

# Trajectories of Twenty Years of State-building in Timor-Leste: Introduction to the Special Issue

Yuji Uesugi

## Introduction

Timor-Leste will celebrate the twentieth anniversary of its independence on May 20, 2022. As we approach this milestone, it is worthwhile to look back on the history of Timor-Leste's state-building, examining the efforts of its government and people and the roles played by the international community. In this special issue, twenty years of state-building in Timor-Leste is examined, from the pre-independence period, when the foundations and basic frameworks of the state were envisaged and laid out by the United Nations (UN), up to the present. In those two decades, a wide range of state-building initiatives were implemented. For example, a series of elections were held, including the 2001 election for a constitutional assembly, presidential elections (in 2002, 2007, 2012, and 2017), general elections (in 2007, 2012, 2017, and 2018), and elections of *suco* (village) chiefs and councils (in 2004-5, 2009, and 2016). The constitution and other laws, including the law on the veterans' pension scheme, were drafted and enacted, the parliament was inaugurated, and national languages and a currency were selected. Statutory institutions such as the Falintil Defense Force of Timor-Leste (F-FDTL), the National Police Force of Timor-Leste (PNTL), the public administration, the *suco* councils, and the Petroleum Fund were established. The recruiting and training of civil servants was carried out. In addition, directions and visions for state-building were set, including the establishment of national symbols for integration and nationally shared myths through the construction of the resistance museum and the memorial to heroes (and victims), commemorating their suffering and devotion to the liberation struggle.

The existing literature on Timor-Leste's state-building has attempted to

verify the short-term effects of intervention, focusing on the periods surrounding independence, covering the post-referendum humanitarian intervention by the International Force East Timor (INTERFET) in 1999 (Rees 2004; Blaxland 2015) and the subsequent interim governance offered by the UN Transitional Administration in East Timor (UNTAET) (Smith 2003). Other authors have extended the timeframe to 2012 to include the period in which the International Stabilization Force (ISF) and the UN Integrated Mission in Timor-Leste (UNMIT) were deployed in the aftermath of the internal security crisis of 2006 (Kent 2012; Wallis 2014, 2017; Kent, Ingram, and McWilliam 2015; Harris and Goldsmith 2017; Simangan 2017; Howe, Peou, and Uesugi 2021). Nevertheless, only a few attempts have been made to review the entire trajectory of Timor-Leste's state-building on a medium-term scale, encompassing various undertakings in the past twenty years. Therefore, challenges frequently found in the nascent stage of state-building and in crisis response/management were placed at the center of existing research, and although they are important aspects of state-building, other aspects such as the ripple effects and medium-term impacts that are difficult to measure in a short timeframe have so far been left out of the evaluations.

Now, two decades on from independence, it is possible to conduct a medium-term impact assessment. State-building efforts by the people of Timor-Leste and the efforts in support of state-building by the international community can be reexamined retrospectively. In earlier stages of state-building, local actors' capacity for state administration and management were underdeveloped and the international community was unfamiliar with the local context. This could have been the cause of initial malfunctions that were identified and registered as "failures" in the existing literature. After two decades of ceaseless effort, however, local capacity has been increased to a certain degree and the assistance offered by the international community has been improved to better accommodate local needs (Asia Foundation 2019a). Nevertheless, earlier short-term malfunctions continue to be stigmatized as failures. We believe that the case should be revisited, and previous evaluations should be updated from a medium-term perspective so that better empirical lessons can be drawn for "measuring peace consolidation" (Caplan 2019, 4, 104-22).

For example, the PNTL, which was established under the auspices of the UN, failed to respond effectively to the internal security crisis that erupted in Timor-Leste in 2006. This provoked criticism of the PNTL as well as of the manner in which the international community was supporting state-building in Timor-Leste. At the same time, the PNTL's reputation among the general public was poor (Goldstone 2013), and at one point it was pointed out that some PNTL officers were linked to violent hooligans known as martial arts groups (MAGs) (Scambary 2011, 66; 2019, 108). Immediately after its *de facto* institutional dissolution at the time of the 2006 crisis, the PNTL was recognized as a destabilizing factor, and UNMIT was tasked with carrying out an overhaul of the force, including

screening and retraining PNTL personnel. Now, however, the PNTL has won the trust of the people and is contributing to the maintenance of local order and community security (Asia Foundation 2019b).

To fill this gap in the literature, the articles in this special issue undertake a medium-term impact assessment of the turbulent course of Timor-Leste's state-building by taking advantage of hindsight. At this critical juncture of the state's twentieth anniversary, the impacts of the state-building support offered by the UN, which was the most comprehensive and intrusive endeavor in the history of the organization, are reviewed. Also under review here is the interplay between national and local actors and institutions in Timor-Leste on one side, and those from the international community on the other. In this, the authors draw on the fruits of recent enquiries and make use of concepts such as "Quality Peace" (Joshi and Wallensteen 2018; Wallensteen 2015), "Measuring Peace" (Caplan 2019), "Reclaiming Everyday Peace" (Firchow 2018), and "New Directions in Peacebuilding Evaluation" (d'Estrée 2020). While state-building in Timor-Leste continues to face many challenges, the country is no longer a threat to international peace and security, having become a sovereign member of the international community. Through a medium-term impact assessment employing "Complexity Thinking" (Brusset, de Coning, and Hughes 2016), the articles in this special issue aim to derive lessons from the state-building exercise in Timor-Leste which may be applicable to other cases, thus contributing to academic discussion on Quality Peace and Measuring Peace.

## The State-building Landscape in Timor-Leste

### *Resistance Movement*

Civil war broke out in Timor-Leste in 1974 at the time of independence from Portugal. The country then experienced military intervention and annexation by a neighboring country, Indonesia, followed by twenty-four years of occupation, during which approximately two hundred thousand East Timorese (hereinafter, Timorese) died. The Revolutionary Front for an Independent East Timor (FRETILIN) was formed in 1974 and played a key role in resisting Indonesian annexation and occupation. Following the Indonesian military invasion in 1975, FRETILIN's leadership (Central Committee) fled abroad to countries such as Mozambique, while its military wing, the Armed Forces for the National Liberation of East Timor (Falintil), remained in the occupied area to carry out armed resistance. Later, when the Revolutionary Council of National Resistance (CRRN) was formed in 1981, Falintil transformed itself into a non-partisan organization, and together with other resistance organizations, it presented a united front against the Indonesian occupation. The CRRN evolved into the National Council of Maubere Resistance (CNRM) in 1988, becoming in 1998 the

National Council of Timorese Resistance (CNRT) which served as a key local interlocutor for the UN.

### *Political Elite*

In the process of state-building from independence in 2002 up to the present, former leaders of FRETILIN and Falintil have constituted the political elite in Timor-Leste. For example, Mari Alkatiri (born in 1949), a key political figure in FRETILIN, served as Timor-Leste's first and fifth prime minister (2002-06; 2017-18). Xanana Gusmão (born in 1946), head of the National Council of Timorese Reconstruction (CNRT), a political party founded in 2007, served as the first president (2002-07) and the third prime minister (2007-15) and is a former Falintil commander-in-chief. José Ramos-Horta (born in 1949), Timor-Leste's second prime minister (2006-07) and second president (2007-12), was a founding member of FRETILIN. Taur Matan Ruak (born in 1956), the first commander of the F-FDTL, third president (2012-17), and sixth prime minister (2018-), became commander-in-chief of Falintil after Gusmão was captured by the Indonesians. Francisco "Lù-Olo" Guterres (born in 1954), who was the first chairman of the parliament and is currently Timor-Leste's fourth president (2017-), was a member of Falintil during the resistance struggle and also an executive member of FRETILIN. These political figures have led the nation for nearly forty-six years, during both the resistance struggle and the post-referendum state-building process.

### *Prelude to State-building*

Jusuf Habibie, who became president of Indonesia upon the resignation of his predecessor, Suharto, in 1998, conducted a referendum (officially called a direct popular consultation) on August 30, 1999, which allowed the people of Timor-Leste to decide whether they wanted "special autonomy" within the Republic of Indonesia or independence. In the lead-up to the referendum, negotiations were held between Indonesia, which effectively controlled the territory now called Timor-Leste, and Portugal, a former colonial master of the contested territory, with the UN serving as an intermediary. The UN Mission in East Timor (UNAMET) was dispatched to support the referendum, but Indonesia remained responsible for the maintenance of law and order during the vote. The outcome of the referendum was that 78.5 percent of voters rejected the offer of expanded autonomy within the Republic of Indonesia (that is, they opted for independence). This result sparked post-referendum violence by Indonesian troops and anti-independence Timorese militias against those who supported independence (Wassel 2014, 5). Two hundred and fifty thousand people—more than a quarter of the entire population of Timor-Leste—fled to neighboring Indonesian provinces or were forcibly taken as hostages by anti-independence forces.

Under these circumstances, Australian-led multinational forces intervened to restore order and UNTAET was authorized on October 25, 1999, to prepare Timor-Leste for independence. Indonesians who had served in the military, the police, or as civil servants retreated to Indonesia. Timorese who had committed crimes as members of the anti-independence militias fled to Indonesian West Timor. As elaborated in Cross's article in this special issue, a Serious Crime Unit was established within UNTAET and a Serious Crime Panel was convened to try those accused of committing such crimes as murder, torture, and rape around the time of the 1999 referendum. For less serious crimes, the Commission on Reception, Truth and Reconciliation (CAVR) was set up in 2001 under the auspices of UNTAET to facilitate reconciliation between perpetrators and victims of the violence of 1999 and beyond (Cross's article also evaluates transitional justice efforts such as those carried out by CAVR).

## The Framework for Evaluating Peacebuilding

### *Relational Impact Assessment*

As mentioned above, the existing literature has evaluated the short-term results of state-building endeavors in Timor-Leste before they had either fully blossomed or withered on the vine. A shared objective of all the articles in this special issue is to fill this gap: to look back on two decades of state-building efforts by locals and the international community in Timor-Leste within a medium-term framework, including indirect and ripple effects. Analytical frameworks employed to measure short-term direct effects of a process are not always suitable for the medium-term impact assessment that this special issue purports to undertake. In addition, since the focus of previous research has been on the external support for Timor-Leste's state-building offered by the international community, the effects of outside interventions have already been verified rather extensively. This reflects the practice of peacebuilding evaluation carried out elsewhere in the world, which has been essentially an evaluation of external intervention. However, the interaction between Timor-Leste's society and the outside intervention has not been adequately scrutinized.

In the field of peacebuilding, the impact of the local context in the host country and the environment surrounding international intervention should not be overlooked. For example, how society in Timor-Leste has responded to the UN's support for state-building affects the process of accepting foreign institutions and values imported by the UN and other foreign donors. As hybrid peacebuilding theory suggests, it is necessary to examine the process and results of the interplay between the two agents (Mac Ginty 2016; Richmond and Mitchell 2016; Uesugi 2020; Wallis et al. 2018). Therefore, in this special issue, rather than evaluating the performance of outside intervention independently, the authors

assess the interaction between the local community engaged in state-building and the international community that is providing support, as this has shaped the emerging hybrid political order in Timor-Leste (Boege et al. 2008). The article by Miyazawa and Miyazawa in this special issue focuses on one such product of this interaction: the hybrid governance mechanisms that have emerged in Timor-Leste.

### *Criteria and Methods*

In the process of peacebuilding, in which various factors are intertwined, it is extremely difficult to find a clear causal relationship between a specific intervention and the situational change brought to the scene (Hunt 2016). It is often difficult to clarify even the correlation between the two. Of course, exploring linear causal links between inputs and outputs through mechanical quantitative analysis is not an appropriate methodology for assessing dynamic and multifaceted peacebuilding efforts. In this special issue, the article by Daimon-Sato demonstrates a way of overcoming the shortcomings of quantitative analysis by employing multiple indicators, including cohesion, economic, political, social, and cross-cutting indicators, to explain Timor-Leste's state fragility from different angles. Even if a particular initiative fails to achieve its intended objective, it could serve as a stimulus, motive, example, or reference for other initiatives. In an extreme case, people can learn from their mistakes, so failed initiatives can act as negative examples, and some initial attempts that did not have immediate positive effects can mature over the medium to long term and end up having a considerable impact.

Ironically, short-term success can sometimes cause a rise in unrealistic expectations which could become a source of instability and insecurity in the long run. For example, the article by Simangan and Bose in this special issue sheds light on negative long-term effects, such as corruption and unsustainable spending practices, of autonomous management of oil and gas revenues to achieve short-term economic incentives. But existing assessment frameworks tend to apply a short timeframe and to examine direct causal relationships and sustainability of the planned effects and outcomes. Even if a particular intervention is short-lived and its initial beneficiaries are limited in number, it can still have a positive impact on medium- to long-term peacebuilding so long as it has led to desirable changes in local contexts, or in the attitudes and behavior of local stakeholders. On this point, a good example is presented by Tanaka-Sakabe in her article in this special issue, which focuses on efforts made by civil society to bridge the gap between the capacity of the state apparatus and society to make the state more accountable to the people. Likewise, Cross's article highlights the continuing role played by civil society in supplementing the official transitional justice process and allowing introduced norms such as women's rights and the criminalization of domestic violence to take root in Timorese society.

As elaborated by Simangan and Bose, a mechanism designed for Timor-Leste's Petroleum Fund, which manages revenues from the Timor Gap oil and gas fields, has been supported by the international community with measures that are transparent and designed to prevent arbitrary maneuvers. The support provided by the international community for this institution-building has achieved its intended objective and thus it can be evaluated as effective support. At the same time, however, the Petroleum Fund lacked operational flexibility, and in the early days of state-building immediately after independence, the government was unable to allocate funds quickly enough in response to people's needs due to the rigid regulations binding the Fund's operations. This led to a decline in public confidence in the newly born state, which may have nurtured a practice of relying heavily on financial assistance from the international community (Neves 2018).

In hindsight, it can be argued that the ripple effect of the rigid system applied to the Petroleum Fund facilitated a change of government, policy amendments, and institutional reforms. In a nutshell, the ground reality in Timor-Leste overwrote the ideal operating system developed by the international community, thus better reflecting the needs of the people who were adversely affected by the regulations introduced from outside. As a result, the resources of the Petroleum Fund were seen as a silver bullet that could overcome the political crisis that the subsequent administration faced. Offering monetary incentives to people internally displaced by the 2006 crisis to aid their repatriation is a case in point. The government also provided compensation to the "petitioners" who left their barracks after becoming dissatisfied with discriminatory treatment in the military, an event which triggered the crisis in 2006. The Petroleum Fund was used to finance these measures—a practice known as "buying peace" (Dal Poz 2018; Howe, Peou, and Uesugi 2021). However, Daimon-Sato warns in his article that Timor-Leste's excessive reliance on the Petroleum Fund is evidence of the danger of misusing or abusing natural resources. The drafters of the Petroleum Fund regulations anticipated the possibility of Timor-Leste falling into a "resource trap" or suffering from a "resource curse," so they built various safeguards into the mechanism, which caused initial difficulties for inexperienced government officials. Despite the precautionary measures installed by the designers of the Petroleum Fund, urgent need on the ground forced the local politicians to bend the rules, as identified by Simangan and Bose in their article.

Over the past two decades, stakeholders in both Timor-Leste and the international community have improved their approaches to state-building (and state-building support). Even if the stakeholders have not changed, the relationships between the state and society, and between the governing and the governed, have gone through a process of adaptation, modification, correction, improvement, and sometimes rejection. A major trend in impact assessment in the field of peacebuilding is to measure the plausible "contribution" rather than the direct causal "attribution" of an intervention (d'Estrée 2020, 11-12; Hughes

2016; Hunt 2016; Firchow 2018; Caplan 2019).

Also, as the saying goes, “Rome was not built in a day,” and the cumulative effect of small efforts can sometimes make a considerable difference. Hence, this kind of cumulative effect should also be added to the medium-term impact assessment. In other words, we need to go beyond myopic assessments of the direct utility of individual approaches and extend the temporal and spatial range of our assessment, including even eternal and spiritual changes in Timor-Leste as explored in Winch’s article in this special issue. Of course, the economic and financial aspects are areas where tangible benchmarks can be set and assessed quantitatively by statistical means, but this special issue is not limited to the quantitative analysis of individual initiatives; instead, its distinctive objective is to examine the far-reaching effects and interplays of various state-building initiatives attempted in Timor-Leste. Daimon-Sato, for example, combines quantitative and qualitative analyses to evaluate the impact of foreign aid on state fragility in Timor-Leste.

### *Contribution Analysis*

It is natural for contribution analysis to be employed in this special issue. A case study is a common method of contribution analysis used to explore and establish causal relationships and correlations between intervention and outcomes. Contribution analysis is characterized as providing plausible evidence of the changes that a particular intervention may have had (Hughes 2016). By accumulating plausible evidence, a “contribution story” is established (d’Estrée 2020). It is the role of a contribution story to explain the result chain of why and how a certain initiative contributed to or produced a particular outcome.

The result chain includes linkages not only to intended changes, but also to unintended or unexpected changes. Contribution analysis assesses not only changes that are desirable for state-building, but also those that are not desirable. In building a contribution story that explains why and how a certain change has taken place, it is necessary to listen not only to local stakeholders but also to the public at large. This requires ethnographic approaches to evaluation, which rely on knowledge of local culture, history, and conflict dynamics (Millar 2014; Caplan 2019, 107-8; Close 2018). In addition, it is also important to consider the reasons why the impacts are sustained over a long period of time, as well as the factors and paths that have secondary or indirect impacts on the ground, such as knock-on effects and ripple effects.

A contribution story can be constructed as follows. The security situation in Timor-Leste has significantly improved as a result of the organic interplay of various factors, one of which is the untiring investment in the capacity development of police officers. The UN, for instance, established a police academy in Timor-Leste prior to independence. Since its inception, with the support of the UN as well as other bilateral and multilateral donors, the police academy has

continued to build capacity and raise awareness among police officers. The PNTL has now introduced a network of village police officers (OPSs), one in each village across the country (Kocak 2018). As illustrated in the article by Uesugi in this special issue, this attachment of police officers to rural communities has allowed the PNTL to win the trust of community leaders as well as the general public. OPSs now collaborate with community leaders to maintain local law and order, and their law enforcement efforts—in collaboration with the statutory courts, the embodiment of modern judicial governance—have worked effectively as a complement to the traditional and customary forms of authority.

In addition to the hybridization of state/formal and customary/informal mechanisms, the state officially defines veterans and clandestine members of the liberation/resistance movement and acknowledges their contribution to independence (World Bank 2008). Their devotion to the state is rewarded through a generous veterans' pension scheme (Roll 2018). Those veterans and clandestine members of the resistance who survived the struggle, as well as the family members of deceased veterans, are financially supported by the state. Once these people obtained these monetary benefits, they calmed down. Moreover, some veterans were given statutory positions as public safety officers in a local administration body called the Community Security Council (CSC), or *Konsellu Polisiamentu Komunitária* (KPK). While these posts are honorary (unpaid), they fulfil the veterans' need for recognition and a sense of belonging to their community through involvement in the maintenance of village-level security. All these factors have contributed to improved community security in rural areas of Timor-Leste (this kind of contribution story is reproduced in articles in this special issue by Uesugi, Tanaka-Sakabe, and Cross, focusing respectively on community security, roles played by NGOs, and transitional justice).

To construct a contribution story as described above, it is useful to apply participatory research techniques such as participant observation over a certain period, surveys of and interviews with key local stakeholders, and focus group discussions. Therefore, some articles in this special issue employ empirical case study as their chief methodology, drawing insights from participant observations and interviews with stakeholders in Timor-Leste and their international partners. Other techniques are also used, where appropriate. For instance, the “outcome mapping” technique can be used to verify impacts on a relationship, and it is useful for examining the correlation between the changes in people's perceptions of the PNTL and the actual improvement of police officers' attitudes and behavior (Hunt 2016). In Timor-Leste, people's confidence in the PNTL has increased significantly since 2015 as police officers' attitudes and behavior have improved (Asia Foundation 2019b), and continuous monitoring over time has allowed us to identify gradual shifts in people's perceptions and identify reasons for collective cognitive changes among a group of people.

*Context-Specific, Needs-Based Peacebuilding Evaluation*

One question we should ask is, have the joint efforts of Timor-Leste and the international community produced the desired progress toward the goal of state-building in the context of peacebuilding? What would that desired progress be, from various points of view? The assumptions underlying these questions need to be articulated here, as they operate throughout this special issue.

One of the reference points used in this special issue is “liberal peacebuilding.” Various attempts made in support of state-building have been criticized in the existing literature, as doubt has been cast as to whether they have led to desirable results from the perspective of liberal peacebuilding. However, as the recent “post-liberal peacebuilding” discourse has raised doubts about liberal approaches, some of the efforts and goals perceived as desirable in a liberal value system are no longer necessarily seen as achievable, and they are even seen as undesirable in other contexts. Liberal peacebuilding approaches tend to see the state as the embodiment of liberal values and to make the creation of a liberal state the overall goal of state-building, regardless of the intentions, expectations, needs, and priorities of the host society. The “local turn” in peacebuilding, in contrast, suggests that the goals of state-building must be closely associated with the local people and aligned with the local context, taking into account the nature of the terrain where the state is being built (Leonardsson and Rudd 2015). Because different local stakeholders may have diametrically opposed interests, it is also essential that the concept of “locals” be unpacked, and its dynamic and fluid nature be captured. In this special issue, therefore, “complexity thinking” (Brusset, de Coning, and Hughes 2016) is introduced and ethnographic approaches (Caplan 2019) are employed in the medium-term impact assessment. Through this ethnography-based understanding of social and political change (Brusset 2016) local voices are incorporated into the measurement and evaluation (Firchow 2018).

In this special issue, the concept of “locally grounded legitimacy” (Clements and Uesugi 2020, 139) is a key criterion for evaluating the evolution of state-building in Timor-Leste. In other words, the authors are seeking to assess the collective efforts made over the past twenty years from the perspective of whether a state that can respond to the needs and win the trust of its people has indeed been born or nurtured. Of course, people’s needs change according to circumstances; they fluctuate over time and respond to changes in the environment.

The needs and priorities of state-building for the people of Timor-Leste may have changed over the past two decades. As people’s perceptions have changed, some customs and traditions have been modified. Similarly, the relationship between the state and society—between the governing and the governed—has also changed, and customary practices and traditional values have shown signs of transformation. Despite the numerous macro- and micro-economic challenges that have been identified, the everyday economic situation in Timor-Leste has

improved, especially in urban areas. The capacity of national civil servants has grown over the last two decades thanks to intensive efforts in human resources development. People's trust in the state has been enhanced by a number of success stories. The articles in this special issue trace the trajectories of these developments.

## The Structure of this Special Issue

This special issue has eight articles, each of which offers a mid-term evaluation of state-building in Timor-Leste from a different angle. The first article, "Evaluating the Legacy of State-Building in Timor-Leste," by Joanne Wallis and Guteriano Neves, serves as a reference point for the rest of the contributions and provides an overall framework for identifying the legacy of two decades of state-building in Timor-Leste. Wallis and Neves argue that much of the academic criticism of the state-building mission has proven to be largely accurate: political and economic development has indeed been challenged by the legacy of key decisions made during the early state-building process. They point to the focus on centralized state institutions as leading to the underdevelopment of administrative, political, and economic decentralization. They demonstrate that the partisan nature of the constitution-making process facilitated the continued concentration of political and economic power in the hands of certain elites. They also maintain that the ambiguous—and at times conflictual—division of powers between state institutions has facilitated the emergence of political clientelism and undermined broad-based economic diversification and development.

While Wallis and Neves identify the shortcomings of the centralized state-building process in Timor-Leste, the second article, "Developing the State-Society Relationship in Timor-Leste: A Quest for Social Accountability with NGOs," by Yukako Tanaka-Sakabe, investigates the same process while focusing on the sub-national level. Tanaka-Sakabe examines social accountability in Timor-Leste by scrutinizing the patterns of state-society interactions and analyzes the role that NGOs played in filling the gap left by over-centralized approaches to state-building. She highlights NGOs' multiple functions, ranging from oversight and advocacy (including suggesting alternative forms of public services to the government and conveying citizens' views to the government) to service delivery at the grassroots level on behalf of the state. She demonstrates how NGOs have been able to fill the gap that has opened up between the state and society by closely associating themselves with *suco* (village) and community authorities. Wallis and Neves argue that the overall impact of state-building support by the international community has crippled the decentralization process in Timor-Leste, while Tanaka-Sakabe demonstrates that international support for local NGOs has helped supplement the capacity gap in the central government and

extend public services to local communities in Timor-Leste.

The third article is entitled “Oiling the Rigs of State-building: A Political Settlements Analysis of Petroleum Revenue Management in Timor-Leste,” by Dahlia Simangan and Srinjoy Bose. Following on from the article by Wallis and Neves, Simangan and Bose delve deeper into the economic and political implications of the management of the Petroleum Fund, a major pillar of state-building in Timor-Leste. They focus on the way that the Fund was established in 2005 to prevent the economy from suffering from a “resource curse.” They argue that the management of the Fund has become a source of controversy as it created opportunities for corruption and unsustainable spending practices. Building on what Wallis and Neves identify as the negative legacy of state-building in Timor-Leste and using the Political Settlements approach as an analytical framework, Simangan and Bose first locate political networks in Timor-Leste’s customary forms of governance, and then unpack how these clientelist/patronage networks (bent on consolidating interests and power) influence the management of petroleum revenues. They show that the underlying distribution of power in Timor-Leste creates entrenched economies that are incompatible with different efforts to promote peace and reform. They find that Timorese elites negotiate their interests through patronage, rivalry, and rent seeking funded by petroleum revenues, and that this engenders corruption, clientelist rule, and economic disenfranchisement.

Takeshi Daimon-Sato’s article, “Why Does Timor-Leste Remain Fragile? A Resource Dependence Explanation,” introduces the concept of fragility into a review of state-building in Timor-Leste since independence in 2002. Daimon-Sato argues that while Timor-Leste has achieved high economic growth, its economy has remained fragile because of its heavy dependence on external factors, namely oil and gas revenues—something that was also pointed out by Simangan and Bose. Daimon-Sato attempts to elucidate the reasons for Timor-Leste’s fragility from various indicators. He concludes that foreign aid and investment offered by the international community for state-building projects in Timor-Leste have not been able to eliminate the sources of fragility in this resource-dependent economy. He goes on to suggest that foreign aid and investment should have been used to help diversify the country’s economic monoculture.

The first four articles in this special issue offer mid-term evaluations of the macro achievements in Timor-Leste’s state-building, whereas the next four articles offer equivalent evaluations of key sectors, such as security, transitional justice, traditional governance, and the social contract with ancestral spirits. The article entitled “Evaluating Security Sector Reform in Timor-Leste: The Triad Hybridity Nexuses,” by Yuji Uesugi, provides a mid-term assessment of the externally led security sector reform (SSR) initiated during the UN-led peacebuilding intervention in Timor-Leste. Uesugi argues that despite the initial challenges, the core security institutions introduced by the UN remain effective

and have been integrated into local practices. This argument is also supported by other articles in this special issue, namely, those by Tanaka-Sakabe, Cross, and Miyazawa and Miyazawa. Uesugi seeks to demonstrate this through an analytical framework of triad hybridity: (1) exogenous/endogenous; (2) formal/informal; and (3) national/community. He goes on to argue that Timor-Leste has found ways to achieve some measure of political stability and physical security, both of which were always the overarching goals of SSR. On this point, he emphasizes the impact of transitional justice measures that were introduced to generate an environment conducive to SSR, which is the topic of the next article.

“The Pursuit of Justice, Truth, and Peace: Reflections on Twenty Years of Imperfect Transitional Justice in Timor-Leste,” by Kyoko Cross, seeks to evaluate the long-term effectiveness of transitional justice, an integral part of any mid-term assessment of state-building in Timor-Leste. Cross focuses on the multidimensional relationships between the many policies and programs aimed at redressing the legacy of the past. She maintains that even though the impunity of those most responsible for human rights violations casts a sizable shadow over the transitional justice efforts, the establishment of the *Chega!* National Center (CNC) is a sign that there have been some achievements in transitional justice in Timor-Leste. As in the case of civil society involvement in the state-society relationship highlighted by Tanaka-Sakabe, Cross argues that such a positive development owes much to the persistent calls for justice from civil society.

The remaining two articles focus on indigenous elements unique to Timorese society. The article entitled “Harnessing *Lisan* in Peacebuilding: Development of the Legal Framework Related to Traditional Governance Mechanisms in Timor-Leste,” by Satoru Miyazawa and Naori Miyazawa, reviews the development of the legal aspects of state-building focusing on traditional governance mechanisms. The authors analyze how traditional mechanisms have contributed to nurturing governance in the new-born state and conclude that they have had a considerable impact on transforming indigenous customs, beliefs, and traditions into a modern legal framework for governance since independence in 2002. They also argue that with proper regularization and support from key stakeholders, the traditional governance system has facilitated the democratization process in Timor-Leste. While this article analyzes the hybrid process, focusing on how traditional mechanisms, or foreign concepts, have been transformed into pillars of the liberal state, the next article sheds light on cognitively neglected aspects of state-building.

Bronwyn Winch’s article, “Vernacular Human Security and *Moris Diak* in Timor-Leste: A Social Contract between the Living and Spirit Actants,” depicts the ground-level reality in Timorese society, focusing on the roles that spirit actants play in the worldview of ordinary people. By examining the influence of ancestral spirits on people’s perception of everyday peace (physical safety and food security), this study explores and evaluates the state-building process from

vernacular perspectives. By so doing, it complements, in particular, Uesugi's article and to some extent those of the other contributors, which are influenced by non-vernacular worldviews and assumptions and primarily hold that the state is the pivotal institution providing the basis for peace, security, justice, governance, and development. Winch argues that we need to understand the social contract in terms of a more complex network that encompasses relationships between the living and spirit actants, as such relationships have defined peace, security, justice, governance, and development in Timorese society.

To recapitulate, Wallis and Neves conclude that the initial measures introduced into the new-born state left aftereffects or a legacy in the state-building process in Timor-Leste. Tanaka-Sakabe identifies efforts to overcome one of the aftereffects of prioritizing centralization, that is, the supplementary functions exercised by NGOs. She demonstrates how the gap between the centralized state apparatus and citizens on the ground was bridged by NGOs at the community level with support from the international community. For their part, Simangan and Bose unravel the problem of the resource curse in the rentier state as a symptom of the legacy left by the political settlement. Daimon-Sato has pointed to these aftereffects as the source of state fragility in Timor-Leste, which cannot be overlooked despite its remarkable record of economic growth.

Building on these macro-level evaluations, Uesugi examines the process of hybridization in the security sector of Timor-Leste which helped counter the aftereffects of the radical reconfiguration of the power balances within elites and the lack of contextual knowledge and insensitivity to local political dynamics among external actors. Cross explores some of the critical aftereffects of the transitional justice efforts and underscores the positive developments that have occurred in support for victims of the violence and human rights violations, praising persistent efforts made by civil society in this regard. Miyazawa and Miyazawa illuminate the hybrid process through which local traditions and ways of doing have been given a legal framework through the state-building process. Finally, Winch sheds light on an unnoticed (by outsiders) but significant (for the indigenous actors) aspect of human security, showing how spiritual elements can be incorporated into the evaluation of state-building. While this collection of mid-term evaluations offers nowhere near a comprehensive and exhaustive account of the trajectories of Timor-Leste's twenty years of state-building, it is hoped that it will serve as a milestone for future peacebuilding endeavors, underlining the resilient power of everyday peace and peace formation without romanticizing the locals.

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**Yuji Uesugi** is Professor of Conflict Resolution and Peacebuilding at the School of International Liberal Studies and the Graduate School of International Culture and Communication Studies, Waseda University, Tokyo, Japan. His fields of expertise and research interest include hybrid peacebuilding in Asia, UN peace operations, security sector reform, and regional security in the Asia-Pacific. His latest publications include *Operationalisation of Hybrid Peacebuilding in Asia: From Theory to Practice* (Palgrave Macmillan 2021); *UN Governance: Peace and Human Security in Cambodia and Timor-Leste* (Palgrave Macmillan 2021); *Hybrid Peacebuilding in Asia* (Palgrave Macmillan 2020). Email: [uesugi@waseda.jp](mailto:uesugi@waseda.jp)

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