

Chapter 8

Acting West, Looking East:

Timor-Leste's Growing Engagement with the Pacific Islands Region

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Executive Summary

- Timor-Leste is situated geopolitically and culturally at the crossroads of Southeast Asia and the Pacific Islands region, and has pursued a two-pillared neighborhood foreign policy of “comprehensive and collective engagement,” which is defined by “Acting West” and “Looking East.”
- Timor-Leste is seeking to integrate itself within regional governance and security structures, and institutions of both Southeast Asia and the Pacific Islands, thereby increasing its strategic role as a conduit for cooperation and collaboration between the two regions.
- Timor-Leste is of increasing geostrategic importance to the Asia Pacific in view of the growing focus on the Pacific Ocean in terms of resource security and the growing competition between China and the United States.
- Timor-Leste could play an increasingly significant role in regional defense diplomacy developments if the Melanesian Spearhead Group regional peacekeeping force is realized.

*"We may be a small nation, but we are part of our interconnected region. Our nation shares an island with Indonesia. We are part of the fabric of Southeast Asia. And we are on the cross road of Asia and the Pacific."*¹

- Xanana Kay Rala Gusmao

Introduction

Timor-Leste is situated geopolitically and culturally on the crossroads of Southeast Asia and the Pacific Islands region and has, since achieving independence in 2002, pursued a two-pillared neighborhood foreign policy of 'Acting West' and 'Looking East.' Timor-Leste claims that its geographic position secures the "half-island" state as an integral and categorical part of Southeast Asia while at the same time, acknowledging the clear links it shares with its Pacific Island neighbors to the west, particularly in the areas of development and security. Timor-Leste, for example, has sought greater influence and engagement with regional inter-governmental groupings — the Pacific Islands Forum (PIF), Melanesian Spearhead Group (MSG), Pacific Islands Development Fund (PIDF), and the Small Islands Developing States (SIDS). This chapter examines why the nation is pursuing deeper relations with its neighbors to the west, and explores how Timor-Leste can both meaningfully contribute to and benefit from Pacific regional security architecture and governance structures.

A Short History

Timor-Leste comprises the eastern side of Timor Island and the enclave of Oecusse in the island's western region. West Timor is part of the Indonesian province of East Nusa Tenggara. Timor-Leste's long history of colonialism

¹ Xanana Kay Rala Gusmao, "Timor-Leste's Role and Future in a Rising Asia Pacific," Lecture delivered at the S. Rajaratnam School of International Studies, Singapore, June 4, 2013, <http://timor-leste.gov.tl/wp-content/uploads/2013/06/RSIS-Distinguished-World-Leaders-Lecture.pdf>.

and resistance, and its short history as a modern independent state has shaped and captured its national identity and foreign policy in highly complex ways. Referring to the Portuguese landing in 1515 in Lifau, Oecusse, Timorese Prime Minister Xanana Gusmao stated: “We believe that it was this meeting of civilization and cultures that shaped the destiny of a People, a Country and a Nation — with a history and a culture that are unique in the region.”²

The Portuguese colonized Timor-Leste for over four hundred years in a largely indifferent and inconsistent approach that was met with both indigenous acquiescence and resistance. Following the 1974 pro-democracy Carnation Revolution in Portugal, which led to the fall of the fascist Salazar-Caetano dictatorship, those Portuguese colonies furthest from Lisbon were set adrift. After the failure of both Portuguese and Timorese initiatives seeking to develop a roadmap towards independence, Indonesia capitalized on the security vacuum, and on Dec. 7, 1975, invaded Timor-Leste. The twenty-four years of Indonesian occupation were as influential — and more brutal — than the four centuries of Portuguese colonization that preceded it.

Strong indigenous political forces had emerged within Timor-Leste, and between 1974 and 1975, a brief civil war pitted the Democratic Union of Timorese (UDT), who favored progressive autonomy,³ against the pro-independence Fretilin force (Revolutionary Front for an Independent East Timor). Fretilin won the civil war and declared national independence on Nov. 28, 1975. Capitalizing on perceptions of instability in the former colony against the backdrop of fears of communism spreading throughout Southeast Asia, Indonesia invaded Timor-Leste nine days later. The 2005 report by the Commission for Reception, Truth and Reconciliation (CAVR), titled *Chega! (Enough!)*, cited human rights violations during Indonesian rule, estimating that approximately 180,000 Timorese died during the Indonesian

2 Gusmao, “Timor Leste and ASEAN: Perspectives and Challenges,” speech delivered at the University of Malaysia, Sabah, April 2, 2014, http://timor-leste.gov.tl/wp-content/uploads/2014/04/Timor-Leste-ASEAN_Perspectives-and-Challenges-2.4.14.pdf.

3 A third political party emerged during this period and favored integration with Indonesia: APO-DETI (Popular Democratic Association of Timorese).

occupation, either as a direct consequence of conflict or indirectly due to illness and hunger, with an estimated 55 percent of the population displaced.⁴

In 1999, almost a quarter century after occupation, the tripartite May 5 agreement was signed by the United Nations, Portugal and Indonesia, establishing the unarmed UN Mission in East Timor (UNAMET) to oversee the act of popular consultation. This took place Aug. 30, 1999, under UN Security Council Resolution 1236. In a climate of increased intimidation and violence, 98.6 percent of the population registered to vote, and on Aug. 12, 1999, 78.5 percent voted in favor of independence, rejecting special autonomy within Indonesia. Prior to the ballot, the Indonesian military and locally-sponsored militias conducted a three-week campaign in September 1999 called *Operation Clean Sweep*, killing hundreds, possibly thousands, and causing mass displacement and destruction of 70 percent of the physical infrastructure. In the East Timor capitol, Dili, upwards of 95 percent of the infrastructure was destroyed. The CAVR report states that following the ballot, Dili became “the crucible of post-ballot violence and destruction.” An estimated 250,000 to 280,000 people were displaced or forcibly removed to West Timor.

Following the referendum's clear result and post-ballot violence, UN-AMET II was established, and on Sept. 12, 1999, Indonesia acknowledged its inability to manage the situation in East Timor and accepted the immediate admission of a UN-sanctioned international force. Since gaining the restoration of independence in 2002, Timor-Leste has experienced twelve years of a UN interregnum comprising five successive UN missions,⁵ the last of which withdrew following successful and peaceful elections in 2012.

Since independence, Timor-Leste has experienced periods of instability,

4 The Report of the Commission for Reception, Truth and Reconciliation in Timor-Leste (CAVR), Chegal, 2005, <http://www.cavr-timorleste.org/en/chegaReport.htm>.

5 The five missions are: United Nations Assistance Mission in East Timor (UNAMET), June 1999 to October 1999; UN Transitional Administration in East Timor (UNTAET), October 1999 to May 2002; UN Mission of Support in East Timor (UNMISSET), May 2002 to May 2005; UN Office in Timor-Leste (UNOTIL), May 2005 to August 2006; UN Integrated Mission in Timor-Leste (UNMIT), August 2006 to December 2012.

most notably in 2006, when violent in-fighting among the nation's political elements shattered Timor-Leste's image as "the poster child" of successful UN state building. When the political and security sector crisis fractured and polarized Dili, it gave rise to East versus West regional identity tensions, and displaced 15 percent of the population.

Timor-Leste's Foreign Policy: Acting West, Looking East

Timor-Leste has a focused and proactive foreign policy driven by a form of "comprehensive and collective engagement" that seeks the path of many small nations: peaceful dialogue and collective action. This approach accurately reflects its geostrategic position at the juncture of Southeast Asia and the Pacific Islands, and embodies, first, a pragmatic understanding of the need for political reconciliation with Indonesia, the former occupying power, and secondly, an affinity with the island's development challenges, which mirrors those of its Pacific neighbors to the west.

Timor-Leste has consistently advanced the geopolitical message that it is part of Southeast Asia and should, therefore, be engaged as a strategic player within and by the region. Achieving full membership in the Association of Southeast Asian Nations (ASEAN) is a paramount strategic objective of the Timorese government.⁶ Prime Minister Gusmao argues that being part of Southeast Asia geographically means that Timor-Leste wants to be part of ASEAN and, "together, contribute to regional growth, social progress and cultural development in a spirit of partnership. We feel like an integral part of our neighborhood and have a strong sense of regionalism and solidarity with our Southeast Asian Nations — we are one of you."⁷

The 'Act West' approach is pursued through a consistent message from

6 "TimorLeste Prepares for Benefits of ASEAN Membership," 4-traders.com, Asian Development Bank release, May 7, 2014, <http://www.4-traders.com/news/ADB-Asian-Development-Bank--Timor-Leste-Prepares-for-Benefits-of-ASEAN-Membership--18431308/>.

7 Selver B. Sahin, "Timor Leste: A More Confident or Overconfident Foreign Policy Actor?" *Southeast Asian Affairs*, January 2012, p. 350.

Timorese political leadership that its Portuguese colonial heritage brings with it economic advantages. Timor-Leste has sought to position itself as the corridor between Southeast Asia and the Pacific Islands, while exploiting its “Lusophone alliances” with fellow former Portuguese colonies as gateways into Europe, Africa and Latin America. Gusmao articulated his strategic outlook in 2014, stating:

*“Timor-Leste is strategically located between the CPLP countries and ASEAN, China, and the Island States of the Pacific. We also want to make use of our strategic positioning in Southeast Asia, since we have the possibility of creating bridges with Europe, Africa and Latin America.”*⁸

Timor-Leste regards itself as having multiple roles within the various regions it seeks to connect. This includes serving as an economic and political conduit between the CPLP and Asia, but also the aspiration to play a bigger role in the international arena by setting an example for “post-conflict” development as manifested in Timor-Leste’s chairmanship of the “g7+” program.⁹

Moreover, Timor-Leste strongly advocates ASEAN goals of greater political and economic integration within the region. The nation uses the example of its reconciliation with Indonesia and growing bilateral ties between the two as evidence of Timor-Leste’s commitment to a shared vision. In the words of Gusmao:

“Many would have thought this too would be improbable. In a model of reconciliation, and with a firm commitment to focus on the future, we have built a strong relationship of trust and friendship. Rather than being enslaved by the

8 Gusmao, “Timor Leste and ASEAN: Perspectives and Challenges.”

9 Sahin, “Timor Leste: A More Confident or Overconfident Foreign Policy Actor?” The g7+ initiative is a voluntary association of 20 countries that are or have been affected by conflict and are in the next stage of development. Its main objective is to allow participating nations to share experiences and learn from one another, and advocate reform to the ways the international community engages with conflict-affected states, g7+, <http://www.g7plus.org>.

*trauma of our history, we are instead honoring our struggle by working towards a better future for our people. We know that Indonesia and Timor-Leste not only share an island, we share a future.*¹⁰

In fact, Timor-Leste could see this reconciliation as a way forward for greater dialogue and peacebuilding within the region. Gusmao has also driven the economic message that: “Asia Pacific countries will profit from Timor-Leste’s strategic location as the connector between two regional organizations — ASEAN and the Pacific Islands Forum — thus creating opportunities for wider trade and cooperation...The country also has a good relationship with Australia, Indonesia, New Zealand, the Solomon Islands, and Vanuatu that could benefit ASEAN.”¹¹

Timor-Leste has also sought to integrate itself into the regional security and governance architecture through its membership in the ASEAN Regional Forum (ARF) since 2005, and more recently, as a participant in the Bali Democracy Forum, Shangri-La Initiative and the Jakarta International Defence Dialogue. ASEAN remains, however, in the words of Gusmao, “the cornerstone of our foreign policy.”¹²

‘Looking East’ to the Pacific Islands

‘Looking East’ is the second pillar of Timor-Leste’s neighborhood foreign policy and reflects its desire to engage with the Pacific Islands region in its capacity as a conduit, or corridor, to Southeast Asia and Europe, and as a champion of new development approaches in fragile and conflicted states within the g7+ grouping.

There is also a subtle distinction being made in relation to Timorese identity. Much of the eastern half of Timor-Leste is ethnically Melanesian and

¹⁰ Gusmao, “Timor-Leste’s Role and Future in a Rising Asia Pacific.”

¹¹ “Xanana Gusmao, Timor Leste and regional politics,” *Jakarta Post*, June 17, 2013, <http://m.thejakartapost.com/news/2013/06/17/xanana-gusmao-timor-lestes-and-regional-politics.html>.

¹² Gusmao, “Timor Leste and ASEAN: Perspectives and Challenges.”

Polynesian, and this has led to discussion as to whether Timor-Leste should identify as a nation with the Pacific Islands as opposed to Southeast Asia. The latter lobby is currently prominent. This subtle distinction is borne out in a recent speech by Gusmao, in which he states "In Timor-Leste, as well as in the Pacific Islands, we can find a combination of the best that nature has to offer. We share the same conviction that the Timorese, and all peoples of the Pacific, know how to take advantage in a peculiar way of their precarious resources, transforming them into major achievements."¹³

Timorese political leadership, however, have been careful not to alienate its neighbors to the east, a number of whom, such as Vanuatu, supported the Timorese independence struggle.¹⁴ Parallels are also drawn between similar shared issues of vulnerability and fragility, and Timor-Leste has pursued a proactive policy of engagement with the regional governance architecture. Timor-Leste has been an observer at the Pacific Islands Forum since 2002; participated in the Pacific Small Islands Developing States meetings; and contributed as a donor partner¹⁵ to the Pacific Islands Development Forum established in 2014.¹⁶

Timor-Leste has assumed a similar development partner role with the Melanesian Spearhead Group (MSG), funding the MSG Secretariat's economic advisory position. Timor-Leste has also attended MSG Leaders' Summits¹⁷ and the Secretariat has indicated a strong desire to engage with Timor-Leste on other issues, including security and development. Herein lays two signif-

13 Gusmao, "Leadership, Innovation and Partnership for Green / Blue Pacific Economies" Keynote address at the opening of the Pacific Islands Development Fund meeting, Suva, Fiji, August. 5, 2014, <http://timor-leste.gov.tl/wp-content/uploads/2013/08/Pacific-Islands-Development-Forum-5.8.13.pdf>.

14 Gusmao, "Timor-Leste's Role and Future in a Rising Asia Pacific."

15 Timor-Leste donated USD250, 000 for the establishment of the Private Infrastructure Development Group (PIDG) Secretariat in Suva, Fiji.

16 His Excellency Ratu Epeli Nailatikau, Address at State Dinner in Timor-Leste, Hotel Timor, Dili, February 28, 2014, <http://www.fiji.gov.fj/Media-Center/Speeches/H-E--RATU-EPELI-NAILATIKAU---ADDRESS-AT-STATE-DINN.aspx>.

17 Mereani Gonedua, "Melanesian Spearhead group's partners recognized in Fiji. Observer nations also responsible for regional funding," *Pacific Islands Report*, March 29, 2012, <http://pidp.eastwestcenter.org/pireport/2012/March/03-30-06.htm>.

icant avenues for future Timorese engagement with the MSG. Timor-Leste's defense force, Falintil-Forças de Defesa de Timor-Leste (F-FDTL), consists of two active light infantry battalions and 1,500 reservists, with a unit of marines and small brown water naval capabilities.

Timor-Leste also has a nascent special force capabilities and growing UN peacekeeping experience, as well as large, and well-trained and equipped policing and paramilitary units. In light of the MSG's proposed initiative to develop a regional peacekeeping capability, it would be advantageous to engage Timor-Leste in strengthening the regional security apparatus from both "boots on the ground" and security sector perspectives. The addition of Timor-Leste to an MSG regional peacekeeping force would establish a triumvirate of states — Papua New Guinea, Fiji and Timor-Leste — with experienced and growing defense forces. Should Timorese integration within MSG increase, analysts suggest that the Group will be further strengthened as the most powerful regional integration movement, totally overshadowing economic possibilities from the Pacific Plan.¹⁸

Engagement with Timor-Leste brings clear benefits to the Pacific Islands region, including the nation's role as a conduit to Southeast Asia and ASEAN member states. This may help states, such as Papua New Guinea (PNG), which despite receiving special observer status with ASEAN in 1981, and its extensive and, at times, troubled shared border with Indonesia, has not been able to achieve full ASEAN membership.¹⁹

Timor-Leste is also hoping to expand its engagement with the Pacific Islands through membership in the Secretariat of the Pacific Community (SPC).²⁰ Timor's representative at the 2014 Pacific Islands Forum in Palau, Ambassador Abel Gutierrez, related that Timor-Leste was eager to build

18 Wadan Narsey, "An emerging chasm in Pacific integration," *Islands Business*, February 27, 2013, <http://www.islandsbusiness.com/news/pacific-region/448/an-emerging-chasm-in-pacific-integration/>.

19 Sean Jacobs, "No thanks, not yet: PNG's ASEAN bid," *East Asia Forum*, December 4, 2012, <http://www.eastasiaforum.org/2012/12/04/no-thanks-not-yet-pngs-asean-bid/>.

20 Nic Maclellan, "Timor Leste seeks SPC membership," *Islands Business*, July 31, 2014, <http://www.islandsbusiness.com/news/45th-pacific-islands-forum/5901/timor-leste-seeks-spc-membership/>.

practical (fisheries and environmental security) as well as political ties with the region. "We are hopeful...that Pacific countries will endorse it, so we can participate in the SPC family," said Gutteres.

Timor-Leste's extensive experience in nation-building, conflict transformation and development processes, and the leadership role it is increasingly assuming has real relevance for the Pacific Islands region. Timor-Leste's approach to conflict transformation and the reintegration of veterans and former combatants into the modern independent state has important lessons for other fragile and conflict-affected states in the Pacific, such as the Solomon Islands and Papua New Guinea, particularly Bougainville. The Timorese government has been successful so far in averting "the Zimbabwe effect" by ensuring that veterans of the resistance struggle have received favorable treatment, from pensions to a degree of political empowerment, and thereby preventing veterans from capturing the state. This has been a fine balancing act which underpins the complexities of the security-development nexus in Timor-Leste.

Moreover, twelve years of successive UN missions have shaped Timorese perspectives of their own political agency and the role of the client state within development of the donor-client continuum. On one hand, the UN presence cultivated a degree of dependence, but it also encouraged – quite possibly inadvertently — an opposing desire for greater sovereignty and autonomy. The UN experience and legacy in Timor-Leste has also influenced Timorese notions about development processes and successes, and has led to Timor-Leste g7+ leadership within a consortium that represents 350 million people from 20 countries experiencing fragility as a consequence of development challenges and/or conflict.

The Timorese Minister of Finance, Emilia Pires, held the inaugural chairmanship, and the nation has taken a driving role in crafting critical agreements on development. Among these agreements is the Dili Declaration (2010), which laid out innovative approaches towards peacebuilding and

state building processes, and improvement of donor efficiency.²¹ Timor-Leste's leading g7+ role also includes the drafting of a "New Deal" which the United Nations is considering as part of its post-2015 Development Agenda. Timor's role in this project is driven in large part due to frustrations which emerged during the UN interregnum years. As Gusmao stated:

"During our own State building process we noticed that the international agencies of support and the United Nations pursued the wrong approaches to development in fragile and post-conflict countries. The international community insisted on a 'one size fits all' policy and felt that it was in a position to say what was best for those peoples."²²

Timor-Leste can offer the Pacific Islands region a critical understanding of the relationship between development and security in fragile and conflict-affected states and the imperative of seeking context-appropriate solutions. Moreover, there are critical lessons to be learned in regards to challenges posed by a growing youth demographic and related issues of disenfranchisement, vulnerability and growing criminality. Growing youth demographics in Timor-Leste and the Pacific Islands region are conducive to and facilitate transnational crime. Cooperation between Timor-Leste and the Pacific Islands in countering transnational crime is critical, as both regions are increasingly targeted by transnational criminal syndicates due to their porous borders, corruption levels, and strategic geography as gateways to richer neighbors. Timor-Leste is a prescient warning of how quickly transnational narcotics syndicates can take root in the fragile and conflict-affected states.

21 "Dili Declaration," April 2010, Dili, Timor -Leste.

22 Gusmao, "Timor-Leste and ASEAN: Perspectives and Challenges."

Conclusion

Timor-Leste's growing engagement with the Pacific Islands region reflects an under-prioritized and less known aspect of Dili's neighborhood foreign policy. It could potentially, however, become one of the more significant dynamics within the Timorese strategic outlook with the increasing importance of the Pacific Ocean in terms of resource security and the growing competition between China and the United States. There are also critical areas for cooperation and collaboration available between Timor-Leste and the Pacific Islands in the security and development arenas.