe suku)

17:00 – Kiki and I head back to Suku Dilor where I grab my notebook. I meet Claudino here. He is 24 and works with an Australian NGO, Connect East Timor, that is helping install radio communications between the suku of the subdistrict. On the way back to Suku Lalini we run into the villager whose dog we ran over. Kiki asks him if he has seen the king yet, but the villager seems reluctant to visit him. Kiki and I each give him \$10 in

compensation and the villager says the issue is settled.

18:30 – We all mill about the front porch area waiting for everyone to show up for the ceremony.

21:00 – The discussions begin with the placing of the betelnut baskets in front of the elders, who are about 15 in total. Introductions and stories follow. I follow along as best as I can. An interesting fellow sits down next to me in the outer ring of 10 men, but I never catch his name. He is quite animated but a little bit off-kilter. I keep thinking of O.D.B. from Wu-Tang Clan as we talk. I am told later that Casimiro, who I had met at Loymau's house received a spirit at 20:00.

23:30 – Malongo pulls me inside the house and tells me it is time to eat dinner. It's just me and him and the women and children (about 30 total) in the house. After dinner I meet another man named Malongo, the Xefe Suku of Ahaik. Dino is here and he helps me translate with Xefe Suku Malongo, who says that he doesn't know too much about the World Bank projects. I will ask again tomorrow though. He tells me about the layout of the 4 suku in subdistrict as well as the distance between each. He also tells me that the total population of the sub-district is 6000.

August 9, 00:30 – The discussions have ended for the evening, and now it's dinner time. I

already ate inside the house but I have to eat again. We have rice, barria (it's like eggplant, but bitter), greens and noodles that taste a bit like tuna helper (see Illustration 12). The red chiles that are on the side are super spicy. Now I get to try the tua suba. It is like a whiskey version of sake. It feels a bit like drinking rubbing alcohol or gasoline though. A sip hits your stomach like a lit match. I meet Agus, another 20-something who is studying to be a doctor. He tells me that he is learning Spanish now because his classes are all taught by Cuban doctors. Chiky had explained to me the night before about the influx of Cuban doctors in Timor-Leste and the need to know Spanish now.

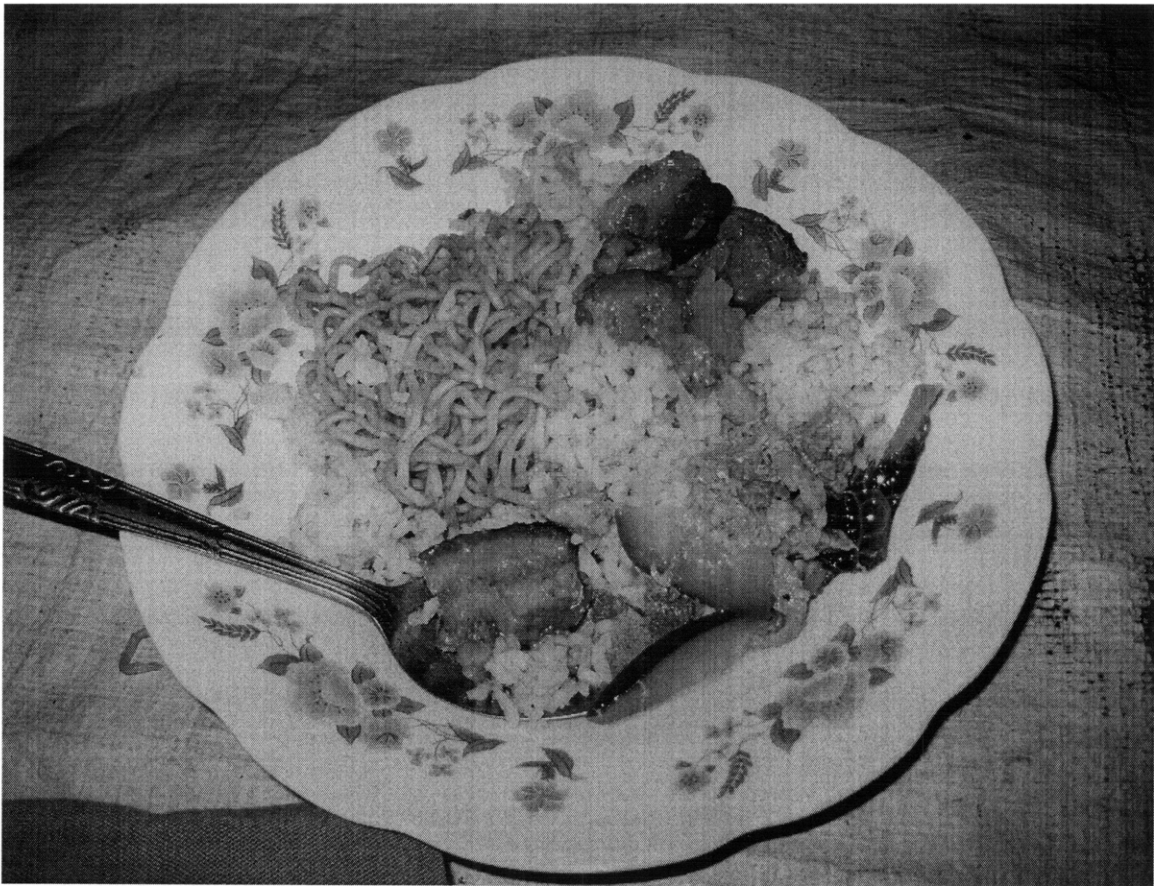


Illustration 12: noodles, rice, boar and barria for dinner in Suku Dilor, Vikeke

02:00 – The king decides to return to Suku Dilor. I am tired so I go along with him. We wind up sharing a room in the house we had parked the jeep in front of earlier.

10:00 – I wake up to discover that the king is waiting for me to eat my breakfast. I shower and brush fast so I don't have to keep him waiting (see Illustration 13).

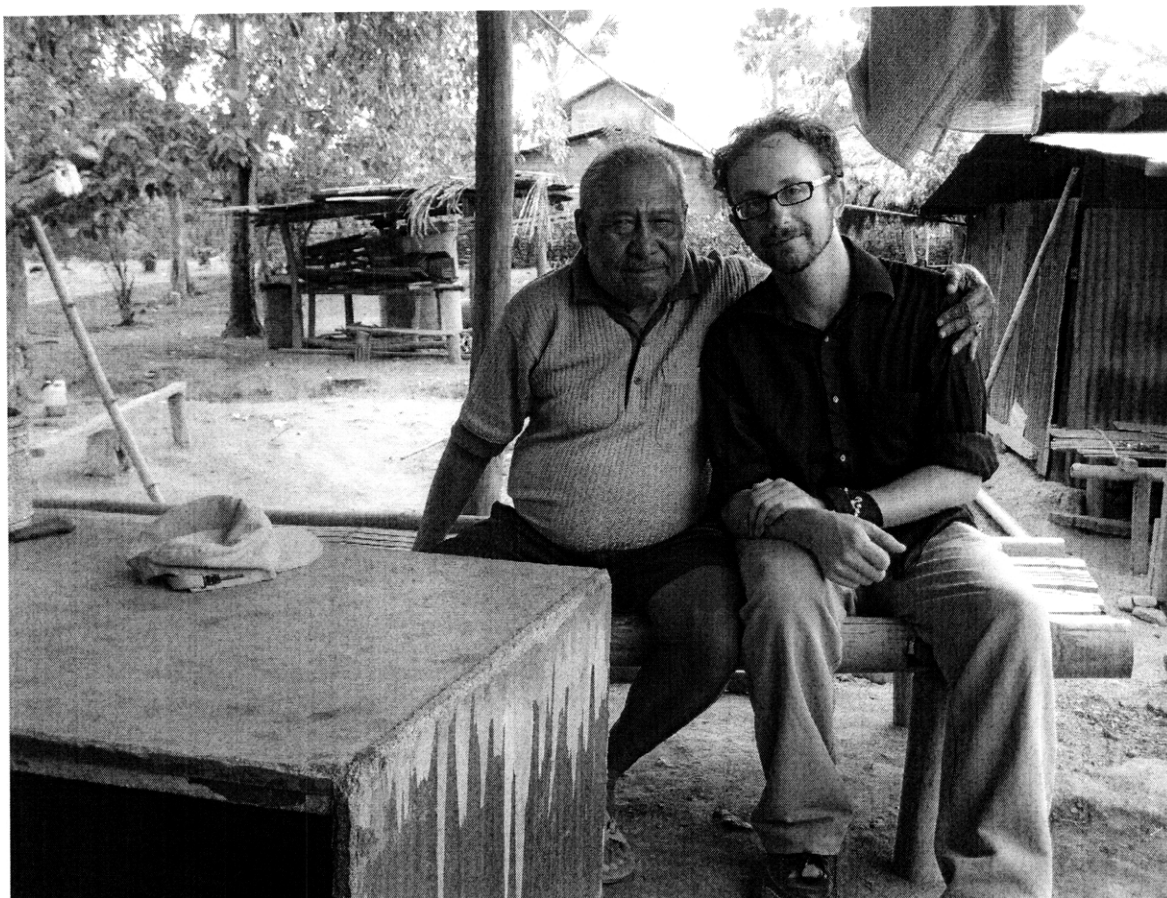


Illustration 13: the King and I in Suku Dilor, Vikeke

10:30 – The king and I go on a walking tour of the suku. He says he wants me take photos. I notice a lot of the children are rolling tires around with sticks, much like I have seen

pictures of children doing back home in New York a few generations ago. Even the pull-toy trucks and cars they have here seem to come from the same era.

11:00 – We arrive at Suku Lalini where I take a bunch of pictures and socialize for a few hours (see Illustration 14).



Illustration 14: spending the afternoon with villagers of Suku Lalini, Vikeke

13:30 – I just missed the spearing of the boar we are eating for dinner! I saw the spears come out, but I was too late coming around the corner with the camera. I got a coconut

though. Everyone was drinking and eating one.

14:30 – We are back in Suku Dilor. It's lunchtime. The king suggests a siesta, so I decide to catch up on some reading.

16:30 – Heading back to Suku Lalini for the second night of the ceremonies...

20:00 – There are more discussions, then hugs all-around, then dinner.

23:00 – The dancing has just started (see Illustration 15). It is all of the teenage boys and girls in the village. I am told that they will dance until the morning because the teenagers rarely get the opportunity to show this level of intimacy in Timorese culture. I was discussing relationships with a young man last night, and he explained to me that if a boy and a girl are caught having sex before either is married it would bring shame on the families and require payment of something like 5 cows to the offended party. Now that the ceremony is over I should be able to ask a lot more questions. Kiki is helping me with the translations. He tells me that he will continue to wear all-black clothing for a year since his father's passing in the spring.



Illustration 15: Malongo, the DJ and villagers of Suku Lalini and Dilor enjoying the night

suku leaders:

Lalini Xefe Suku Laurantino (elected in 1999)

Ahaik Xefe Suku Malongo (elected in 2005, succeeding Jermano 1999-2005; term ends in 2009)

Dilor Xefe Suku Abilio

Motolo Xefe Suku Sebastián

structure:

each suku in Lacluta has 5 aldeia (hamlets)

each konsellu suku has 11 members, so the sub-district Conselho do Posto has 44

there are Catholic churches in Motolo, Dilor and Lalini

CEP:

Xefe Suku Malongo said the World Bank project had good results here. They built roads and houses and did not interfere with the local government. They were partners with JEP and the EU. Xefe Suku Laurantino also had similar good experience. No interference in his suku from the World Bank. He said that 106 houses were built. They were partners with INAP, although this part I didn't really understand what he meant.

In general, the idea that the “banco mundial” worked with or imposed a konsellu suku does not seem to ring too many bells in the suku here. In fact, whenever I ask about the konsellu suku people always first assume I am talking about Portugal's influence on the government. People all remember the Indonesian occupation quite vividly and talk a lot about Portugal. On a few occasions, I have heard mention of three occupiers: the Portuguese, the Indonesians and the “internationals”. My impression from conversations here and in Maubisse is that the 4-year span of the project is too small a blip in the bigger 500-year oral history for people to remember. People here in Timor-Leste think in longer terms than the foreigners.

August 10 – A few more thoughts as we drive back...someone had explained to me the languages here in the sub-district. I likened his explanation to Blade Runner where they spoke a Spanish-Japanese-German-other hybrid language called “city speech”. Here, the speak is a mash-up of Tetum-Portuguese-Bahasa Indonesia. Another analogy here, but this one is to Star Trek III (why all the sci-fi?). The planet created by the Genesis device had closely-spaced contrasting biospheres. Here in Timor-Leste, we drove from lush, dense forest with tropical vegetation to a rolling green hills with mist and jagged mountains to grassy plains to the brown grass and palm trees of a mild climate like Sicily or southern California. The transition across all those was only a few hours!