

*An Uneasy Future for East Timor:
Ten Years after Independence**
— *Hopes and Fears about Changes Emerging in Peace Building* —

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Prologue — Oil Money and the China Factor

At the request of the Ministry of Foreign Affairs, I visited East Timor¹ to oversee the presidential election that took place on March 17, 2012, leading the Japanese team of election monitors. This was my first visit to the country since 2007, five years ago, when I visited in the same capacity for the same purpose on the occasion of the first presidential election held after independence. Together with two preceding opportunities, one being a nearly two-year stay in diplomatic service as Japan's first ambassador from 2003-2005 and the other being the more recent ad hoc assignment mentioned above, this visit has given me a third good opportunity to observe firsthand the evolving developments of peace building in East Timor. The country will reach its tenth anniversary of independence in May, 2012.

I must confess, first of all, that I was strongly struck this time by several signs of change I had never seen before. What I saw is obviously a new beginning or a process already in progress of change. One visible sign was easily recognized in the landscape familiar to me, a composite of dismal images of the sites of destruction and the debris of ravaged buildings left intact after the political turmoil and bloody atrocities that occurred in September 1999. The change was apparently created by the massive inflow of so-called "oil money," which I will discuss later at length, and the ever-increasing presence of China in a variety of fields. Speaking briefly, the oil money is obtained from natural gas resources from beneath the Timor Sea, which lies between East Timor and Australia. The presence of China is marked by three forms of activities by different actors, of which China takes advantage: first, the demonstrative aid strategy of the Chinese government, such as donations of brand-new government and public buildings; second, vigorous investment and expansion of retail and commercial businesses with the support of overseas Chinese communities based in East Asia²; and third, a prevailing competitive edge of China's public corporations in underbidding competitors' tenders for public construction project contracts. What is most shocking to me was the fact that China has already made inroads in the construction and maintenance of lifeline infrastructure, whereas for decades overseas development cooperation with a relative advantage had been Japan's turf. A new electric power station now under construction at Hera, a suburb of Dili, capital of Timor-Leste, by a Chinese public

¹ Although the names East Timor and Timor-Leste are used for the same meaning, the latter is used as the official name of the country. In this essay they are used interchangeably.

² "Timor-Leste - Small country, big year," *The Economist*, March 10, 2012.

corporation,³ the successful bidder in a tender process, signifies the trading of places between Japan and China in the developing world.⁴

These two forces, namely oil money and China's ever-increasing presence, were not necessarily unforeseen. Rather, they were anticipated as potential driving forces for the future development strategy of East Timor even at the time I was posted there less than ten years ago. There should therefore be no surprise. Since half of the Timorese people still live below the poverty line (less than one U.S. dollar per day), and East Timor is designated the poorest country in Asia, these forces might work well to free them from the poverty trap. And, given an incalculable amount of financial requirements for development, it would hardly be possible to offer an exact estimate. My concern goes much further and takes on a rather strategic nature in terms of what sort of impact these forces will have on the process of peace building advanced to date. My question might be paraphrased in the following way: Would it not create so disruptive an impact as to derail the country from the steady though slow track of development? My intuition reminds me that there is a common-sense rule of money that prevents things from going away. A mechanism of wise planning and strict control of spending is essential on top of relevant knowledge and technique. Otherwise, money spoils us. Examples of failure highly familiar to development scholars abound: one such typical case is a pathological symptom called the "oil curse," or the "resources curse." This problem represents these days one of the most frequently studied subjects of peace-building policy.

During my short stay this time in East Timor, I met several of my old friends and acquaintances. After conversations with them, I reached a preliminary conclusion that the economic boom I witnessed has begun to generate not only political but social euphoria in the minds of many Timorese. I was convinced by the observation of a specialist I respected who had stayed much longer in East Timor than any other foreigner and had watched more carefully every change in development. In fact, such change in the mental and behavioral aspects of the people can be positively assessed as a sign of confidence. My concerns, however, come from somewhere else. They are associated not only with a suspicion that people might have lost to a

³ China Nuclear Industry 22nd Construction Company is the construction contractor.

⁴ According to a news report of a Japanese newspaper, Japan has already been surpassed by both China and Korea in the total amount of overseas construction project contracts in the developing world; see "Japan overwhelmed in construction project export by China and Korea," *Asahi Shimbun*, March 10, 2012.

considerable extent a sense of caring about others as a result of unrestricted assertion of egos and desires caused by the deluge of wealth but also associated with a possibly unfounded fear that reckless people may be tempted to engage in “rough politics” to impose their own selfish will on others. This is a phenomenon of corruption in society that is prone to occur as a result of massive inflows of oil money and vast sums accumulated by a small number of privileged people. This is indeed “cursed” because of the reasons scholars refer to. It is reported, in fact, that rumors are now spreading of corruption, a disposition or temptation to exploit government money for personal gain, that a wealth divide is deepening, and that consumer extravagance is becoming noticeable. It is against this backdrop that I am deeply concerned about the future of East Timor on the one hand, while hoping strongly that my worries turn out to be a groundless preoccupation on the other.

That said, I should like to describe some of the new developments that I observed firsthand during my quick tour of East Timor and to explore policy implications for its future. I attempt, bearing in mind that peace building is a rather vague and undefined term, to find some common denominators to share with those interested in the subject, regardless of their background, whether practitioners on the ground or scholars and students in academia. At the same time, I must admit that there is an overlapping with some specifics characteristic of East Timor. I also attempt to write this essay with a simple and plain touch and insert as many concrete episodes as possible to vividly describe the change so that as many lay readers as possible might be interested to read it. A hidden intention in the essay is that the reader might not only develop an understanding of the changing circumstances Japan now faces, but also form an idea about Japan’s redefined foreign policy posture. I truly think that this is a needed intellectual challenge against the background of a set of evolving developments that are combined with the year-long sharp decline in governmental aid (ODA), the subsequent setback in Japan’s international standing, and the rise of China.

1. Two Unique “Givens” Conditioning Peace Building in East Timor

There are two “given” factors that condition peace building in East Timor. First, to be brief, after two decades since the 1990s, there is now a convergence of opinions about peace building as a result of practices on the ground and theoretical studies at the academic laboratory. That is, peace building is tantamount to state building, or in other words, “top-down, state-centric processes with a structural focus on putting

in place the central, and national-level institutions of the state.”⁵ In East Timor, peace building means not only state building, but also nation building. The latter reflects a unique historical trajectory that the country has experienced in the past quarter century. Both Kosovo and South Sudan, a country that has very recently become independent, are also classified in this category of peace building. Reconstruction of the state institutions totally broken in the wake of the collapse of the Kaddafi regime in Libya is likely to fall in the same category. All of these cases have some common denominators: that is, first, these countries lack experience of self-rule within their own territories; and second, they have had neither effective government institutions of their own nor laws, regulations, and other normative codes of control to bind or unite local communities and citizens. Kamallesh Sharma, SRSG of the UNMISET, the U.N.’s first peace building mission after the independence of Timor-Leste, immediately detected that the core nature of his assignments boils down to a slogan of “Start from Scratch.” In addition, there is another deficit for peace building: that is, the lack of national coherence or absence of national unity that weave together disparate local communities. The premature statehood marked by these deficits truly complicates the task of peace building in East Timor. It is not surprising, therefore, that no candidates, either individuals or political parties, were able to secure votes evenly across all districts under the sole national constituency system. These harsh realities underlie the very reason Sharma insisted on the positive effects that the expansion and maintenance of incipient road networks would have in connecting local communities separated historically and scattered physically. It is in this context that Sharma highly appreciated the contributions made by Japan’s engineering contingents dispatched to participate in peacekeeping activities under the UNMISET. The implications of their contributions in fact were not just economic, but also political and social. I will return to this point in Chapter 6. Furthermore, Francis Fukuyama, in his most recently released book,⁶ examines the transitional process of political development that evolved in history from tribal-level societies to state-level societies and maintains that mountainous terrain held back smooth transitions and often prevented state formation. His insights provide good hints at where East Timor stands in terms of the historical stage of political development and why it does so.

⁵ Roland Paris and Timothy Sisk, *The Dilemmas of Statebuilding*, (New York: Routledge, 2009); see also David Kilcullen, *Counterinsurgency*, (Oxford and New York: Oxford, 2011)

⁶ Francis Fukuyama, *The Origins of Political Order* (New York: Farrar, Straus, and Giroux, 2011).

The other factor distinctive to East Timor relates to what Michael Ignatieff calls the positive effects of the so-called “good neighborhood”⁷ relationships to peace building. It is often maintained that, generally speaking, the causes and nature of conflicts truly condition the scope and size of peace building. The case of East Timor is in good contrast to that of Bosnia-Herzegovina, for instance, where warring parties are compelled not only to live together in the wake of conflicts while sharing the same political as well as living space, but also to compromise over differences in order to overcome difficulties. It can be easily understood that East Timorese enjoyed the benefit of a more politically comfortable environment that was brought into being after the total departure of the Indonesian National Army (TNI), which was an overarching military menace to local populations on the island. We saw the same nature of threats by external forces in Angola and Mozambique, where peace was eventually restored after the withdrawal across borders of the external warring party, the South African armed forces. Indonesia, once repressive to East Timor, has now changed from a military-ruled to a democratic country and has become diplomatically friendly. Australia, another powerful neighbor in the sub-region, also holds the same diplomatic posture toward East Timor. The geographical location of the country as part of East Asia is recognized internationally, and tacit acceptance of application for accession to ASEAN benefits East Timor. These elements truly contribute to peace building. As I have examined above, the two unique factors surely condition peace building in East Timor.

3. Democratization in Progress and Its Future

I am strongly convinced, drawing on my experience of participating twice in election monitoring, that it will be possible for “electoral democracy,” as Larry Diamond calls it,⁸ to take hold in East Timor. And, it would be fair to say that successes in the national elections held to date are basically attributable to the high learning curve of the National Electoral Commission (CNE) and the Technical Secretariat of Electoral Administration (STAE), the country’s election implementation arms, as well as the active participation of the general electorate in the election process. The people and its government have already experienced no less than seven major nationwide elections, including the “popular vote,” as it is called, which took place in 1999 to determine the political future of East Timor. The outcomes of these elections

⁷ David Ignatieff, “State failure and nation building,” in J. L. Horzgreve and Robert Keohane (ed.), *Humanitarian Intervention* (Cambridge, New York: Cambridge, 2003).

⁸ Larry Diamond, “Is the Third Wave over?”, *Journal of Democracy*, July, 1996

were all internationally accepted as fair and legitimate. The relevant East Timorese authorities now claim credit for having administered the elections “by their own hands.” What in fact strikes me is not only the excellent administrative skills and knowledge acquired by individual staff members, but also an improved executive capacity to administer the whole process from voting to tallying, which I am inclined to call the East Timorese model of “direct democracy.” In the recent presidential election, 850 ballot boxes were set up at 630 different voting stations across the country. Voting started punctually after dawn and was closed as scheduled at three o’clock in the afternoon. Immediately afterwards, as soon as preparations were completed by the team of electoral staff at each polling station, tallying started in an orderly manner in open spaces in the presence of many interested voters and party members. One by one, each perforated ballot was publicly displayed in front of the audience. When questions or requests for clarification were raised, they were carefully heeded and processed in good faith. Final judgments were also made in public by the team leader responsible for local management. This method and practice of control of the electoral system, by preventing irregularities and abuses often reported in other countries from happening, helps in effect to enhance transparency of the election process and to strengthen voter trust in the election results. My team, split into two units, covered two districts, Dili and Liquica, an area nearby Dili. We moved around to monitor polling stations in cooperation with other national missions, for instance from the EU and international NGOs. It seems to me anyway that East Timor greatly owes its electoral successes to a wealth of demographic advantage (620,000 eligible voters) that helps neatly solve the problem of size, long considered a hefty obstacle to the realization of (direct) democracy ever since the time of ancient Greece.

It must be noted that, in addition to free, fair, and transparent elections, the liberalist approach to democracy, which is basic objective of peace building, has apparently taken hold in the bedrock of politics. International society has acknowledged with pleasant surprise the peaceful transition of power coming into being in East Timor in the wake of the national elections of 2007, the first to take place after independence. A new political alliance, comprising several minority parties, was established under the leadership of the CNRT,⁹ which was reinstated by Xanana Gusmao, and then a coalition government was successfully formed after a prolonged and complicated political stand-off. On the other hand, Fretilin, despite

⁹ CNRT is an abbreviation of Conselho Nacional de Resistencia Timoreense

having earned a plurality, became an opposition party and yielded to the presidential verdict, based on ambiguous constitutional interpretations, which was in no way favorable to them. Its reluctant acceptance and subsequent engagement in parliamentary proceedings that followed should be viewed positively as a step forward toward mature democracy. In this regard, when I came across a former cabinet member of the government led by the then Prime Minister Mari Alkatiri, who was later ousted on a charge of mishandling of the 2006 political incident, he confessed that Alkatiri had patiently persevered as the party secretary of Fretilin. He also maintained that Alkatiri had united the party skillfully for the ensuing five years. Having heard his account, I personally hoped that Alkatiri would someday prove himself a political grown-up and that he would never revert to the alleged “forceful” political methods if he returned to power. I once said, in a talk with a senior political leader, that democracy is not like guerrilla warfare but a political game that offers a second chance to win even after being voted out. Later, I heard indirectly that he understood and remembered what I said. Furthermore, Francisco Guterres, “Lu-Olo,” presidential candidate of Fretilin, was the president of the National Parliament in its first term (2002-2007). He honestly admitted, in a meeting with his parliamentary counterpart visiting from Japan, that lack of acquaintance with the task of the presidency causes pains and travails since persuasion is the essential method of consensus formation and skill at persuasion is therefore the source of power in peacetime, unlike in wartime. Although I must be cautious about possible political tensions toward the more stake-involved parliamentary elections originally scheduled for mid-May (and now postponed to July), taking into consideration the afore-mentioned political episodes, I am rather optimistic about the political postures of power elites, including that of Fretilin as a whole. On the other hand, there are unsettling rumors that Gusmao has become bull-headed and forceful in his political style since becoming prime minister. People often refer to the highly politicized decision he made in the face of the intense diplomatic pressure from the Indonesian government by which he not only disregarded the due process of consultation but also released a suspect detained on charges of serious crimes from 1999. Gusmao was accused of nearly crossing the threshold of unlawfulness. I am of a view, however, judging from his selfless and amiable character, that his basic political posture remains unchanged regardless of his elevation to power.

The loss of Jose Ramos-Horta, the incumbent president, in the first round of the

presidential election made a splash in international news headlines. Some news commentators cynically commented that his retirement from politics would most probably detract from international attention and interest in East Timor. I struggled in vain to seek a reasonable answer as to why he failed to secure the endorsement of Xanana Gusmao and his political allies. I reached a preliminary conclusion that Gusmao's press interview with *Nippon Keizai Shimbun* (newspaper)¹⁰ during his short stay in Tokyo immediately after the presidential election might offer some clues. If I understood correctly, it hinted at the influence of demographic change, especially a growing increase in the influence of the younger generation, which matters now in politics. A correct answer might therefore be sought against this backdrop. This might apply to Gusmao as well, since his political life will likely be shortened by his age and ailing health. I wonder whether in the future Ramos-Horta's departure will be construed as a trigger for the end of the first generation of national founders. It seems to me, however, that a real problem lies elsewhere. I feel as if we, the Japanese, were asked whether our shallow interest in the country might wither as popular heroes such as a Nobel Peace Prize laureate or a "Mandela of the East" disappear from the stage, or whether genuine interest might supersede shallow interest based on understanding that progress in the democratic process does really matter. As I reiterate later, an issue concerning generation shift is a hidden motive of this essay.

I am tempted to touch upon one more important political development: that is, the U.N.'s role in promoting democracy in a post-conflict situation. In 2006, U.N. Security Council Resolution 1704 approved the establishment of a multidimensional, integrated mission (UNMIT) to jumpstart the peace building effort disrupted by the political unrest of the same year. For the first time, the mission contained an official mandate of "enhancing a culture of democratic governance."¹¹ A Japanese senior U.N. official named Ken Inoue was charged with this hefty task as head of the Democratic Governance Support Unit. He told me that it was a quite new and unprecedented challenge not only for him, but for the U.N. as a whole, and that it was rewarding, though difficult, for peace builders like him. Given the importance of his empirical findings, from the viewpoint of academic studies, I should like to describe some of his account of the operation of democratic

¹⁰ "An interview with East Timorese premier," *Nippon Keizai (Nikkei) Shimbun*, March 20, 2012 (Japanese).

¹¹ See para. 4 (a) of S/RES/1704 (2006).

governance on the ground. What came first in his account is a clear definition of “democratic governance,” or a common understanding of what is meant by the term. A prolonged and heated discussion was conducted to reach a consensus view. I was immediately reminded of my own experience of participating in an ad hoc task force team in 1991 to enact a law, later called the PKO Law. We were compelled, at the urging of the Cabinet Legislation Bureau, to undertake drafting work to define peacekeeping activity in legal terms. It strongly insisted that any legal form of official documents should start with a definition of the underlying activity in accordance with a longstanding tradition of legal formalism in Japan. Not long after, a Japanese representative was summoned to U.N. headquarters in New York without prior notice and cautioned by a senior-ranking official that the U.N. was watching with concern the drafting process then underway in Tokyo and that there was no official language in force for a binding meaning of peacekeeping because it is subject to political development. This was a good reason not to have a binding definition! Going back again to democratic governance, a working definition was finalized and a consensus was made on the definition: that is, “management system of society based on democratic values.” It consists of three elements: first, commitment and participation of all the stakeholders of society, including the public sector, the private sector, and the civil society sector; second, comprehending not only internal management of each actor, but interactive management between actors as a whole system; and, finally, placing the values of human rights and the plural party system underpinning democracy at the center of the management of society. Furthermore, several benchmarks are adopted in eight areas to assess concrete actions and programs that are put in place for democratic governance, and monthly reports are published. In order to consolidate a “culture of democratic governance,” political dialogues are planned and regularly held based on the format called Democratic Governance Forum. What intrigued me in Inoue’s account of practices of democratic governance is that he and his staff members have paid special attention to drawing a delicate balance between universality of democracy and indigenusness. This is an approach, in other words, of not imposing Europe-born ideas uniformly but rather seeking harmony by making the most of those local components that are relevant to democracy promotion. Since democratic governance is also such a popular subject of study that it is often taken up in classrooms, I felt truly relieved that special care was taken of this special mandate on the ground, drawing on the practitioner’s sense of pragmatism. It looked to me like a very rare moment when the two paths of theory and reality crossed. I also

teach students, as Rory Stewart and Gerald Knaus, both well-experienced practitioners, maintain in their latest book,¹² that the building of state institutions would be impossible without understanding of unique local conditions marked by history, customs, indigenous values, and the like.

4. A Peace Dividend (?): How Should New Wealth Be Shared?

Allow me to start the discussion of this chapter with an illustration of some data and facts. When East Timor became independent, it had already been confirmed that a huge amount of energy resources, mainly natural gas, exists beneath the Timor Sea, which lies between East Timor and Australia. And, since steady progress has been made with the thorough extraction and production of the resources in Bayu Undan, East Timor has begun to benefit. Political leaders agreed before independence on a “wise” scheme to control revenues from so-called oil money so that they would be utilized in the interest of future generations. They decided, therefore, to establish a Petroleum Fund with a view to pooling all royalty revenues obtained from the possession of resources and to expending some portion of the Fund for the annual budget on approval of the National Parliament. This is the so-called Norwegian Model, modeled on how Norway actually dealt with the revenues from North Sea oil. Thanks to this scheme, East Timor was honored for its excellent method of management by the Extractive Industry Transparency Initiative (EITI),¹³ an international surveillance body advocated by former British premier Tony Blair that oversees the transparency of transactions of money drawn from extracted mineral resources.

The Petroleum Fund Law sets the upper limit of money extracted from the Fund for the national budget at the level of 3% of estimated total oil assets (or, Estimated Sustainable Income: ESI). It amounts to US\$665 million in fiscal 2012 and accounts for 90% of the total annual budget. At the same time, an amount of US\$9.3 billion has already been deposited in the Fund (as of December 2011). An estimate of the Timorese share of returns from the overall development program of natural resources has soared to US\$22.2 billion (as of January 2012). This estimate is based on two assumptions: first, the program will be advanced in cooperation with Australia; and second, the mining district with the best prospects, called the

¹² Rory Stewart and Gerald Knaus, *Can Intervention Work?* (New York: Norton, 2011).

¹³ www.transpareancy.org; see also, for example, *Background Paper for the TLDPM*, the World Bank, April 25-26, 2005.

Greater Sunrise, will become operational. In fiscal 2012, the National Parliament decided, in the course of its deliberations of budget plans, to draw an additional US\$928 million, exceeding the ESI limit set on its own legislative authority. A national budget with US\$1.7 billion drawn from the Petroleum Fund was unimaginable at the time I was in East Timor and strikes a sharp contrast with my memoir of government coffers that relied heavily on so-called “budgetary support” with strings attached from the international donor community. The consolidated budget is to be expended with a focus on prioritized development targets such as infrastructure and human resources development. In fiscal 2012, two special funds have been established to facilitate those programs, and approximately US\$750 million was earmarked for the strengthening of infrastructure in particular.

A glimpse at these basic data and other related information readily teaches us, even if we are not development specialists, what the problem is: a nightmarish scenario in which people are trapped in and haunted by the “oil curse,” or in other words, that people are prone to become servants of money. In the aid business, a first step in formulating aid programs is to measure aid requirements needed for the recipient country. But, at the same time, it often happens that attention is not necessarily directed to the “absorptive capacity” of the aid recipient, which should be considered equally important to the ability to digest earmarked budget money and to implement aid programs as planned. Ironically enough, toward the end of every fiscal year in Japan, we often witness and read press reports about last-minute work projects launched for the sake of using up budgets rather than leaving budgeted funds unused. There is no wonder that this phenomenon incurs much public anger and leads to distrust of the government. In contrast, I heard a rumor in 2007, when I visited East Timor, that a slight increase in the national budget of that year remained unused due in part to the reason just referred to above. This is eloquent testimony to how crucial “capacity building” of the actors (or local peace builders) is and how difficult it is to accomplish goals. Although there is a recipe to solve the problem, it involves, however, not only a well-prepared program but also a well-functioning system of control to execute, report, and oversee. It also requires a strong foundation of budgetary management, such as legal institutions and human staff. In this connection, in his thoughtful speech at a plenary meeting of the International Institute for Strategic Studies (IISS), Robert Zoellick, the president of the World Bank Group, underscores the importance for “donors to help governments develop the capacity to employ the national budget as a transparent

tool for coherent planning and accountability.”¹⁴ He further maintains that “The starting point is to assist with the development of simple systems for financial management, payrolls, and procurements.”¹⁵ There is no quick fix, therefore, to the underlying problem and instead a social engineering approach is often cited in this regard.

We can learn the economic outlook of East Timor from official data and information available on the website of the Ministry of Finance.¹⁶ Here, I should like to note several salient points. First, increased government expenditures have been used for a variety of political purposes, such as subsidies for displaced persons driven from home in the wake of the civil unrest of 2006 and pensions for former guerrilla fighters and bereaved families. It might be sensible to accuse Xanana of such an easy method of political management, but it seems to me that this represents a hidden aspect of his political style: that is, “politics of compassion” showing great care for the weak of society and his faithful followers. I am personally tempted to forgive him given the fact that he had managed to tough it out with his comrades throughout the difficult time of guerrilla warfare. A general trend of generous dispersal of increased budgets has developed to date, and budgeted money bloated by an extra zero is now dispersed mainly through infrastructure-related programs. This uneasy development is spurred and amplified by a flawed system of government procurements. Partly because there are alleged pitfalls specifically in the qualification standards of bidders required in cases of tendering for public projects, “paper companies” that some groups of former guerilla fighters who would otherwise be disqualified create are more likely to be granted public works contracts. Those contracts are nevertheless eventually passed on in their entirety to foreign subcontractors who become de facto project contractors. The Timor-Leste government reportedly calls on Chinese national enterprises and public corporations to directly participate in open bidding.¹⁷ Since money moves and settles somewhere in the way as I have mentioned, most of the money seems less

¹⁴ Robert Zoellick, *Fragile State: Securing Development*, speech delivered at the plenary meeting of the International Institute for Strategic Studies (IISS), held on September 12, 2008 at Geneva, Switzerland.

¹⁵ Ibid.

¹⁶ <http://www.mof.gov.tl/en/sf/DB/Default.htm>; see also the address PM Gusmao made on the occasion of the presentation of the legislative proposal concerning the 2012 state budget at the National Parliament on November 9, 2011.

¹⁷ An interview with a China specialist who currently engages in academic research into China’s overseas activities.

likely to fall into the hands of the people at the bottom or on the periphery of society. It is against this backdrop that there is growing criticism leveled at the fact that a wealth divide has increasingly widened. Rumors about “corruption,” a disposition or an actual attempt prevailing inside the government to exploit public money for personal interests, are more frequently heard. The government is cautious, as a matter of course, about the spread of corruption and has put into practice anti-corruption measures: the strengthening of the Anti-Corruption Commission, for example. Fighting corruption is a race against time. It is therefore imperative that tangible results be achieved from anti-corruption campaigns before corruptive habits and practices take hold.

I was also amazed at the increased number of vehicles running on city streets, a majority of which are Japanese-made used cars, as is the case in other East Asian countries. I have to admit that I was surprised not only at the increased number of vehicles, but also at their clean appearance; in contrast to my time in the country, they looked almost brand new. This may be another indicator of the fact that oil money flows out into society. On the day of the election I saw a neatly clothed voter of presumably Chinese stock arrive at some polling station driving a Lexus sport vehicle. Since I was astonished at the appearance of such a luxurious model, I approached him to chat and asked if he was proud of his car. He casually replied to my questions and said that his is just one of at least thirty Lexus cars in town. I came to the conclusion that a class of wealthy families that have successfully amassed fortunes in prospering retail and commercial businesses or public works construction has emerged. I also noticed a change in taxi cabs on the streets, all of which are repainted yellow by the government directive. The Land Law was finally passed by the Parliament in 2003,¹⁸ when I just started my diplomatic mission in this country. Afterward, the taxi business thrived for some time because business loans with land as collateral were made available by a Portuguese bank. Not a few small local land owners borrowed money and bought used cars to enter the taxi business. Some foreign economic specialists, however, expressed critical views at that time that those easy business start-up investments would sooner or later fail and that the landowners would be deprived of their land and eventually be driven back into the poverty trap. As Hernando de Soto argues,¹⁹ even a small piece of

¹⁸ Concerning the unsettled double landownership problem, please see “Land reform in Timor-Leste – Country plots,” *The Economist*, March 5, 2012.

¹⁹ Hernando de Soto, *The Mystery of Capital* (New York: Basic Books, 2000).

precious land in a poor country without natural resources would have some market value once the local market connects to the outside world and attracts cross-border investment and financial transactions, since a legal system to protect economic activities is put in place. The abovementioned situation is one empirical example of de Soto's theory.

5. What Is The Youth Problem?: Identity Crisis and Unemployment

What is equally important in considering the future of East Timor is a problem relating to the younger generation, which has been growing in number. The problem consists of three interrelated issues about the country's youth: first, unemployment; second, youths immersed in martial arts who gather in the streets of urban areas; and, third, an identity crisis that plagues a generation of school age youths that has been confounded by flawed language education. These phenomena are not necessarily confined to East Timor, but are seen widely in other conflict-ridden areas. In the Middle East as a whole, for example, the disgruntled youth have played the leading role in generating the winds of the so-called Arab Spring, which is still underway. In Palestine, the Intifada, in which the youth also played the pivotal role in protest movements, was once vital. Even in the developed world, uneasy youth lead the "one percent" protest movements against widening wealth divides allegedly triggered by unrestricted economic competition. It is my opinion that the youth problem is now one of the biggest development challenges the world has to grapple with. East Timor has a fertility rate of 2.41 and ever-growing population, in sharp contrast with the developed countries, and the average age is 17.3 years. As is evident in these figures, the ratio of the younger generation to the whole population is very high. In addition, many older people perished amid guerilla warfare that lasted a quarter century. As a result, the demographic shape of East Timor resembles that of a pyramid, or of a Mt. Fuji with a long slope.

One cause of the youth problem is an absolute shortage of employment opportunities. The unemployment rate in urban areas is 16%, more than twice as high as in the countryside. Since East Timor has no major industry to speak of except for agriculture, job creation is not just an economic interest per se, but also a social concern, since a solution to unemployment leads to the realization of social stability. The unemployment problem therefore takes on a political dimension in the context of post-conflict peace building. Prime Minister Gusmao struggles to increase business or investment opportunities in East Timor and in fact attempted to attract

the attention of business interests at a meeting with top business leaders when he, apparently preoccupied with the unemployment problem, visited the headquarters of the Economic Federation of Japan. It is sensible in one sense that East Timor, under the leadership of Gusmao, leans toward the promotion of capital-intensive businesses that are associated with the utilization of natural resources and that require the development of not only basic infrastructure, but also highly trained and skilled labor forces. Accordingly, a host of obstacles stand in the way. During my recent visit, I heard that a factory manufacturing canned tuna exclusively for export is now in operation on the east coast of the island thanks to investment from Korea. Furthermore, as I referred to earlier, Chinese public corporation is actively engaged in a construction project. However, no data is available as to how many employment opportunities have been created to the benefit of local job markets. Although a variety of job creation measures have presumably been taken to date, it is regrettable that little effort seems to have been made to enhance agriculture to a self-support level on a nationwide scale, although it is critical from the viewpoint of employment policy. Given the fact that no initiative has been embarked on in place of the OISCA,²⁰ a Japanese NGO that once ran an agricultural laboratory seen as the sole role model for technical transfer of self-sufficient farming to local farmers, there might well be an attempt to reactivate it, a subject to which I will return.

Visitors to East Timor might be afraid to view for the first time the bizarre scene of youngsters in black costume moving in groups in the streets showing off martial arts moves: the so-called martial arts groups. For my own part, I still vividly recollect that when I worked as a national representative on policy recommendations for a post-UNMISSET agenda of peace building, full attention was paid to this dismal phenomenon and that some initiative, though weak in tone, to rectify the problem was cited in the donor group meetings composed of representatives of countries, the U.N., U.N. agencies, and other international organizations. It was the same youths who played a leading role in inflaming the civil unrest that took place in 2006 in the streets of Dili and who set on fire and destroyed public buildings. I visited one of these buildings, the site of the Comoro public market, located along a trunk road connecting the city center and the international airport. I saw an abandoned market with only the frames of

²⁰ OISCA is an acronym of The Organization for Industrial, Spiritual and Cultural Advancement International, headquartered in Tokyo. All the quotations concerning OISCA's activity in East Timor are based on interviews made in anonymity with a senior staff member of OISCA.

burned-out buildings. Poorly rebuilt make-shift stalls lined a narrow path and seemed to be open for business. This marked the second time for the market to be burned out following an incident in 1999 after which the market was rebuilt and returned to normal owing to a Japanese NGO's selfless effort.

It was a senior Japanese U.N. official and newly arrived UNICEF representative named Jun Kukita who was to grapple with this thorny but important problem relating to the youth of East Timor. On arrival at the end of 2007, he was impelled to tackle three pressing agendas by President Ramos-Horta, all of which were deeply concerned with the future of the younger generation. They were, first, an initiative relating to the martial arts groups, or reconciliation between youth gangs prone to quarrel and fighting with each other; second, a program to create a Youth Parliament to foster future leaders by enabling children, students, and youngsters to voice in public their ideas and views; and finally, an effort to help the young generation shape a sound identity based on history, culture and social heritage. Kukita was generous in sharing his personal account of how he dealt with each of these enormous challenges.²¹ He published a book written in Japanese²² soon after he left East Timor at the end of his tenure of duty (2007-2012) in which he disclosed a host of interesting dramas that he experienced together with his narratives on each topic. In addressing the martial arts groups, he adopted a very orthodox and pragmatic approach: that is, a combination of research and practice very distinctive to him. He picked up some clues for a solution from studies particularly of the history of the island, customs of traditional society, and peculiarities of community relationships. He paid special attention to the fact that youth have suffered the aftereffects of having failed to form their own identities due to the turbulent and unstable social circumstances facing them. He also detected a resulting tendency: the youths have a natural preference for martial arts because they found their abstract charm much closer and more familiar to them than Gusmao, an actual guerrilla war hero still admired by the older generation of their parents. And so, Kukita took prompt action to approach Jackie Chan, a world famous action star of Hong Kong who is a widely popular hero among the youths, sending a letter to plead

²¹ I exclusively drew on a set of e-mails Kukita sent to members of the TL Forum, an association of those interested for academic purposes or stationed in service in East Timor. All quotations from him in this article come from the same source unless otherwise cited differently.

²² Jun Kukita, *From the Field of East Timor: Children and Peace Building* (Tokyo: Sotokoto-Shinsho, 2012) (in Japanese).

for a visit to East Timor to talk with the crowds of youths. Chan responded warmly and in good faith, managed to spare time from his busy schedule, and eventually made an uncompensated visit to East Timor. He appeared before a young audience impatiently awaiting him at Dili and truly surprised them through demonstrations and moved them with a heartfelt talk. It is gratifying to note that Kukita's efforts, strongly reinforced by belief in the noble cause, wisdom, and activism, have been rewarded.²³

Before I left for East Timor, I had an opportunity to talk with Sadako Ogata, then president of the Japan International Cooperation Agency (JICA), an overseas aid agency now semi-autonomous from the Japanese government. She referred with some concern to the language policy adopted in East Timor on the eve of independence. She pointedly maintained that Mozambique, another Portuguese-speaking country, applied for and obtained membership of the Commonwealth of Nations in 1995 on the grounds that it sought good relations with all of the English-speaking neighboring countries with which it shares territorial borders. Mozambique's post-conflict prosperity is said to be attributable to a considerable extent to what Ignatieff calls the "good neighborhood relations" effect.²⁴ On the other hand, East Timor seems to face a dilemma, if not serious trouble, in its struggle with the dissemination of the Portuguese language, designated as an official language together with Tetun. Flawed and unbalanced language education was apparently one of the causes of poor outcomes in literacy improvement among school children according to Kukita's account.²⁵ In post-independent East Timor, both Tetun, a local language said to belong to the Malay family, and Bahasa Indonesia, an official language of Indonesia, are rather popular and widely used among the local population. The nation-wide literacy rates are approximately 56% for the former and 45% for the later. By contrast, the literacy rate for Portuguese is fairly low, roughly 25%. In other words, only one of four East Timorese understands this official language.²⁶ Even though intensive efforts have been made to promote learning of the Portuguese language at school, relying on a number of Portuguese-speaking advisors from abroad, prospects are

²³ For more details, please see Kukita, *From the Field of East Timor: Children and Peace Building*.

²⁴ See David Ignatieff, "State failure and nation building."

²⁵ See Kukita, *From the Field of East Timor: Children and Peace Building*.

²⁶ Population Distribution by Administrative Areas Vol.2 Population and Housing Census 2010, Ministry of Finance, RDTL 2010; the other references are from Kukita's findings. See also Kukita, *From the Field of East Timor: Children and Peace Building*.

not very bright. Some of the main reasons are due to an absolute shortage of local teachers who can speak and teach Portuguese and the absence of a high-quality curriculum. This policy has been implemented at the de facto sacrifice of Tetun language education. No textbooks are written in Tetun and the teaching skills in Tetun of teachers are underdeveloped to date. In September, 2009, the Ministry of Education conducted a survey with assistance from the World Bank that unveiled a shocking reality concerning the literacy level of school children and released findings (An Analysis of Early Grade Reading Acquisition)²⁷ that nearly every first-grade student at elementary school can read barely a word at the end of first-year education. It is common sense that language serves as a basic conduit for transmission of culture and that it also plays a critical role in fostering national identity. Government language education policies therefore exert decisive influence on the development of the intellectual capacity, including literacy, of school children. Outsiders must nevertheless be careful about comments concerning other countries' language policies, which involve a variety of complicated and sensitive elements, they are likely to create a very delicate political reaction. This is the case with East Timor, too.²⁸

6. Fragile Statehood and Its Solutions

East Timor now has the Strategic Development Program (SDP),²⁹ a master plan of development for the next two decades extending from 2011 to 2030. It is my firm belief that the agenda of reconstruction and development is the pivot of peace building strategy in post-conflict countries. The absence of a master plan to demonstrate how much and what is needed from outside serves, therefore, as a major obstacle to peace building, especially at the early stage of humanitarian relief and economic reconstruction. In accordance with Simon Chesterman's formula,³⁰ the aid track at this stage is necessarily supply-driven. As soon as the recipient side is put in place and readies itself for the reception of aid based on a development plan of its own, the aid initiative shifts and the aid track becomes demand-driven. In the case of East Timor, the World Bank has offered its good offices of intermediation and coordination with the recipient country and the international

²⁷[http://siteresources.worldbank.org/INTTIMORLESTE/Resources/Timor-Leste_EGRA_Report0130\[1\].pdf](http://siteresources.worldbank.org/INTTIMORLESTE/Resources/Timor-Leste_EGRA_Report0130[1].pdf)

²⁸ See "When do mother tongues divide?" *IRIN*, March 26, 2012;

<http://www.irinnews.org/Report/95153/TIMOR-LESTE-When-do-mother-tongues-divide>

²⁹ <http://www.timor-leste.govt.ti>

³⁰ Simon Chesterman, *You, The People* (Oxford and New York: Oxford, 2004).

aid community. The other feature with East Timor is the fact that a so-called master plan of action, titled the National Development Plan (NDP), existed at a relatively early stage and that it was in fact a makeshift merely compiled together with a bundle of aid guidelines for donors. As opposed to the foregoing, the SDP, an authentic master plan for development, signifies the eventual transfer of “ownership” to the recipient side. Zoellick maintains that “Local and national ownership in state building is fundamental to achieving legitimacy, trust, and effectiveness of the state.”³¹ At the Timor-Leste and Development Partners Meeting of 2011, an international meeting of aid coordination for East Timor, the government of Timor-Leste announced a new policy initiative to shift its development strategy from the aid-centric to the investment-centric. However, the existing foundations shored up, for instance, by infrastructure and human resources, are still very fragile despite well-meaning intentions. The SPD itself seems to be too ambitious in terms of final development goals, just like similar plans of other developing countries. One of its characteristics is a mid-term development scenario that relies heavily on oil revenues for which estimates for the next several decades are already confirmed. The scenario also envisions a structural reform enabling an upward shift from the primary industry to secondary and tertiary industry and entry into the groups of upper middle-income countries (US\$4000-\$12,000 per person in GNI) by narrowing the income gap now existing with Indonesia, Thailand, and Malaysia by 2030.³²

Since in the SDP there is no concrete reference to financial requirements of the above-mentioned development strategy, I am naturally tempted to speculate on how much is expected from abroad in the form of aid or investment. This requires the utmost caution because careless discussions about means and ways for development are often prone to politicization and confrontation in the delicate political atmosphere of East Timor. The government of Timor-Leste has already decided, on the other hand, to move forward and to take a concessional loan from Japan. Reaching a final conclusion involved heated parliamentary debates by the political parties over the pros and cons of borrowing money from abroad. It is indeed gratifying to acknowledge that those advocating borrowing concessional loans because of the economic advantages won a political victory, and as a result rational

³¹ Robert Zoellick, *Fragile States: Securing Development*

³² Details of the SDP is also accessible through the official web-site of the government of Timor-Leste, <http://www.timor-leste.gov.tl>

thinking about economic policies prevailed in the country. I personally understood that underlying this economic feud is a long-held ideological dispute between Gusmao's fiscal activism and Alkatiri's fiscal conservatism on top of the alleged political rivalry between the two. Gusmao's position apparently derives from realism that he cherishes as supreme power holder in dealing with the day-to-day work of administration. He seems to be more realistic and pragmatic than ideological but often becomes rather impatient and anxious, like the other "first generation of nation builders," to see something important done while he is still in power. At the same time, he may perhaps be aware that insufficient time is left to him. The key person whom Gusmao relies on is Minister of Finance Emilia Piers, who at one time had been in London for study following a stint as a U.N. consultant and was recalled to take charge of financial and economic mandates immediately after Gusmao took power and formed his coalition government. On the other hand, Alkatiri was said to be ideologically influenced by the two decades of life in exile in Mozambique, where he was shocked by the predicaments in which quite a few countries in post-independent East Africa became trapped because of accumulated foreign debts. When I was on official duty at Dili, any topic intimating aid loans was intentionally dropped from the list of discussion points with Prime Minister Alkatiri.

We will soon realize that in examining progress reports of development in East Timor, there is a mixed record of both progress and setbacks. In addition to the other areas I have already mentioned, there is one worth noting in the field of social development: that is, the "fastest development (or improvement in the children's health) in the world," to adopt Kukita's vocabulary. East Timor was infamous for an infant mortality rate (IMR) so extraordinarily high that it was ranked as one of the most backward countries in a prospering Asia. Generally speaking, human mortality is at its peak at the time of childbirth, and the risk of mortality dramatically recedes if newborns can survive until the age of five. Improvement in the IMR of children under the age of five is therefore so crucial a challenge for children's life and health that it has become one of the Millennium Development Goals (MDG4). According to a 2004 survey, the IMR per 1,000 live births in East Timor was 130. It has since dramatically improved owing to effective quick wins, such as safe childbirth and less expensive antibiotics, for instance, which were put into practice with funding from the U.N. and Japan. As a result, the IMR has drastically fallen by almost half to 56 per 1,000 live births. This can indeed be called

a major accomplishment, even though it is said that any improvement is faster if attempted in a less developed country. At any rate, this is another success to be credited to Kukita.

Concerning development setbacks, one clear sign I witnessed firsthand is deteriorated road conditions. Some of the trunk road networks extending from Dili were poorly maintained and left in disrepair. I regret having to acknowledge such a setback in lifeline infrastructure, and the situation was truly worse than when JEG was on mission. At the peak time, four engineering battalions of the Ground Self-Defense Force were stationed as UNMIST's peacekeepers to engage in logistics operations and were affectionately nicknamed JEG (Japan Engineer Groups) by the local communities. JEG ran vocational training programs for local trainees, a lesson learned from experiences in Cambodia, so that JEG-owned machines and equipment might be continuously maintained in good condition and effectively utilized for development purposes once they were handed over to the national government. As a result, some dozens of trainees had completed engineering and maintenance training courses administered under JEG auspices and been granted completion certificates as public guarantees of their skill levels. I wondered where they had gone and where they were at work. I happened to see some large, sophisticated construction vehicles left disused at one of the former JEG garrisons in suburban Dili. It was truly hoped at that time that this unique combination of machines, vehicles and equipment (tangible aid, or hardware), which could be counted in as Japan's ODA, with technical cooperation (intangible aid, or software) provided by PKO, would represent an unprecedented aid model as Japan's new role in the post-conflict situation. A group of veterans, most of whom are former engineering and logistics officers of the Grand Self-Defense Force, temporarily succeeded part of the functions performed by JEG soon after its withdrawal. In this connection, it is gratifying to note that an NGO named JADRAC³³ that they founded has at last launched activities funded by the Japanese government.

On the other hand, no tangible progress has reportedly been made with regard to policy measures to promote self-sufficiency of agriculture in East Timor. The farming laboratory once run by OISCA deteriorated after a hand-over to local management. OISCA, specializing in technical support for agricultural cultivation, seemed to have a solid philosophy concerning technical cooperation that they would

³³ JDRAC is short for the Japan De-mining Reconstruction Assistance Center.

stay no longer than necessary. It was this working principle, in other words, respect of (local) ownership, upon which the final decision was based, a decision to which I personally consented. Zoellick also notes that “Community driven development programs, which give control over decisions on investing modest resources to community groups and local governments, have proven to be successful.”³⁴ As one of those involved in the decision conceded later, it turned out, however, that the timing of hand-over was rather premature. My visit to the closed laboratory at Liquica drove home to me a new lesson often referred to with respect to peacekeeping operations: timing is also important in development. One piece of relieving news is that some groups of those former guerrilla fighters who completed the training courses at OISCA’s laboratory later succeeded in cultivating and developing new plots of farming land for their own self-sufficiency. They were constructing near the Indonesian border a laboratory similar to the one at Liquica. It might well be worth considering an offer of assistance should they be willing to expand nationwide their model of farming. In this regard, a local governor in the Philippines is reported to be interested in providing support in the interest of nation building in East Timor. With all these forces combined together, the aid model of what is called South-South cooperation that Japan has advocated and advanced with enthusiasm is more likely to come into being. Assuming that JICA’s active involvement is forthcoming, this could be a worthwhile challenge.

7. Conclusion

On March 19, 2012, to commemorate the tenth anniversary of independence as well as the opening of diplomatic relations between Timor-Leste and Japan, Foreign Minister Zacarias Albano da Costa hosted a reception at one of the largest halls of a first-class hotel in downtown Tokyo. As the foreign minister stated clearly, bilateral relations have moved forward smoothly and developed to a mutually satisfactory level thanks to unsparing efforts by innumerable persons. This understanding is also reaffirmed in the SDP, mentioned above, and special references are made especially in the section dealing with diplomatic relations that Japan is a “very excellent friendly country” and that it is as important as Australia, Indonesia, China, and the United States. Soon after my arrival in East Timor in mid-2003, Sharma, SRSG of the UNMISSET, said to me that Japan’s earlier commitment to the peace building of East Timor prompted some ASEAN member countries to follow

³⁴ Robert Zoellick, *Fragile States: Securing Development*

suit.³⁵ On the eve of his departure, he told me in front of the then Foreign Minister Ramos-Horta that he supported a Japanese successor in the light of importance of the role Japan continues to play. The latest visit to East Timor convinced me that trust of Japan is still alive and has never weakened.

On the other hand, Japan's international standing is in fact in decline these days due to a host of reasons, including the prolonged economic slump and mounting government debt. The volume of official development assistance (ODA), a major means of driving Japan's foreign policy initiative, has been drastically slashed and is now around two thirds of its peak level (US\$14.4 billion in 1997). Japan cannot afford to behave in the same way it used to as the biggest donor in development aid during the 1990s. Given the difficulties certain to surround Japan for some time to come and changing international circumstances, it is absolutely necessary for Japan to redefine its foreign policy posture and development aid strategy as well. My humble suggestions drawing on some hints from East Timor are represented by four key concepts: that is, "softness," "technology," "human resources," and "quality." They all in fact underpinned Japan's progress, dynamism and prosperity in the post-war period, and I believe that they are still relevant, especially if contrasted with China's overseas aid strategy. Akihiko Tanaka, new president of JICA, apparently succeeding Ogata, recently referred to part of his ideas about new development aid strategy in a national newspaper.³⁶ He underlined the importance of forthcoming joint research with China and its development into possible aid collaboration between Japan and China in the developing world. It is a very interesting proposition considering the possibility that the two countries may develop their complementary relationship by reinforcing their strengths while compensating for weaknesses in the interest of the aid recipients.

Finally, what is the rationale of Japan's new aid posture, and especially toward East Timor? There are three quick answers worth noting, even though the question of a rationale of development aid has often been raised and argued against the backdrop of a sharp decline in Japan's aid volumes. First, it has been said that one of Japan's three long-held foreign policy pillars rest on a motto that Japan is a member of Asia.

³⁵ See Hideaki Asahi, *Peace Building in Practice: Lessons from the Ground*, (Tokyo: JIIA, 2008) (http://www2.jiia.or.jp/pdf/resarch/2009/200904-Peace_Building_in_Practice.pdf).

See also the address of Dr. Surin Pitsuwan at the JIIA Forum held on Decembet 13, 2007.

³⁶ Akihiko Tanaka, "Japan-China aid collaboration to the developing world," *Asahi Shimbun*, May 20, 2012.

Japan's commitment to East Timor, one of the poorest countries in Asia, in which Japan has minimal strategic and economic stakes, is a testimony of this posture. In a prospering Asia, there are still both "main streets" of prosperity and "back alleys" of poverty. Japan attempted to reach out to rescue this fragile country, leading ASEAN member countries. This is a rationale underpinning Japan's aid strategy to East Timor, which Surin Pitsuwan, then foreign minister of the Thailand and currently secretary-general of ASEAN Secretariat, knows best. Second, the so-called fragile state or collapsed state syndrome has become an international security issue since the 9/11 incidents of international terror. Japan, as a core member of G-8 and G-20, is expected to address this problem, which is part of a package of so-called global issues, including, for example, environmental degradation, drug trafficking, endemic diseases, and poverty reduction. Last but not least, East Timor, though small in size and power, understands that it is strategically vital for its survival to widen and strengthen its diplomatic networking. It endeavors therefore to connect itself to the rising forces of the developing world: for instance, by participating in the formation of the Group of Seven Plus Fragile States or G7+,³⁷ and the CPLP,³⁸ composed of former colonial and Portuguese-speaking countries. And, it has now applied for accession to ASEAN. It is sensible to develop new thinking that Japan's strategic interests may also extend through bilateral links, for instance, the relationship with East Timor, to emerging groups in the developing world. At a G7+ meeting East Timor hosted at Dili in 2010, Prime Minister Gusmao, while unprecedentedly referring to "both rights and duties as members of the community of nations" and unequivocally stressing "moral obligation towards the 'tax payers' from the donor countries," pledged himself that "the assistance provided by our Development Partners is used in an effective and responsible manner."³⁹ And, East

³⁷ The Group of Seven Plus Fragile States, or "G7+," apparently consists of two different groups. One is composed of seven countries, namely Afghanistan, Central African Republic, Democratic Republic of Congo, Haiti, Ivory Coast, Sierra Leone, and Timor-Leste. The other group, as signified by the "Plus," consists of those countries that, in place of some absentees of the former group, joined a meeting held at Dili in 2010: namely, Burundi, Chad, Southern Sudan, Nepal, and Solomon Islands. Things remain fluid in group formation judging from Gusmao's following opening remarks at the meeting: "We want today's meeting, which we may call the first "Fragile State Forum," to continue, to expand, and even to become institutionalized, so that we can improve the coordination of international assistance from Development Partners."

³⁸ CPLP is an abbreviation of Comunidade dos Países de Língua Portuguesa (Community of Portuguese Language Countries). It was formed in 1996 with seven member countries: Portugal, Brazil, Angola, Cape Verde, Guinea-Bissau, Mozambique, and Sao Tome Principe. Timor-Leste joined the community in 2002 after independence.

³⁹ Speech by Prime Minister Gusmao at the opening session of the G7+ meeting held at Dili on April 8, 2010.

Timor shared its understanding and knowledge about Japan's development aid system, and in particular the advantage of concessional loans, when it discussed aid issues of mutual interest with other participating members.⁴⁰ This political episode unwittingly reveals how things move on and work well. ☺

Note: The author is deeply indebted to a briefing offered by members of the Japanese embassy staff and also to the data and papers made available for my research work. My thanks also go especially to Ken Inoue and Jun Kukita, two senior U.N. officials, for sharing their valuable experience and insights with me. Views and opinions of this essay are the author's own and do not represent those of the Japanese government.

⁴⁰ Prime Minister Gusmao talked about this topic in a meeting with members of Japan's Diet when he visited Tokyo in late March 2012. The author heard of it from a participant in the meeting.