

# Timor-Leste celebrates a decade of Independence

## Executive Summary

In the span of a decade, Timor-Leste has risen from a fragile state into a confident new player in the region. Over the years, the country has strived to develop the necessary democratic infrastructure and has made remarkable advances on many fronts. While Timor-Leste's progress is commendable, many challenges still remain to be addressed, particularly in the areas of justice, defence and security, and economic development. A stable and peaceful Timor-Leste is a common interest shared by its citizens as well as neighbouring states in Southeast Asia. It is within this strategic context that the 2012 Presidential and Parliamentary Elections were held. This Report seeks to examine the state of nation building in Timor-Leste today and the significance of the 2012 Presidential and Parliamentary Elections for the country and Southeast Asia as a region.

## Background

*On May 20, 2012 Timor-Leste celebrated a decade of independence as a sovereign state. The country has certainly come far over the past ten years. While some fundamental problems still remain to be addressed, Timor-Leste is emerging as a new player in the region with confidence. This paper examines the progress of the nation-building and development in Timor-Leste, the direction of its national security and foreign policy, some of the challenges that the country is facing today, the significance of the 2012 elections, and its implications for the country and Southeast Asia as a region.*

On May 20, 2012 Timor-Leste celebrated a decade of independence as a sovereign state. Having experienced centuries of colonial rule, almost a quarter of a century of foreign occupation and a war of resistance, a referendum for self-determination followed by a bloody transition, and finally gaining its rightful sovereignty as an independent nation on 20 May 2002, Timor-Leste is a country with a tragic history prior to becoming a state.

The country has evolved significantly over the past ten years. It conducted its first free elections in 2001 and survived a bloody civil war in 2006-2007. Today, it enjoys double digit economic growth and is making significant strides towards reducing unemployment and eradicating adult illiteracy. Timor-Leste now awaits the complete withdrawal of the UN's peacekeeping mission from the country. Though some fundamental problems still remain to be addressed, the country is emerging as a new player in the region with confidence. As a testament to this, and as a reaffirmation of its commitment to Southeast Asia, Timor-Leste in 2011 expressed its desire to become the newest member of the region's primary regional grouping, the Association of Southeast Asian Nations (ASEAN).

A lot is therefore riding on the successful and peaceful conduct of Timor-Leste's 2012 Presidential and Parliamentary Elections. Within this context, the report examines the progress of nation-building and the state of national development in Timor-Leste; the direction of its national security and foreign policy; some of the challenges that the country is facing today; the significance of the 2012 elections and its implications for the country and Southeast Asia as a region.

## Nation building and Development

*While Timor-Leste had been a sovereign independent nation-state for a decade, today information about the country remains inadequate, with much prominence placed on the fragility of the country and not enough emphasis given to recognise the significant progress made by the country on many fronts, including in the conduct of free and peaceful elections, good governance programmes, and its international relations initiatives.*

The year 2012 is a significant year for Timor-Leste. It will not only mark a decade of restoration of independence for Timor-Leste, but also the 100th anniversary of the 1912 Great Revolt of Manufahi against Portuguese colonial rule, which began in Timor-Leste some 500 years ago.

While the country has been a sovereign independent nation-state for a decade, today information about Timor-Leste remains sparse, with much weight placed on the fragility of the country and not enough emphasis given to recognise the remarkable progress made by the country on many fronts. Since 2001, it has been able to promote and conduct free and peaceful elections. To promote good governance, the government of Timor-Leste has also made an effort to strengthen government institutions. A prominent example is the establishment and improvement of the Anti-Corruption Commission of Timor-Leste and the National Electoral Commission.

The process of nation-building however cannot be accomplished overnight. Realizing the many challenges that the country still needed to address, in July 2011, the government of Timor-Leste took the initiative and revealed the country's strategic development plan. The goal behind this plan is to transform Timor-Leste into a middle income country by 2030.

There are four key factors that are of importance for Timor-Leste in directing its national defence, security and foreign policy. The first factor is the establishment and maintenance of good relations with other countries in conjunction with the improvement in the professionalism, quality and capability of Timor-Leste's defence force, security institutions and diplomatic corps.

The second factor is a commitment towards obtaining membership in ASEAN and towards regional integration as an affirmation of Timor-Leste's regional identity as a part of Southeast Asia. The third factor is an assurance to support and safeguard regional and international peace. The final factor is steadfastness in maintaining special ties with Portuguese speaking countries, as mandated by Timor-Leste's Constitution.

*Relations with two immediate neighbours, namely Indonesia and Australia is inevitably crucial for Timor-Leste. As such, it has over the years continued to develop strong cooperation with both countries in all aspects, most prominently in the areas of defence and security.*

Inevitably, Timor-Leste's geography and history requires it to maintain special relations with its two immediate neighbours, namely Indonesia and Australia. Considering the significance in maintaining good relations with both countries, Timor-Leste has continued to pursue mutually beneficial relations as well as defence and security cooperation with both countries. While relations with both countries in the past ten years have been good, Timor-Leste will still need to address some outstanding issues with the two countries.

With Indonesia in particular, Timor-Leste still needs to address issues related with their common border. Timor-Leste and Indonesia have worked in tandem to maintain peace and settle their common land border problems since 2002. As a result, almost all of the border issues between the two countries have been resolved, with the exception of Wekusi (Oekussi). In addition, no serious border incident has ever occurred and a mechanism has been put in place to resolve incidents should they arise.

With respect to Timor-Leste's proposal to join ASEAN, progress has been incremental. The ASEAN Secretariat has visited Timor-Leste to assess the country's capability and readiness. The issue of Timor-Leste's membership will also be further discussed under the current Cambodian Chairmanship before the next ASEAN Summit. Whether ASEAN will consider inviting Timor-Leste to join as a new member will most certainly be tied to the result of up-coming Parliamentary Elections in July.

*The impending withdrawal of UN peacekeeping forces from Timor-Leste depends significantly on the country's stability and security. Despite numerous challenges that still need to be addressed in the security and justice sector, Timor-Leste today is a much more peaceful and stable country.*

Any discussion about Timor-Leste today would not be complete without an analysis of the presence of UN peacekeeping forces in the country. The impending withdrawal of peacekeeping forces depends significantly on stability and security, which came under severe test in 2006-2007 when the country fell into a bloody turmoil. The problems of police militarization, the blurred lines between internal and external security responsibilities caused by the overlapping mandates of the police and the armed forces, as well as a poor formal justice system are some of the challenges that still need to be addressed by Timor-Leste when reforming its security sector. Nevertheless, Timor-Leste today is a much more peaceful and stable country than it was two years ago.

In the international arena, it is worthwhile to note that Timor-Leste has contributed to form and substance of a number of international policies, for example, through the World Health Organization, the Extractive Industry Transparency Initiative, the International Dialogue for Peace-building and State-building, and the UN Committee on Women's Rights. The country has also been a strong promoter of human rights in Southeast Asia, democracy, and free media relations. It is a vocal advocate for promoting a fundamental shift in the way development partners interact with aid recipient countries and how the relationship between the two parties can be improved.

### **The 2012 Presidential and Parliamentary Elections**

In 2012, Timor-Leste will hold two important elections. The first, already completed in March and April 2012, is to elect a new President. The second will be general elections to be held in July 2012 to elect members of Parliament.

*In the lead up to the Presidential Election, tensions for potential violence had been high. Fortunately, with a combination of a commitment to peaceful and democratic elections, goodwill and pressure from civil society organizations, resistance movement groups and religious groups, the election was successfully conducted in a peaceful and orderly manner.*

The turnout for the 2012 Presidential Election was lower than 2007 with only around 78 per cent of 620,000 registered voters taking part in the ballot during the first round of the elections. One of the main reasons was a revision in the Electoral Law No. 7/2006, which restricted voters to cast their votes only in their registered hometowns. Twelve candidates competed for the Presidential Election. In the end, former military chief José Maria Vasconcelos – popularly known as Taur Matan Ruak – was elected as President with 61.23 per cent votes, defeating Fransisco Guterres “Lu Olo”.

In the lead up to the Presidential Election, tension and fear for potential violence was high. Fortunately, the election was successfully conducted in a peaceful and orderly manner. Several factors can be attributed to this success and the general peaceful atmosphere of the election. First, there was a clear commitment shown by all presidential candidates and political parties to have a peaceful and democratic election. Symbolically, this was done through the signing of a Peace Pact and the Codes of Conduct drafted by the Electoral Administration Body (STAE) endorsed by all competing candidates and political parties. Second, leadership was provided by senior political figures who demonstrated goodwill by attending each other's party conferences and publicly conveying their good wishes to each other. Last but not least, the pressure exerted by civil society organizations, resistance movement groups and religious groups in demanding for a peaceful and democratic election.

*The 2012 Presidential Election demonstrated the persistence of a number of enduring factors important for shaping the dynamics of Timor-Leste's elections, particularly with regard to voting behavior. Taking these characteristics into consideration, while the competition seems to have broadened in the 2012 elections, in reality it can be narrowed down to being a contest between a handful of familiar players.*

The 2012 Presidential Election demonstrated the persistence of a number of enduring factors important for shaping the dynamics of Timor-Leste's elections, particularly with regard to voting behavior. The first and primary factor is the prominent role of Xanana Gusmão. Past presidential elections in Timor-Leste have highlighted that independents supported by a political party, and those favored by Xanana, have always won the presidency. The second factor is political party militancy as evident in the case of Fretilin. The historical origins of the party remain its defining feature and source of influence. As the main revolutionary front for Timor-Leste's independence, Fretilin is tied to the country's history and identified by the people as the party of struggle. The political party's image and support from ex-Falintil soldiers have served as the main basis for gaining votes, as proven by Fretilin in the 2002 and 2007 Presidential and Parliamentary Elections. The third and final feature is the predominance of figures rather than issues during elections. Issues, while relevant to the people, are not the main factors influencing voters to vote for a particular candidate or a political party. The majority of Timor-Leste's voters still vote for prominent figures, or those backed by them during the Presidential Election. Although Timor-Leste employs a closed list proportional representation system in the Parliamentary Election – meaning voters vote for parties instead of directly voting for a member of parliament – voters still cast their votes for parties that have prominent figures as candidates.

Taking into consideration the above characteristics, while the competition seems to have grown more intense in the 2012 elections (12 candidates in the Presidential Election, and 26 political parties in the Parliamentary Election), in reality it can be narrowed down to being a contest between a handful of familiar players.

*Taking into consideration the election system and the number of parties competing in the up-coming Parliamentary Elections, there is little likelihood for a single party to win an absolute majority in the Election. Therefore, it would be safe to assume that the next Timor-Leste government will also be a coalition government. The outcome of the recent Presidential Election might serve as a useful indicator to estimate the number of votes that the political parties will gain during the Parliamentary Election.*

Regarding the up-coming Parliamentary Election, taking into consideration the election system and the number of parties competing in the election, there is little likelihood that a single party will win an absolute majority. Therefore, it would be safe to assume that the next government will also be a coalition government. As presidential candidates are backed by political parties, the outcome of the recent Presidential Election might serve as a useful indicator to estimate the number of votes that these parties will gain during the Parliamentary Election.

Based on the result of the recent Presidential Election, therefore, there are several possible scenarios for the next coalition government, namely: (1) a coalition between Fretilin and the political parties of other defeated presidential candidates, with the exception of José Ramos-Horta; (2) a coalition between CNRT (National Congress for the Reconstruction of East Timor party, led by Prime Minister Xanana Gusmão) and UDT (Timorese Democratic Union), PSD (Social Democratic Party, led by current Minister for Foreign Affairs, Zacarias da Costa) or PD (Democratic Party, led by National Parliament Speaker, Fernando de Araújo and backed by José Ramos-Horta); and (3) a coalition of major parties excluding the CNRT seen as the "common enemy".

## Conclusion

Over the past ten years of its independence, Timor-Leste has strived to build a secure, stable and peaceful country while at the same time addressing the social and economic needs of its society. It has made an effort to build-up its government institutions, professionalize its defence and security apparatus, ensure the freedom of its press and successfully undertake free and democratic elections.

The country has successfully conducted its third Presidential Election and will hold its Parliamentary Election on 7 July 2012. While political competition has become more intense this year, no dramatic transformation of the political landscape is expected to occur. A lot hinges upon the successful conduct of the up-coming election. A peaceful election will secure the completion of the UN Integrated Mission in Timor-Leste (UNMIT) and the withdrawal of its 1200-strong police contingent. It will also be a favorable sign that the country is capable and ready to join ASEAN. Most importantly, it will provide the political capital needed by the coming government to ensure further progress and development in Timor-Leste.

Despite these successes, challenges still abound. The country has only just recovered from bloody political turmoil in 2006 and still has numerous problems in the areas of good governance and combating corruption, justice and law enforcement, education, economic development, health, and food security. Nevertheless, these challenges are natural and are inevitable challenges faced by many developing countries, particularly post-conflict states. The process of nation building and peace building will not be accomplished overnight. To do so requires strong leadership, wisdom, commitment and patience. These are important facets that the rest of the region will pay close attention to as Timor-Leste makes its way out of its period of transition and emerges as a new player in the region.

## About the Policy Report

This Policy Report was developed from the proceedings of a Joint Seminar held by The Asia Foundation and the Indonesia Programme of the S. Rajaratnam School of International Studies on 24 April 2012. The Joint Seminar entitled, "Timor-Leste: State of the Nation 2012" brought together two speakers, namely Ambassador Roberto Sarmiento de Oliveira Soares and Mr. Hugo Fernandes.

**Ambassador Roberto Sarmiento de Oliveira Soares** took office as first Ambassador Extraordinary and Plenipotentiary of the Democratic Republic of Timor-Leste to the Republic of Singapore and Brunei Darussalam on 28 January 2009. Prior to his current positions, he served as Director General of Cooperation and Regional Integration of the Ministry of Foreign Affairs. He was also the Chairman of the Technical Sub-Committee for Border Demarcation and Regulations between Timor-Leste and Indonesia, from 2008-2010, and Spokesperson for the Socialization and Dissemination of the Commission of Truth and Friendship Recommendations between Timor-Leste and Indonesia, 2009. He is a career diplomat and one of the pioneers of Timor-Leste's Foreign Diplomatic Services serving in the Ministry of Foreign Affairs and Cooperation since its inception in 2000.

**Hugo Fernandes** is The Asia Foundation's Program Director for Parliamentary and Ministerial Strengthening Program in Timor-Leste. He joined the Foundation in 2008 after more than 5 years working as researcher on transitional justice issues. He started his professional carrier as consultant for Community Forestry Project in Suai, Timor-Leste Dili from 1996-1997. From 1999-2000, he worked as Program Manager for International Catholic Migration Commission (ICMC) in Jakarta and Dili. Prior to his current position, he worked as Director of Research and Investigation for Bilateral Truth and Friendship Commission (CTF) of Timor-Leste and Indonesia from 2005-2008 and as Editor of the CTF Final Report - Per Memoriam ad Spem. From 2002-2004, he was the Director of Research and Investigation for the Commission of Reception, Truth and Reconciliation of Timor-Leste and from 2004-2005, he was Co-Managing Editor for CAVR Final Report, CHEGA.

## About the Organizers

*The S. Rajaratnam School of International Studies (RSIS)* was officially inaugurated on 1 January 2007. Before that, it was known as the Institute of defence and Strategic Studies (IdSS), which was established ten years earlier on 30 July 1996. Like its predecessor, RSIS was established as an autonomous entity within Nanyang Technological University (NTU). RSIS' aim is to be a leading research institution and professional graduate school in the Asia-Pacific. To accomplish this mission, RSIS provides a rigorous professional graduate education in international affairs with a strong practical and area emphasis; conducts policy-relevant research in national security, defence and strategic studies, international political economy, diplomacy and international relations; and collaborates with like-minded schools of international affairs to form a global network of excellence.

The Indonesia Programme is one of nine active research programmes under the umbrella of the Institute of Defence and Strategic Studies (IDSS), the Programme studies current developments and a wide range of key issues in the archipelago, including political Islam, military and security affairs, foreign policy and regional relations, as well as national and local politics – especially in the Riau region. Through various research, networking, and teaching activities, the Programme has not only provided a platform for networking between the Singapore policy community and the emerging political elites in Indonesia, but it has also tried to further deepen mutual understanding and closer friendship between the two neighbours.

*The Asia Foundation* is a nonprofit, nongovernmental organization committed to the development of a peaceful, prosperous, just, and open Asia-Pacific region. The Foundation supports Asian initiatives to improve governance and law, economic development, women's empowerment, the environment, and regional cooperation. Drawing on nearly 60 years of experience in Asia, the Foundation collaborates with private and public partners to support leadership and institutional development, exchanges, and policy research. With 17 offices throughout Asia, an office in Washington, DC, and its headquarters in San Francisco, the Foundation addresses these issues on both a country and regional level. In 2011, the Foundation provided more than \$97 million in program support and distributed nearly one million books and journals valued at over \$41 million.