# UNIVERZITA KARLOVA

## FAKULTA SOCIÁLNÍCH VĚD

Institut politologických studií

# Diplomová práce

2017                                  Bc. Michaela Šestáková

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# State-building and developing governance capacity in East Timor

*Diplomová práce*

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## Bibliografický záznam

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## Abstrakt

Diplomová práce se zabývá state-buildingem na případové studii Východního Timoru. Východní Timor v roce 1999 nenaplňoval kapacitu vládnutí, a tak mezinárodní společenství rozhodlo o nutnosti zasáhnout a provést rekonstrukci státu. Východní Timor rozhodně není prvním případem mezinárodního state-buildingu, ale svým rozsahem je výjimečný. Organizace spojených národů ustavila misi UNTAET s konečnou dobou působnosti, která však byla dvakrát prodloužena až do května roku 2002. Práce se zabývá mezinárodním budováním státu a jeho souvislostí s lokální účastí a sounáležitostí. Cílem této práce je za prvé, určit zda UNTAET jakožto peace-buildingová operace byla úspěšná. Druhou výzkumnou otázkou pak je to, jaké aspekty budování státu pomohly zlepšit vládnutí a veřejnou správu ve Východním Timoru. Práce staví na teoretickém základě, že jsou to právě lokální aspekty, které pomohly UNTAET, respektive Východnímu Timoru, ve zlepšení výkonu ve veřejné správě a vládě. Tato hypotéza je podrobena kritickému výzkumu metodou sledování procesu v období od podzimu 1999 do května 2002, kdy byl ustaven nezávislý stát Timor-Leste. Ačkoliv mise UNTAET byla úspěšná ve vytváření pilířů pro oblast vlády a administrativy, zapojení lokálních obyvatel nebylo uskutečněno na dostatečné úrovni. Limitovaný úspěch může být dán za vinu právě tomu, že obyvatelé nebyli dostatečně zapojeni do procesu budování státu při realizaci mise UNTAET. Tato skutečnost je platná pouze pro tento případ, a práce se nesnaží generalizovat výsledky na ostatní případy, neboť budování míru a státu je velice specifická činnost, při které je nutné zohlednit místní prostředí a situaci.

# Abstract

This diploma thesis elaborates on state-building in the form of a case study of East Timor. East Timor has hosted an international state-building intervention as a result of the lack of governance capacity. East Timor is not the first case of a failed state with implied international state-building, but applied transitional administration in this format is unique. The United Nations established UNTAET with a finite time period which has been prolonged twice since May 2002. This thesis examines international state-building and its linkage with local participation and ownership. The goal of the thesis is to determine whether the peace-building in East Timor was successful. It continues with the second research question regarding the main aspects of state-building which helped to enhance performance in governance and public administration areas. Using Fukuyama's theoretical background, this thesis builds a hypothesis on the notion, that aspects which helped enhance performance are those connected with local participation and ownership. The method of the research is process tracing between autumn 1999 to May 2002, when the independent state of Timor-Leste was established. Although UNTAET was successful in creating institutional and process bases in areas of governance and public administration, local participation was not performing on a high level. A low level of local participation and ownership may be blamed for the limited success of the state-building mission. Governance capacity was enhanced without proper consideration of local people and their environment, thus, UNTAET only enjoyed limited success, particularly in functional areas. The results of the research should not be generalized for other state-building cases. The aim is rather to see room for potential improvement in conducting this type of international mission.

## Klíčová slova

State-building, kapacita vládnutí, Východní Timor, OSN, vláda a veřejná správa, přechodná správa, UNTAET

## Keywords

State-building, governing capacity, East Timor, United Nations, governance and public administration, transitional administration, UNTAET

## Počet slov a znaků

16 518 slov

109 350 znaků (včetně mezer)

## Prohlášení

1. Prohlašuji, že jsem předkládanou práci zpracovala samostatně a použila jen uvedené prameny a literaturu.
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V Praze dne 5. 1. 2017                                          Bc. Michaela Šestáková

## Poděkování

# Content

# List of abbreviations and acronyms

| | |
|---|---|
| ASDT | Timorese Social Democratic Association (Associação Social Democrática Timor) |
| CNRT | National Council of Resistance of the People of East Timor |
| ETTA | East Timor Transitional Administration |
| FRETILIN | Revolutionary Front for an Independent East Timor (Frente Revolucionária do Timor Leste Independente) |
| INTERFET | International Force for East Timor |
| ITA | International Transitional Administration |
| NATO | North Atlantic Treaty Organization |
| NC | National Council |
| NCC | National Consultative Council |
| TA | Transitional Administration |
| UDT | Timorese Democratic Union (União Democrática Timorense) |
| UN | United Nations |
| UN SC | United Nations Security Council |
| UN SG | United Nations Secretary-General |
| UNAMET | United Nations Transitional Administration in East Timor |
| UNICEF | United Nations Children's Fund |
| UNMISET | United Nations Mission of Support in East Timor |
| UNMIT | United Nations Integrated Mission in Timor-Leste |
| UNOTIL | United Nations Office in East Timor |
| UNTAET | United Nations Mission to East Timor |
| USA | United States of America |

# Introduction

State-building has been a key feature of reconstructing the post-Cold War international order and it primarily attempts to improve governance capacity in weak, failed or fragile states. Along with increasing governing capacity, state-building activities also boost economic recovery and promote respect for human rights and rule of law. This modern concept and policy discourse attempts to establish or enhance governance capacity, which is crucial for the security of a particular failed or weak state as well as for the rest of the actors of the international system. States without appropriate governance capacity can be a cause of various security problems from refugee flows, performance of terrorist groups, and occurrence of non-democratic regime to spreading of diseases.

This master thesis focuses on the case of East Timor which has hosted an international state-building intervention as a result of the lack of governance capacity. The topic of state-building is definitively relevant in the field of international relations and security studies for several reasons. Weak and failed states can present significant danger for international peace and balance of powers. As a result of missing governance capacity in state, people can be displaced or placed in danger of death. State-building is one of the academic concepts and policy approaches which is still evolving and it is appropriate to elaborate on that topic in the field of security studies.

Since this master thesis focuses on the case of East Timor, it is mandatory to define what exactly has been enhanced and developed by international state-building activities started in 1999 by the UNTAET operation and continued with several supportive UN operations afterwards. State-building is a vast and complex process which involves a huge number of specific processes and action steps on either international or local level. State-building aims to enhance or create democratic government, protect or promote human rights, establish the rule of law, efficient administration and public services and last but definitely not least establish of a free market. Since Indonesian occupation in 1975, East Timor was the case of the state which had not ensured human rights to its citizens and in addition to that, it did not provide independent and sovereign governance. In such case of instability, entire international security and peace could be in danger due to radical attitude of Indonesia and pro-Indonesian militias in East Timor. Decision to intervene is never easy to make, and it is even more difficult to implement new rules and norms but the United Nations (UN) attempted to establish vast international apparatus to secure the governance

capacity in East Timor. East Timor is not the only state which has lacked good governance and hosted international state-building mission but it is the accurate case to study the explicit parts of the state-building.

States need good governance in two aspects. The first one is developmental management ensuring implementing of rules and institutions and the second one is the system of public administration. The system of public administration should be open, efficient, and accountable. During the interventions and state-building aims we have witnessed, international actors attempted to create democratic states similar to Western democracies. It is an understandable move because if democracies have experience with a working system, an effort to implement the same system is all but inevitable. In fact, weak and failed states where intervention happened in last twenty-five years were, according to the neo-liberal approach, unable to govern effectively and responsibly in a globalized world, thus democracy has seemed as a decent treatment. State-building is thus not an instrument to supress the sovereignty of the state by implementing a new system but rather a process how to help failed and weak states fulfil their function to secure their territory and nation.

The thesis analyses UN state-building activities and attempts to answer the two research questions: How successful was peace-building activity under UNTAET mandate? After answering the question of success degree, thesis aims to find the answer for the second question, which is stated as: What were the main aspects of state-building activities in East Timor that helped to enhance performance in the area of governance and public administration? To find the answer, the thesis probes theoretical and empirical data from the case of East Timor. The thesis first and foremost presents a research design and specifies its methodology. Then it continues with a literature review of academic sources on state failure and state-building. The chapter summarizes chronological and theoretical evolution of the arguments for state-building, necessary to understand the significance of the issue. The next chapter moves to the case study of East Timor, presents its brief history and the UN missions and activities. The first international involvement in East Timor was UNAMET followed by the multinational forces INTERFET. INTERFET has smoothly transformed into UNTAET, an operation guaranteeing transitional administration and state-building activity.

After the termination of UNTAET, a few more missions were established – UNMISET, UNOTIL, and UNMIT. Putting the emphasis on UNTAET, the thesis elaborates on state-building under transitional administration during period from 1999 till 2002. This mission is examined in line with application of the theoretically operationalized variables and a method of process tracing. To sum up, conclusion presents the entire research and findings.

# 1. Research design

The research is done on the case study of state-building in East Timor. Despite the fact that only one particular state is chosen for examination, state-building includes a large number of activities. This entire thesis attempts to answer two research questions: *How successful was the peace-building activity under the UNTAET mandate? What are the main aspects of state-building activities in East Timor that helped to enhance performance in the area of governance and public administration?* The first question aims to determine the degree of success of peace-building and state-building activities under the UNTAET mandate from 1999 to 2002. Despite the fact that the second question is assigned in concrete terms for this case, it is necessary to go through the theoretical as well as empirical basis of state-building. The most appropriate way to find the answer for this question is to use process tracing.

Process tracing offers the possibility to conduct research with examining concrete phases of the state-building mission, and the functions that particular institutions should have served, as well as the roles of both the international and local representatives (Collier, 2011, p. 823). The basis of process tracing lies in the comprehensive description of state-building, the completed actions and the actors involved. It is crucial to set key steps of the events along with a good descriptive sequence and to have prior knowledge about the state-building concepts to be able to create a suitable conceptual framework for research (Collier, 2011, p. 824). The process tracing method attempts to identify the intervening causal process—the causal chain and causal mechanism—between an independent variable (or variables) and the outcome of the dependent variable (George and Bennett, 2005, p. 206). In the case of East Timor, the background of the initial situation has to be presented, followed by key steps of the UN intervention with their ramifications. This thesis analyses original data from the UN resolutions and reports, and in addition to that, a significant amount of academic literature has been written on it, which is useful for this specific research.

First of all, this thesis recognizes the state-building in East Timor as a successful mission which, despite the obstacles, enhanced governance capacity and developed the state in many ways. The potential outcome of the research fits in the case of East Timor and shall not try to generalize all the state-building activities conducted by the UN. My hypothesis is that certain aspects of state-building, which can enhance performance in governance and public administration, are those which enable connection with local

activism. I propose that state-building would not be so powerful without the local activism. This idea is presented by Francis Fukuyama who argues that understanding the local political, social and cultural environment is necessary for successful state-building (Fukuyama, 2004, p. 59). Without local agreement, thus ownership of established institutions and systems, the whole state-building process could lead to an unsuccessful end. The main aspect can be the local ownership in both of the chosen areas.

In order to conduct precise qualitative analysis of this case study, exact activities and key steps must be distinguished. The phases of the UN state-building mission with its key steps are the independent variables of the research. They include factors which form the institutions and systems in East Timor. This thesis searches for those factors which enhanced performance and enabled East Timor to increase its governance capacity. International intervention may seem like an obvious factor for increasing governance capacity but as mentioned, local ownership, as well as the implementation of specific key steps, is necessary for successful transaction. This thesis analyses established institutions which are responsible for performing in governance and public administration areas. Afterwards, the attention is fixed on the specific state functions which those institutions together with other actors improved. UN SG reports will also be analysed because they are divided into several sections tracking governance and public administration during this period in East Timor. It is thus easier to answer the question of peace-building success in East Timor because one can determine whether or not the situation in East Timor improved. After process tracing state functions, the research focuses primarily on local ownership factor and its potential presence and role in East Timor state-building. Focusing on involving local representative in the traced process of evolving and enhancing state function, this thesis is able to evaluate whether local role was only demonstrative or functional.

On the other hand, a dependent variable is the performance in particular areas within the public dimension of the state. State-building consists of a large number of activities but this thesis elaborates on two of them. Public administration with governance was chosen to be examined due to its significance for the whole society and for the state itself. Democratic institutions represent a desired state of public administration which has been implemented with so-called a transitional administration in East Timor. The judicial system should have provided citizens of East Timor with a

proper rule of law, as judicial power of the nation state and governance should ensure proper performance of executive and legislative powers.

This thesis offers theoretical knowledge about state failure and subsequent peace-building and state-building activities. The process tracing of East Timorese state-building is divided into several parts. After finding some regularities in implementing international intervention, the following chapters attempt to find similar features or differences. The theoretical concept of state failure and weakness is applied in East Timor. There are plenty of features that ought to be present to identify a failed state. The UNTAET carried out challenging research on the peace-building and state building mission, respectively. Theoretic approaches state what content should be delivered. This thesis attempts to answer the question regarding the success of peace-building in East Timor. Focusing on key action steps and the implementation of resolutions and regulations, the results should present the successes and weaknesses of intervention. This thesis goes through the whole UNTAET mission by looking at phases which also offers to focus on specific pillars of governance and public administration. It is crucial to examine the establishment of institution under the UNTAET mandate, while also concentrating on local participation to verify or falsify the stated hypothesis. This research examines whether the locals felt a sense of ownership with the state-building mission and participated actively in all kinds of established institutions. The data is available primarily from reports of UN SG and existing academic literature.

This thesis focuses on a sequence of events and the inference of state-building activities in these two areas. Process tracing enables the research to visualise the progress of the UN mission and detect the aspects which enhanced the performance in administration and governance. Governance and public administration has been chosen due to its significant position in the UN Resolution 1272 which established the UNTAET, and due to its wide literature base. The following chapter presents academic literature focusing on state-building but despite the large amount of literature that has been written on the topic, the comprehensive research on influencing factors on governance capacity regarding the governance and public administration in East Timor has not been done yet. It is symptomatic that this topic is researched at a time when several states are struck by intrastate conflict with the possibility of collapse. State-building, along with peacebuilding activities, have to be examined and improved to serve as many states as possible.

# 2. State-building

This chapter presents the resume of the present literature dwelling on the issue of state weakness or failure followed by state-building. Each state-building activity is preceded by state weakness or failure. The causes of a lack of governance capacity can be different. The chapter starts with presenting causes of state failure and weakness and smoothly transitions to state-building itself. It does not offer all the authors or pieces written about state-building, but attempts to outline theoretical evolution and the current state of discourse.

## 2.1 State weakness and failure

The role of the state has been formed for centuries and accepted norms have originated from international consensus on certain issues. The international community became interested in the phenomena of weak and failed states primarily in the post-Cold War period, when definitions of failed states started to occur (Brooks, 2005, p. 1160). Nation states should provide certain functions for their citizens. The World Bank presented the division of the functions according to the dimension they control. Most of the authors accept this hierarchical division of state functions and tailor it for their own research (Barbara, 2008; Eriksen, 2016; Fukuyama, 2004; Robinson, 2007; Rotberg, 2004). Functions range from minimal, which provide political goods, and intermediate to activist functions, which coordinate private activity (Table 1). If some of these functions are not fulfilled by the government, the state loses its capability (World Bank, 1997, p. 27). The lack of capability can either arise as a consequence of ongoing events or persist as a long-standing state problem which can lead to state weakness.

Authors agree on the fact that weak states perform poorly in some of the areas of functions as opposed to strong states which perform well in most of them (Brooks, 2005, p. 1160; Rotberg, 2004, p. 4). Strong states assure all the important functions – "security from political and criminal violence, ensure political freedom and civil liberties, and create environments conducive to the growth of economic opportunity" (Rotberg, 2004, p. 4). He continues with the list of the particular functions which closely correspond with the World Bank list (Table 1). Weak states, on the other hand, are not able to provide citizens with political goods on a satisfactory level (Brooks, 2005, p. 1160; Robinson, 2007, p. 4; Rotberg, 2004, p. 4).

Thus, citizens do not live in a safe state with secured human rights and services ensured by the state. Both Robinson and Rotberg mention one element of weak states, that the focus of the state elites lies on their own personal benefits instead of the the provision of public goods (Robinson, 2007, p. 4; Rotberg, 2004, p. 4). Not improving the state capacity in a weak state results in state failure and becoming a failed state. Even though weakness and failure is mostly in this sequence, empirical cases with a reverse sequence have appeared (Robinson, 2007, p. 6).

Despite the fact that state failure can be detected by internal violence, it is rather the character of the violence as a factor for identifying the failure. Violence in a failed state is enduring and occurs at a high rate across the state territory (Rotberg, 2007, p. 5). Violence appears in the form of civil wars which is specific to failed states; wherefore, the state's capability to provide citizens with assigned functions diminish. Communities have tensions and disagreements between each other caused by religious, political, and ethnic reasons etc. The state is not able to control an entire territory, while peripheral regions have to primarily rely on its own sources of safety. In addition, the central government does not ensure human rights and does not free people from fear. The fear of the citizens stems from the criminal violence, uncertainty about their living and property, and general lawlessness (Rotberg, 2002, p. 87). Institutions and infrastructure do not operate as usual and citizens cannot rely on the democratic norms. Simultaneously, the economy fails along with the state and corruption is one of the signs of failure.

The list of the aspects of failed states has been exhaustively described (Brooks, 2005, p. 1162-1164; Chesterman, Ignatieff and Thakur, 2005, p. 2, 16; Rotberg, 2004, p. 5-10). Nevertheless, the previous extract summarizes the key aspects which are visible in most of the cases of failed states. State weakness and failure are inseparably linked together and one does not appear without the other. State weakness and failure can stem from various reasons. The economic policy of the state elites and the aforementioned disharmonies between two or more communities ended in civil war and forced the state to fail (Rotberg, 2004, p. 30). Failed states experiencing ethnic or intercommunal hostility tend to "prey on their own citizens" (Rotberg, 2002, p. 86). Failed states are not the ideal state of the political order which the international community or countries itself desire. Therefore, the universal aim is to create strong states with well-established institutions and great performance across the state functions. If some of the states fail,

the international community can intervene with state-building activities to enhance such performance.

## 2.2 State-building

During the aftermath of state weakness and failure, both political elites and academic authors have had to respond. The situation of existing weak or failed states is untenable in the international order. Academics have started to discuss the causes and even more importantly, options that offer solutions to this phenomenon. The next paragraphs point out the main theoretical arguments with a focus on state-building missions.

## 2.2.1 Evolution of the theoretical approaches

An aforementioned fact is that the state has to fulfil given functions with a current international consensus which evolved from discussion and historical events. The international community has agreed on the ideal form of state or at least on these functions which it should attempt to accomplish. What happens when a state becomes weak or in the worst case, fails? Then, state-building can be theoretically and practically utilized. Primarily, this thesis focuses on state-building which differs from state formation. Improving state and governance capacity can be either internal or external. The international community attempts to assist weak and failed states in order to make things easier and shoulder part of the burden which the state is carrying. Here, state-building, as distinct from internal state formation, is accompanied by the external actor's efforts. State formation is the process of independent state evolution (Eriksen, 2016, p. 2).

Despite the fact that historical events encouraged debate on capacity-building and state-building, the literature shows consensus about the appearance of the phenomenon. Further research in this area and practical solutions offered in the issue of failed states along with state-building activities appeared primarily in the post-Cold War period and even more considerably after 9/11 (Abrahamsem, 2004, p. 1455; Barbara, 2008, p. 309; Robinson, 2007, p. 3). However, it does not mean that external intervention has never occurred before but rather, that the institutionalization of such interventions established by that time. For instance, a significant case of peace and

state-building was employed after the second World War in Germany, when powerful states conducted large-scale measures to avoid an outburst of conflict (United Nations, 2004, p. 10). The motives behind today's interventions are fears of bad externalities imposed by "the combination of the scientific revolution and political disorder, economic collapse, and anger in the third world" (Fearon and Laitin, 2004, p. 13).

After the Cold War humanitarian crisis arose in several states, it has become international wisdom that state-building could be a treatment for failed states. As Robinson clarifies, "(i)f the crisis of the state afflicts a particular kind of state the obvious solution is to build the other kind, the state that is less threatened" (2007, p. 3). The threat might be the potential outcome of impending civil war or the spread of crisis across the region with no chance to reverse it and thus no ability to enhance the state capacity. Robinson continues with the argument that decolonization, together with the decline of bipolar international order, established the phenomenon of *quasi-states* which were built on the foundations of former colonies but were not able to perform well in the main state functions and became weak (Robinson, 2007, p. 6-7). The weakness of these states were revealed in the failures of the state itself and their need for post international intervention. The World Bank responded to this situation in 1997 when it released the World Development Report that addressed the issue and presented a proposal for a solution.

The World Development Report is based on the neo-institutionalist point of view on the state. It presents the new definition for the state's role which should match its existing capability, and in addition to that, the new strategy should "reinvigorate the state's capability through rules, partnerships, and competitive pressures outside and within the state" (World Bank, 1997, p. 25). The term, state's capability, is understood here as a set of institutional rules and norms and refers to whether if the state is capable of providing its citizens with public (political) goods. As previously mentioned, weak and even more failed states are not capable in providing that, thus the World Bank presents some proposals on how to enhance the situation. Rules and restraints are the core of the established institutions and they are seen as the basis for sustaining state development (World Bank, 1997, p. 28). Competitive pressure and partnership are the other equally important aspects of developing state capacity, hence locals are involved in the process and must understand that if they do not participate, the international marketplace offers opportunities too. Strong central capacity with efficient and effective delivery systems for formulating and coordinating policy is crucial to ensure the

appropriate development and performance of the state (World Bank, 1997, p. 80). The World Bank presents its own list of state functions which should ensure state stability and be the goal of the state-building missions: a foundation of law, a benign policy environment, including macroeconomic stability, investment in people and infrastructure, protection of the vulnerable, protection of the natural environment (World Bank, 1997, p. 41). The list is short but comprehensive for implementing in state-building missions.

The upcoming literature dwells on the argument that state capacity, or in this thesis, governance capacity – more commonly used later – clashes with the right to self-determination. Earlier, the right to self-determination demonstrated state sovereignty; Stephen Krasner and Robert Keohane both reassess the sovereignty in their books. Krasner distinguishes between four types of sovereignty, the Westphalian and international legal sovereignty are the important ones for the research in state-building (Krasner, 1999, p. 5). He argues that the division of sovereignties into categories better articulate the purpose of international intervention. He claims the intervention with state-building aims to enhance one sovereignty despite the fact it diminishes the other one. The practical case is the inclusion of external actors against the Westphalian sovereignty which may enhance the other types with increase of state capacity (Krasner, 1999, p. 25). Keohane defends Krasner's four types of sovereignty, and according to a spectrum of those types, he argues that contemporary external sovereignty can be limited by intervention (Keohane, 2003, p. 286). Keohane understands sovereignty as a variable which can be limited in order to enhance domestic sovereignty and the right to self-determination of the nation. Krasner and Keohane both defend the concept of state-building as a sovereignty-developing instrument, but focus rather on the nature of the intervention than the state-building aims itself. However, they present more nation-oriented aspects of the state-building, that international intervention may be seen as a violation of sovereignty and not be admitted by the locals.

Throughout the 1990s and 2000s, the international community went from responding with internal interventions to state-building activities with reparative measures; this shift piqued the interest of academic authors. As the issue provokes controversy, critiques of the approach appeared at that time. Dominik Zaum opens a question regarding the legitimacy of international intervention when he argues that sovereign authority must be recognized by both international and local society (2007, p. 164). Zaum presents a broad list of state functions which he labels as "content of

sovereignty" – importance of a democratic government, protection and promotion of human rights, importance of establishing rule of law, effective administration and public services, free market economies (2007, p. 180). On the other hand, he adds that the state-building aims are paradoxical due to the forceful nature of enhancement to be sovereign and thus capable. State capacity should be taken as a responsibility of the international community which performs the state-building activities with the goal of establishing a liberal society, not creating duplicates of Western democracies. David Chandler claims that Western democracies do not admit the responsibility for state-building and labels them as "empires in denial" (2006, p. 10). He criticizes the partnership approach and suggests a leadership approach when intervenors take the responsibility for the activities on their own (Chandler, 2006, p. 15).

The literature overview is not a complete list of authors focusing on state-building and related topics but rather a presentation of potential approaches and an evolution of the arguments and general perspective of international intervention for state-building purposes. Due to the specific nature of the issue, and applying non-quantitative categories of state strength and scope, process tracing is the best solution for the research to map the UN administrative practices in East Timor. The research focuses on the phases of the state-building mission and considers local ownership as the core value for its success. This argument is presented by Francis Fukuyama, the author who concentrates on the issues of state weakness and state-building. The next subchapter elaborates on his well-known book, *State Building*.


### 2.2.2 State scope vs. the promotion of governance capacity

Francis Fukuyama elaborates on the issue of state-building with the lessons learnt within a neo-liberal register. Fukuyama emphasizes the role of state capacity as well, but he distinguishes between two parts of this concept. He argues that it is more crucial to improve state strength than the state scope (Fukuyama, 2004, p. 12). State strength represents the quality of performance in particular state functions as opposed to state scope, which defines the number of state functions the state is actively performing in (Fukuyama, 2004, p. 13). Fukuyama suggests that local ownership during intervention is the prerequisite for a successful state-building mission, and thus, development of the governance capacity (Fukuyama, 2004, p. 20). There is no clear ideal way to administrate the state-building activity in a weak or failed state and the

transaction costs are astronomical even from one case to another. All arguments are aimed at the conclusion that weak governance of a state undermines international stability and sovereignty of the state itself (Fukuyama, 2004, p. 126). Ultimately, the solution lies in good administration and institution-making rather than providing the state with all the functions in a state scope framework.

Fukuyama does not offer a universal solution in the form of state-building in weak states, rather, he analyses all dimensions of a state. He presents the concept of stateness that includes functions, capabilities and grounds for legitimacy of governments, as well as enforcement, the core of stateness (Fukuyama, 2004, p. 8). The example of the United States of America (USA) represents the case of a strong state with a high level of enforcement used on restricting state activity (Fukuyama, 2004, p. 9). To reiterate, Fukuyama distinguishes between state scope and strength; state scope represents an entire hierarchy of the functions as provided by the World Bank (Table 1). State-building should primarily improve state strength when state performance is qualitatively enhanced in particular functional areas. State-building is not the sole instrument to establish all the state institutions which would allow the state to provide citizens with all the services, rather, it is a tool to ensure great performance in the established functions and a sufficient level of governance capacity.

Fukuyama literally defines state strength as "the ability to formulate and carry out policies and enact laws; to administrate efficiently with minimal bureaucracy; to control graft, corruption, and bribery; to maintain a high level of transparency and accountability in government institutions; and, most importantly, to *enforce* laws" (2004, p. 12). From the previous paragraph, several concrete functions can be deducted. Legislative power and executive power should be ensured by the democratic government and public administration, which should also preserve an impartial political, social and economic environment, and establish a strong judicial system. Fukuyama argues that state-builders should focus on developing the specific state functions which must be carried out properly (Fukuyama, 2004, p. p. 14). Such specificity of the functions does not allow governors to falsify their performance in concrete functional areas. Public administration, together with government or economic systems, are the functions which have a high level of specificity. Applying this statement with the thesis, emphasizing governance and the pillar of public administration is appropriate and these areas should be examined owing to their significance in state-building. The state-building aims in East Timor provided certain

procedures for both with establishing transitional administration for a concrete period and that is the core of the research.

### 2.2.3 Local ownership

In addition to that, Fukuyama is an advocate for local ownership regarding international interventions and state-building. He underlines the importance of the specificity of each country and differences in administration and suggests that "knowledge of foreign administrative practices need to be combined with a deep understanding of local constraints, opportunities, habits, norms, and conditions" (Fukuyama, 2004, p. 120). State-building is the instrument to motivate the locals to develop their own state and improve their governance capacity with support and patience from the international community or alternative external actors (Fukuyama, 2004, p. 121). Chopra underlines this fact and argues that the focus should be shifted towards the locals in order to overcome potential conflicts in the future (Chopra, 2002, p. 981). Currently, state-building aims are seen as a transitional effort to promote democracy and human rights, together with the strengthening of the state, while not taking sovereignty away from the state. Chesterman challenges the vision of local ownership when arguing that "local ownership must be the end of a transitional administration, but it is not the means" (Chesterman, 2003, p. 4).

Chesterman offers an exhaustive summary of ownership senses when he distinguishes between responsiveness, consultation, participation, accountability, control, and sovereignty (2007, p. 10). All of these terms are linked with local ownership but not all of them have to be fulfilled to determine successful implementation of ownership. Lopes argues that true ownership is based on "(i) the recognition that asymmetric relationships need to be addressed; (ii) the acceptance that capacity development is essential for development; and (iii) the necessity to move the debate on ownership from rhetoric to reality (who owns the idea)" (2003, p. 43). The description is suitable for the research because the three mentioned features can be visible through process tracing. It is necessary to stress that state-building is not an imperial ambition, but rather a legitimized activity of the international community arranged by the United Nations or North Atlantic Treaty Organization (NATO), respected by many nation states with rights to conduct interventions for promoting stated values (Fukuyama, 2004, p. 163-164). Local ownership is a crucial element in

conducting a successful operation in every international intervention but even more vital in the cases of transitional administration as in the case of East Timor.

## *2.3 Transitional Administration*

Despite the fact that a detailed list of theorists is presented above, emphasis on the practical idea of state-building and nuances between various types of intervention has not yet been put forth. The first policy paper concerned with the issue on how weak or failed states should be treated was An Agenda for Peace (Boutros-Ghali, 1992). He claims that there is a necessity to implement peace-building activities, along with already known preventive diplomacy, peace-making, and peace-keeping (Boutros-Ghali, 1992, p. 45-46). Peace-building operations should come after the aforementioned methods of how to deal with a failed state and its ambition to "identify and support structures which will tend to consolidate peace and advance a sense of confidence and well-being among people" (Boutros-Ghali, 1992, p. 61). He emphasizes on the human dimension when he argues that it is beneficial to enhance the confidence of the nation, not only the economic and social dimensions. The satisfaction and development of local people and their environment is the feature that ensures success of state-building.

Alex Bellamy, together with Paul Williams and Stuart Griffin, distinguish between various types of peacebuilding and peacekeeping interventions (Bellamy, Williams and Griffin, 2004). This thesis focuses on state-building which is connected to peacebuilding operations according to their classification. The authors develop a claim that along with traditional and wider peacekeeping and subcontracting, there is a category of peacebuilding by means of transitional administration. Transitional administration has its roots in a hundred-year old concept of trusteeship (Bellamy, Williams and Griffin, 2004, p. 231). Transitional administration aims to secure the peaceful international order by taking the right to govern external impartial actors (Bellamy, Williams and Griffin, 2004, p. 232). The peacebuilding operation occurs straight after the termination of conflict and takes the reasons of the conflict into account. The Operation is concerned with reconciliation and puts emphasis on the donation of material resources in the local economy and individual organizations and interest groups in subsequent stages (Bellamy, Williams and Griffin, 2004, p. 235-236).

Bellamy, Williams and Griffin dwell on the fact that state-building and transnational administration are closely related (2004, p. 237). State-building develops "the physical infrastructure and institutions of an effective state, and simultaneously helps instil a sense of national identity within the local populace (Koonings and Kruijt, 2002, p. 186). State-building aims to create an environment for developing adequate ability for good governance within the state but in addition to that, it emphasizes the human dimension. Human security is one of the crucial components of state-building guaranteed by military means as well as social and humanitarian aid. Transitional administration "refers to a formally constituted, locally based management structure operating with respect to a particular territorial unit" (Wilde, 2001, p. 585). The international actor lays claim to control or operates directly in a governance structure within the territory.

Transitional administration aims to establish not only physical institutions and infrastructure but also focuses on the development of law and order, democratization, and economic reconstruction as odd categories are mentioned (Bellamy, William and Griffin, 2004, p. 237). International transitional administrations (ITA) should cover all three powers – legislative, executive and judicial. A legitimate and effective judicial system is as important as democratic institutions in all spheres of human life. A judicial system consists of physical institutions and personnel in the judicial system, and of ideational aspects of such systems (Bellamy, Williams and Griffin, 2004, p. 241). The idea of justice should match historical and local traditions with added democratic values. Along with courts and law, a legitimate police force has to be established. They argue that "illegitimate or biased policing is often one of the major immediate causes of violent conflict" (Bellamy, Williams and Griffin, 2004, p. 241). Following this approach, this thesis focuses primarily on the state-building of institutions, of governance, and of law and order in East Timor, as one of the most significant parts within the state functions.

# 3. East Timor historical background

The following chapter presents a brief historical and political background preceding the East Timorese state-building intervention. Understanding the local environment and historical background is helpful for better perceptibility of the roots of the conflict and political tensions. Knowledge of the circumstances of the conducted operations is crucial for upcoming research of concrete phases of state-building and presenting the results of success and aspects of the mission.

The territory of East Timor, or originally Timor-Leste, was administered by the Portuguese from 1586 and was entirely colonized by the Portuguese in 1701 (Turack, 2000, p. 56). The western part of Timor island was colonized by the Netherlands during the 18th century and the island was subsequently divided into Portuguese and Dutch territories in 1859 (Benzing, 2005, p. 300; Steele, 2002, p. 76). West Timor became part of Indonesia after the Second World War in 1949 when Dutch withdrew from West Timor and Indonesia gained its independence. Similar processes took place all over the world during the decolonization era in the second half of the 20th century. On the other hand, the Portuguese still remained the administrators of East Timor (Steele, 2002, p.76). East Timor remained under Portugal's administration according to Resolution 1542 (XV) as a Non-Self-Governing territory (S/RES/1542, art. 1). However, the Portuguese rejected their duties in administering the territory and reporting to the UN Secretary-General[1] (UN SG) (Clark, 1980, p. 3).

The situation changed in 1974 after the fall of the Portuguese authoritarian regime when a new governing party came into power and accepted "its duties under Chapter XI (of the UN Charter) and adopted a constitutional amendment recognizing the Portuguese territories' right to self-determination and independence" (Clark, 1980, p. 5). Owing to the continued resistance of Portugal to arrange proper decolonization, several East Timorese political parties were formed and strived for the start of the decolonization process. The two major parties were the Timorese Democratic Union (UDT) and the Timorese Social Democratic Association (ASDT) (Benzing, 2005, p. 301, Howard, 2014, p. 126).

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[1] Kofi Annan was the UN SG for the entire period of UNTAET. His official term was from January 1997 till December 2006. He stayed in the office for two full terms.

The programs of these two parties were slightly different; the UDT desired to achieve an extended transitional period of federation with Portugal, while the ASDT, on the other hand, defended independence (Benzing, 2005, p. 301). Along with these main parties, the Apodeti political party anticipated for the integration into the Republic of Indonesia. The ASDT changed its name to FRETILIN and from then on their goal was not only to defend but to fight for independence.

The tension between FRETILIN and the UDT led to a civil war which ended with the victory of FRETILIN and a declaration of independence made by the Democratic Republic of East Timor on the 28th of November, 1975 (Benzing, 2005, p. 301; Clark, 1980, p. 7; Schreuer, 2000, p. 18). The hope for Timorese independence did not persist for a long time and two days later the Apodeti party, together with the UDT and several other political parties, announced the integration of East Timor with the Republic of Indonesia (Clark, 1980, p. 8). Indonesian armed forces invaded East Timor on the 7th of December, 1975, and established a provisional government. In spite of the perception of invasion as a violation of the right to self-determination, Indonesia argued that they came to East Timor at the invitation of the opposition parties into the disputed territory of East Timor (Hainsworth, 1997, p. 121). Due to the violation of the right to self-determination and independence, the UN Security Council (UN SC) demanded immediate withdrawal of all Indonesian troops from East Timor (Benzing, 2005, p. 301). Indonesia disobeyed the UN requests and annexed East Timor as its 27th province in July 1976[2] (Jardine, 1998, p. 196). Militias with or without direct Indonesian support were established across East Timor and Timorese citizens were murdered, raped and tortured; thousands of them were forced to hide in the mountains or leave the country (Robinson, 2001, p. 275). Despite the fact that the East Timor question was put on the programme of every session of the General Assembly, the issue remained unresolved due to the strategic importance of Indonesia in relation to Australia and the USA (Benvenisti, 2004, p. 157; Philpott, 2006, p. 143).

The resistance of the Timorese citizens was constant and took the form of countryside guerrilla warfare (Candio and Bleiker, 2001, p. 66). The struggles became even more extensive after the Timor-Gap-Treaty in 1991 (Benzing, 2005, p. 302). The treaty was concluded by Indonesia and Australia to designate East Timor as an Indonesian province. The Portuguese refused to admit the treaty and led the case to the

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[2] The province was called Timor Timur and only few countries including Australia recognized Indonesian rule as legal.

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International Justice Court, which was an understandable move since the armed attack on East Timor was definitely a violation of international law (Clark, 1980, p. 42). However, as one of the parties, Indonesia had not joined the proceedings and no decision was taken (Benzing, 2005, p. 302). The violence continued in East Timor and escalated when 270 people were killed in the Santa Cruz cemetery in 1991 (Hainsworth, 1997, p. 122; Jardine, 1998, p. 199). This number is only a slight portion of the total loss of over 200 000 human lives but it is one of the cases which brought the issue of East Timor independence back into discussions within the public and political sphere (Hainsworth, 1997, p. 121; Smith, 2001, p. 31). People died of starvation, and the amount of refugees reached up to 200 000, while thousands of Timorese were tortured and raped. Despite the fact that the situation was horrendous and the international community became more critical towards Indonesia, it took a long time before any willingness to solve the issue arose. The financial crisis weakened the remaining legitimacy of Suharto's government in 1997 and 1998, and Suharto was forced to resign afterwards (Philpott, 2006, p. 142).

The situation changed when Bacharuddin J. Habibie superseded Suharto as the Indonesian President in 1998 (Benzing, 2005, p. 303). Unlike Suharto, Habibie was unexpectedly more willing to discuss the East Timor question and after his agreement with Portugal, East Timor got the chance to vote whether they wanted special autonomy within Indonesia or independence (Benzing, 2005, p. 303; Candio and Bleiker, 2001, p. 68). According to the Agreement between the Republic of Indonesia and the Portuguese Republic on the question of East Timor, the popular consultation was carried out by the constituted UN mission (Art. 2) and the Indonesian government was assigned to maintain peace and security during preparations and the ballot itself (Art. 3). The UN established UNAMET to organize and supervise the vote (Benzing, 2005, p. 304). The popular consultation took place on the 30th of August when 98 percent of registered voters went to the ballot and 78,5 percent of them voted for independence (Benzing, 2005, p. 304; Howard, 2014, p. 127). Nevertheless, security was not ensured appropriately[3] and over 1 000 people were killed before and immediately after the ballot (Robinson, 2001, p. 272). Defense forces were able to control the riot with some means before and during the ballot, but what came after the announcement of the results was a terrible scene of inhumane cruelty (Chesterman, 2002, p. 60). Another 500 000 people

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[3] On top of that, UNAMET personnel was threatened by the rampage and nine UN staff were killed.

fled to the mountains, while thousands of people were killed by pro-Indonesian militias, and 70 percent of infrastructure and buildings primarily located in the capital city of Dili were destroyed; consequently, all state administrative services failed (Howard, 2014, p. 127; Robinson, 2001, p. 275).

After such an outbreak of violence, the UN had to react by establishing the first operation with a multinational force called INTERFET (Benzing, 2005, p. 305). Acting under Chapter VII of the Charter of the UN[4], the UN Resolution 1264[5] established a multinational force under Australian leadership with an authority to take all necessary measures in conducting military functions (Art. 3). In addition to that it firstly mentions the preparation of transitional administration in East Timor (Art. 11). INTERFET was successful in pacifying violence and the fact that the Indonesian People's Consultative assembly recognized the results of popular consultation on the 19th of October, 1999 was the last thing needed to begin the state-building process in East Timor (Benzing, 2005, p. 305). Resolution 1272, which established the UNTAET, came into power six days later and the road to an independent and capable East Timor became the UN's responsibility. After the integration of the INTERFET troops in an upcoming UNTAET state-building operation, INTERFET officers started working under the UNTAET mandate upon their task force's termination (Howard, 2014, p. 128). The process was finished in February 2000 when the UN troops replaced the Australians (Traub, 2000, p. 80). The early point of the state-building mission in East Timor was a failed state without governing capacity and a need to enhance or create the institutions, state functions and services. The transitional administration held by the UN was the solution to enhance such capability of East Timor. The following part of this thesis traces the process of administering and implementing institutions which have been held in order to develop state and governance capacity in East Timor. Emphasis is put on particular action steps of the UN operations.

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[4] „The security Council shall determine the existence of any threat to the peace, breach of the peace, or act of aggression and shall make recommendations, or decide what measures shall be taken (…) to maintain or restore international peace and security (UN Charter, Chapter VII, Art. 39).
[5] Despite the fact that INTERFET was established due to the Resolution 1264, it was a non-UN peace enforcement mission led by Australians due to the Australian public who protested a lack of intervention (Howard, 2014, p. 127).

# 4. State-building in East Timor

East Timor had been perceived as a weak state for decades from the time of the Indonesian occupation. After the popular consultation in 1999, the international community witnessed a state failure in its pure form. According to the aforementioned definition of failed state, the East Timor case complies with most of the characteristics. Extensive internal violence occurred across the entire territory and most of the citizens were hit by violent events due to the fact that atrocities had arisen from tensions between the ethnic and political communities. Since Indonesian occupation, when Indonesia established its own platform to ensure state functions, East Timor had not been capable of delivering assigned functions by itself. After the ballot, East Timor's governance capacity failed completely. As mentioned above, state institutions and infrastructure almost entirely diminished. There were no police officers present in the cities and most of the public services were run by or secured by multinational forces and did not operate permanently (S/1999/1024).

Violence and the displacement of people committed between pro-Indonesian militias and the Timorese as well as UN international personnel turned out to be unbearable; thus, the UN humanitarian intervention was inevitable to ensure the security of Timorese citizens on the one hand and UN international staff on the other. Nevertheless, owing to the destruction of significant institutions and infrastructure, the UNTAET heightened its focus on restoring failed capacity and institutions rather than on conducting only humanitarian intervention. In order to enhance the development of governing capacity and security issues, the UN prepared a design for transitional administration in East Timor. The following paragraphs examine the UNTAET operation in great detail to survey particular aspects and phases of the Timorese state-building process.

## 4.1 Establishment of UNTAET

Although some institutions had been founded before 1999, the UNTAET recognized East Timor as a state with a political vacuum without any governance capacity (S/2000/53, para. 3). The initial condition for research is a failed state with destroyed infrastructure and state institutions without any capability to provide the citizens with required state institutions and functions. In spite of the formation of the National Council of the People of East Timor (CNRT) in September 1998, the UN, along with Transitional Administrator Sergio Vieira de Mello still aimed to create new institutions and infrastructure after their arrival (Philpott, 2006, p. 142). Nonetheless, the CNRT did not operate well due to its resistant position and inability to deliver great performances of state functions. The UN had already mentioned the establishment of a transitional administration in a resolution founding the UNAMET, and since they experienced similar state-building in Kosovo[6], they did not prolong waiting for implementing transitional administration. On the 25th of October, 1999, UN SC released Resolution 1272 establishing the UNTAET. The UN SC expressed his positive approach to implement independence as desired by the East Timorese on the basis of ballot results; in order to support the outcome of the ballot, the UN SC intended to ensure that independence was put into practice with all necessary components. They determined "that the continuing situation in East Timor constituted a threat to peace and security" (S/RES/1272, p. 2) and consequently decided on establishing the UNTAET with several elements. The UNTAET represented a total transition of governing responsibilities in providing state functions to the Transitional Administrator and assigned international staff.

Six main elements are underlined in Resolution 1272: (a) To provide security and maintain law and order throughout the territory of East Timor; (b) To establish an effective administration; (c) To assist in the development of civil and social services; (d) To ensure the coordination and delivery of humanitarian assistance, rehabilitation and development assistance; (e) To support capacity-building for self-government; (f) To assist in the establishment of conditions for sustainable development" (S/RES/1272, p. 3). The elements vary in their nature when some of them are strongly security based and some of them attempt to develop capacity and sustainability in East Timor. However,

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[6] Due to state failure of Kosovo and conflict relations and occupational behaviour of Serbia with Slobodan Milosevic, the UN SC released Resolution 1244 on the 10th June 1999 when established United Nations Interim Mission in Kosovo (UNMIK) which lasted from 1999 to 2008 (Silander, 2009, p. 25).

altogether the elements match the presented idea of state-building. Furthermore, the resolution highlights three main components of the UNTAET – governance and public administration, humanitarian assistance and military (S/RES/1272, p. 3). This thesis focuses rather on the governance and public administration dimension but all three components are closely interconnected. Developing one component influences another and vice versa. Military capacity is crucial for state security and thus for peaceful establishment of new institutions and infrastructure within the governance and public administration, as well as enabling humanitarian assistance across the territory.

The UNTAET assigned the UN SG to appoint a Special Representative Transitional Administrator who is responsible for all UN tasks and is able to enact, suspend or repeal laws and regulations as national legislations in the absence of an elected legislative assembly (Chopra, 2002, p. 984; S/RES/1272, p. 3). Sergio Vieira de Mello was the Brazilian diplomat with experiences from the UN mission in Kosovo and was appointed as Transitional Administrator in East Timor on the 27th of November, 1999 by Regulation no. 1999/1 on the authority of the Transitional Administration in East Timor (Steele, 2002, p. 78; UNTAET/REG/1999/1). He embodied both legislative and executive power in East Timor (Chopra, 2002, p. 984). At first glance, all responsibilities and state powers lied in the hands of one man at the beginning of the mission.

On the other hand, Resolution 1272 also stressed the importance of a "need (…) to consult and cooperate closely with the East Timorese people in order to carry out its mandate effectively with a view to the development of local democratic institutions, including an independent East Timorese human rights institution, and the transfer to these institutions of its administrative and public service functions" (S/RES/1272, p. 3). The UNTAET was thus primarily established to fulfil the stated aims with presupposed local participation and subsequent ownership to develop skills of the Timorese and thus enhance the capability in central state functional areas. The international community realized that state-building activities, together with its objectives, have to be concretely specified with a given timeline. The UNTAET was established for a period until the 31st of January, 2001 by the resolution[7]. By publicizing Resolution 1272, the UN took over the sovereignty in East Timor, and with a representative actor of the Transitional

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[7] UNTAET was extended twice due to ongoing independence implementations. UNTAET was terminated in May 2002 when East Timor became officially independent.

Administrator, began the first and most dynamic part of the state-building process in East Timor.

## 4.2 Transitional public administration and governance

Firstly, this thesis focuses on the administration and governance capacity of East Timor, and more concretely, on executive, legislative and judicial power. This thesis elaborates on institutions managing national and local institutions of executive, legislative and judicial power throughout the performance of the UNTAET. The UN staff has faced several obstacles and challenges while assembling the idea of administration with East Timorese participation. This part puts attention on particular steps and processes held during the UNTAET from November 1999 to May 2002. The initial state of administration in October 1999 is presented and followed by tracing the progress on both national and local levels.

### 4.2.1 Initial state of governance capacity

East Timor is a unique case of state sovereignty completely transited to the UN and more concretely to Sergio Vieira de Mello as Transitional Administrator. There was no leader or representative of the East Timorese in late October and November 1999. The only institution that could be recognized as a Timorese representative assembly was the CNRT. Nevertheless, the CNRT was not perceived as an efficient institution with leadership and administrative potential by international state-builders (Chopra, 2002, p. 981; Steele, 2002, 79; Wilde, 2001, p. 600). As Sergio Vieira de Mello mentioned after his arrival to East Timor in November 1999, the state and its functions were far more damaged than those in Kosovo (Steele, 2002, p. 79). Another negative point for East Timor is that they had "no experience of democracy, or even of self-rule" (Traub, 2000, p. 75).

As noted above, the state did not provide most of the state functions according to the list offered by the World Bank and later adopted by Fukuyama (Table 1). East Timor was not able to ensure minimal functions, e.g. defence, a proper justice system and to protect citizens economically on a daily basis from poverty. Intermediate functions such as education, social insurance or basic medical services operated on a very low level when there were almost no jurists, teachers, doctors, and civil services

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(Steele, 2002, p. 79; Strohmeyer, 2001a, p. 54). The industrial policy and wealth redistribution as examples of activist functions were almost diminished due to the collapse of facilitating institutions, and focused rather on the safeguarding of minimal and intermediate functions. East Timor was incapable of satisfying the need of citizens by fulfilling state functions outlined by the World Bank. There was no staff, no infrastructure and no finances to ensure state capability in the eyes of the international community; governance capacity definitely failed. Due to the lack of qualified staff in professional areas, the biggest challenge East Timor has been facing is in motivating Timorese educated citizens to come back to the country and start building the state together with the UNTAET (Traub, 2000, p. 83).

Even though East Timor performed poorly in most of the state functions, it is necessary to mention that claims of locals in favour of present local leadership were legitimate for the East Timorese. The CNRT had existed since September 1998 when it transformed from the preceding CNRM (National Council of Maubere Resistance) (Tansey, 2014, p. 180). The CNRT was an umbrella organization uniting representatives within all villages and cities in East Timor from political parties that were based on the political cohesion of independent East Timor (Chesterman, 2002, p. 63; Traub, 2000, 87). Most of the politicians and prominent Timorese activists refused Resolution 1272 and put emphasis on the existing governing body in East Timor, which was, according to their point of view, neglected by the UNTAET and the UN SC (Steele, 2002, p. 79). CNRT's president, José Alexandre Xanana Gusmão, argued that the CNRT was not a political party and it would not run in any elections. Despite the fact that the UNTAET did not recognize the CNRT as a sufficient body for empowering it with some responsibilities, it was important for the UN personnel to use it as an instrument "to carry out its mandate with the Timorese population" (Chesterman, 2002, 64). Xanana Gusmão and other CNRT representatives were respected by the East Timorese population and they were seen as future leaders after accomplishing ITA.

### *4.2.2 Evolution of the institutions*

The UNTAET, along with the Transitional Administrator at the head of the process, assisted East Timor in increasing its governance capacity by establishing numerous administrative structures and institutions on both national and local levels. The presented initial state in East Timor progressively changed during the performance of the UNTAET from 1999 to 2002. This part is concerned with the issue on how the UN, together with East Timorese representatives and the population, reached its independence. First, the national level of public administration and governance is examined. The local or district level of administration and governance garnered more international attention later than the national one, but it appeared important for developing governance capacity as well. During the UNTAET mandate, East Timor gained all the democratic institutions needed to rule and administrate the country.

### *4.2.2.1    National Consultative Council*

Sergio de Mello had an ambitious plan to develop East Timor in a short time span, an establishing resolution that the UNTAET offered. The UNTAET started to develop mechanisms and structures right after his arrival on the 16th of November, 1999. The National Consultative Council (NCC) was established by Regulation no. 1999/2 on the 2$^{nd}$ of December, 1999. The NCC was an advisory body which was not able to amend or suspend any regulations. The NCC was rather an apparatus to begin the mechanism of developing governance capacity by forming leadership and representative capabilities among the East Timorese. It comprised fifteen members – "seven representatives from the CNRT, including Mr. Gusmão; one from the Catholic Church; and three representatives from political groups outside the CNRT which had supported autonomy" (S/2000/53, para. 4). The rest four seats fell to the UNTAET personnel with one seat selected for the Transitional Administrator. Respecting popular consultation from August 1999, East Timorese seats were appointed for particular political parties, including pro-independence and pro-integration ones. East Timorese representatives outnumbered international representatives but regardless, the Transitional Administrator had to appoint every single member and kept the political authority in legislative power.

However, NCC representatives from pro-integration political parties were located in West Timor, and owing to guarantee their security, they were not able to participate in the NCC (Chopra, 2002, p. 990) In addition to that, decision-making was made by consensus among all fifteen members, thus, the East Timorese from the CNRT were not able to put their proposals through without UNTAET support (S/2000/53, para. 4). The NCC catered for several joint sectoral committees dealing with various issues such as local administration, infrastructure, agricultural, etc. (UNTAET/REG/1999/2, para. 5.2). Even though the NCC seemed like an institution open to local opinions, after all the discussions with locals, the UNTAET was responsible for designing the body and also the issues which had been resolving by that time (Chopra, 2002, p. 990; Philpott, 2006, p. 146). During this period, the UNTAET were successfully dealing with security issues and condemning the internal violence to find the basis of a prosperous and strong state. On top of that, they were attempting to understand the environment and population needs which had to be addressed by state-building. The NCC was primarily an advisory body which initiated the entire state-building process, but after a few months, the East Timorese desired wider and more comprehensive participation in political life (Traub, 2000, p. 82). After strong critiques from locals, the alteration of the NCC was an inevitable move towards desired local participation.

### 4.2.2.2 National Council and the Cabinet

Hence, the East Timorese people desired to participate in the political development of the state, while the UNTAET chose a political model of sharing "responsibility for government in coalition with UNTAET and (East Timorese) h(e)ld several portfolios in the interim government" (Chesterman, 2002, p. 66). The National Council (NC) was established on the 14th of July, 2000 by Regulation no. 2000/24 to create a platform for legislative power that could enhance East Timorese participation in drafting laws and regulations. The NC replaced the NCC and comprised of only East Timorese representatives (UNTAET/REG/2000/24, Section 1). It embodied legislative power together with the Transitional Administrator who still represented the legislative authority of East Timor. The NC became more than an advisory and consultative body; it could initiate, amend, recommend and modify regulations with authorization from the Transitional Administrator (Chopra, 2002, p. 991; UNTAET/REG/2000/24, Section 2).

As mentioned above, the structure of the NC is different from the NCC. It includes thirty-three appointed East Timorese members representing political spectre, gender, religion, NGOs and other organizations (UNTAET/REG/2000/24, para. 3.2). Joint sectoral committees still existed and it was up to the NC on whether to create new ones or alter the content of the previous ones. The decision-making changed from consensus to a simple majority vote. The purpose behind the establishment of the NC was to slowly form and enhance the governance capacity of the East Timorese. Despite the fact that the legislative mechanism was formally vested to the NC, legislative authority and practical power was still in the hands of the Transitional Administrator (Chopra, 2002, p. 991). The UNTAET could not afford to hand over important responsibilities to unqualified citizens of East Timor (Philpott, 2006, p. 146). The National Council became larger in October 2000 when it consisted of 36 members from various political, religious and gender parties and groups. The expansion of the NC "significantly enhanced the participation of the Timorese in the political decision-making process" (S/2001/42, p. 2).

Along with the NC, the UNTAET established the Cabinet of Transitional Government in East Timor by Regulation no. 2000/23. The Cabinet represented executive power with assigned portfolios by the Transitional Administrator (UNTAET/REG/2000/23, para. 1.3). Eight Cabinet officers should have been accountable to the Transitional Administrator and should have supervised the administration and formulated policies for the NC (UNTAET/REG/2000/24, para. 4.1). Four of the Cabinet officers were appointed from the East Timorese and four from international staff of the UNTAET (Chesterman, 2006, p. 67). Early after its establishment in January 2001, the Cabinet included five East Timorese persons and only four were appointed from international representatives. Timorization was progressing in both legislative and executive powers. The UN SG noted his willingness "to replace the international cabinet members with Timorese representatives in the course of the year" (S/2001/42, p. 2). According to regulation no. 2000/23, the Cabinet should represent the executive power of East Timor but the reality was different. As Chesterman argues, they had no powers, no duties, no resources to perform well (2006, p. 67). The frustration of the East Timorese representatives was visible in both institutions: the NC and the Cabinet. The Cabinet officers threatened the UNTAET with the possibility of resignation when they realized that their voice was not heard by the

international officials. Their frustration was expressed by an official letter to the UN SG but no representative had ever resigned.

### 4.2.2.3    *Judicial institutions*

Besides executive and legislative power, the UNTAET mandate was empowered to exercise justice as the third branch of government. As an existing state, East Timor was lacking educated and experienced jurists with practical knowledge of administrative justice and the application of law at the beginning of the UNTAET mission. In October 1999, international officials distributed recruiting leaflets from an airplane "calling for legally qualified East Timorese to contact any UNTAET or INTERFET office or outpost. Only a week later, an initial group of seventeen jurists had been identified" (Strohmeyer, 2001a, p. 54).

The establishment of the first justice institution was already realized in December 1999 by Regulation no. 1999/3. The regulation aims to establish a Transitional Judicial Commission that was supposed to "recommend to the Transitional Administrator candidates for provisional judicial or prosecutorial office, provide advice on the removal of judges or prosecutors, and prepare a Code of Ethics for judges and prosecutors" (UNTAET/REG/1999/3, Art. 1). The Transitional Judicial Commission included three Eastern Timorese and two international experts (UNTAET/REG/1999/3, para. 2.1). The Commission should have only recommended and provided advice to the Transitional Administrator who had remained the only final authority in appointing and removing judges and prosecutors. The East Timorese superiors in Commission should have created a strong ownership by building a new judicial institution and an entire system.

In March 2000, the UNTAET released a regulation endangering the organization of courts in East Timor (UNTAET/REG/2000/11). This regulation vested all authority in courts established according to the rules stated above by Regulation no. 1999/3 (UNTAET/REG/2000/11, Section 1). According to the democratic division of powers, the judiciary and its officials should be impartial without any political and personal influence. Courts operated primarily on a local basis as described in the next subchapter. In spite of the shortcomings in judicial institutions, the UNTAET attempted to provide citizens with a certain degree of legal services through an established Legal Aid Service that aimed to legally assist people who could not afford such expenditures

(UNTAET/REG/2001/24, Section 1). Legal Aid Service was provided by several officers across the country who were appointed by an assigned commission.

All representatives of the Service were supposed to be Eastern Timorese (UNTAET/REG/2001/24, para. 14.1). Even though the UNTAET vested all their efforts into the participation of the East Timorese in the judiciary, it was not easy to find qualified representatives and most of the responsibility remained with the UNTAET and Transitional Administrator.

### 4.2.2.4    Local level institutions

However, East Timor became more secured and stronger due to established institutions. Even though East Timorese representatives did not feel completely engaged in the state-building process, they had to consider the relevancy of the implementation of norms and institutions by the international personnel. One thing was involving locals with the CNRT representation in national institutions, but local voices called for more responsibilities. They recognized more power and responsibility as respect and recognition of their own administrative capabilities. The East Timorese had never experienced a democratic form of state, but on the other hand, their political culture was able to survive decades of Indonesian oppression (Traub, 2000, p. 87).

Simultaneously with national structure, local structure was established on the 5th of April, 2000. The establishment of local structures was empowered by desires for "Timorization" on both sides: Timorese and the UNTAET. East Timor has had a specific structure of local administration implemented during the Portuguese rule and has remained valid till now. "Districts were then divided into sub-districts (*posto*), and these again into villages (*suco*), and hamlets (*povacao*)" (Hohe, 2002, p. 573). At first, the UNTAET established reconstruction committees with the UN and East Timorese representatives in highly populated cities (Chopra, 2002, p. 988). Afterwards, the reconstruction committees were integrated into a district structure and local administration was based on thirteen districts which were ruled by East Timorese district administrators appointed by the NCC and they aimed to represent the UNTAET down to the sub-district level (S/2000/53, para. 40). The District administrator consulted with the population and coordinated communication between the government on a national level and local chiefs in district and lower levels (Hohe, 2002, p. 579). Therefore, district administrators were seen as respected and honoured officers (Hohe,

2002, p. 579). The Sub-district and Village Development Councils were established upon local requests by Regulation no. 2000/13. The composition of the Village Development Councils should have consisted "of at least two (2) democratically selected representatives from each village-level development activities" (UNTAET/REG/2000/13, Sec. 2). Village Council representatives were supposed to be over eighteen years old and should have lived in the particular village in which they were elected (UNTAET/REG/2000/13, Sec. 4); their functional term lasted one year.

"The Village Council shall identify, plan and carry out development activities in the village that utilize funds allocated for village development" (UNTAET/REG/2000/13, para. 7.1). Sub-district Councils had the same composition but their role was rather to allocate development ideas and financial funds across the villages and supervise as a higher-level institution. Despite the fact that local councils had the opportunity to propose what should have been financed from development funds, they had no legislative power. Executive power was strictly limited only to the finance division of the sub-district level, and District Administrators, together with the Transitional Administrator, were the supervisors who were still in charge and had the right to have the last word in a decision-making process.

Along with Councils, District courts were founded in East Timor as well. Eight district courts were established across East Timor with a right to exercise their power in an assigned territory (UNTAET/REG/2000/11, para. 7.1). Judges of District courts were appointed by the Transitional Administrator and his final authority and subsidiary right to recommend or suspend judges and prosecutors was implemented at this level too (UNTAET/REG/2000/11, para. 9.5). District courts had assigned content which they were supposed to deal with, but only the District Court in Dili had exclusive jurisdiction in presented criminal offences: "(a) genocide, (b) war crimes, (c) crimes against humanity, (d) murder, (e) sexual offences, (f) torture" (UNTAET/REG/2000/11, para. 10.1). The District courts were supposed to stand in judgement for these criminal offences due to a faster process and enhancement of local ownership within the institution.

Despite the fact that the UNTAET created a new local administration structure, they copied the existing one which was still functioning. The problem was that local structures were based on an outdated fight for independence which was no longer accurate and official (Hohe, 2002, p. 579). The local level of East Timorese administration was not significant in drafting regulations or changing the way of

development but it was crucial for the UNTAET to be recognized as something that the East Timorese can sympathize with.

### 4.2.2.5     *East Timor Transitional Administration*

The Cabinet, together with the NC, offered lessons for the East Timorese, who did not have much experience with a democratic state but have rooted some basis of a political culture. UNTAET's role was to impart knowledge of administration and state governance to the East Timorese representatives. Developing governance capacity through the pillar of public administration and government enhances state functions or their specific elements, which was the goal of state-building activity of the UNTAET.

After the establishment of the Cabinet and the NC, the next steps of state-building should have come. In August 2000, Governance and the pillar of public administration was replaced by the East Timor Transitional Administration (ETTA) which covered all institutions and structures that could be understood as government (Chesterman, 2006, p. 67). The ETTA contained the NC, the Cabinet and judiciary power. The UNTAET aimed to only assist the ETTA and did not want to intervene more than it was necessary. Chesterman argues that the UNTAET personnel insisted on a bottom-up capacity-building and consultation preparation on the one hand, but they were not able to conduct 'Timorization' to a great degree on the other (Chesterman, 2006, p. 67).  As the UN SG argues in his report from the 16th of January, 2001, growing consensus about the independence emerged among the East Timorese from the establishment of the aforementioned institutions during summer 2000. There is also a visibly increasing trend of attempts to hand over the authority to the East Timorese as suggested in the reports from the UN SG from the period of ongoing UNTAET.  The mission was created to collaborate with locals and build its success on local participation in developing state functions.

"Nationwide consultations and decisions regarding the electoral modalities and the composition of the Constituent Assembly" (S/2001/42, p. 1) were planned to be realized. The second phase included drafting the East Timorese constitution. In order to prepare a constitution for an independent and democratic East Timor, the UNTAET released Regulation no. 2001/2 on the 16th of March, 2001 which established the Constituent Assembly. "The Constituent Assembly shall adopt a Constitution only by an affirmative vote of at least sixty (60) representatives of the eighty-eight (88)

representatives elected pursuant to the present regulation" (UNTAET/REG/2001/2, para. 2.2). All representatives were intended to be elected from the East Timorese population with representation from all districts and political parties.

The Constituent Assembly was elected on the 30th of August, 2001 with a participation of 91,3 percent of eligible voters (S/2001/983, p. 1). Soon after the elections and swear ins of the 88 members, they had to begin with drafting procedures of the new constitution. It was up to the Assembly and four thematic subordinate committees to address issues of "national and territorial sovereignty; the country name and flag; systems of government, including presidential and semi-presidential, centralized and decentralized systems; economy, taxation and investment; language and citizenship" (S/2001/983, p. 2). However, UNTAET officials declared that they did not intend to involve themselves in the drafting process, as the Transitional Administrator held absolute power for the whole period of time and his influence was visible (Chesterman, 2002, p. 69). The Constitution should have offered a comprehensive basis to establish a democratic independent state.

On the 20th of September, Transitional Administrator de Mello appointed the second Transitional Government under the ETTA which was completely composed of East Timorese members for the first time in the UNTAET rule (S/2001/983, p. 2). Ministers supervised the work of the East Timor Public Administration (S/2002/80, p. 2). Nevertheless, twenty East Timorese ministers were still controlled by the Transitional Administrator. The appointing of members by the executive government and those in the Constituent Assembly attempted to respect the ballots from the 30th of August, 1999, and territorial division, but not all East Timorese felt ownership with such representation (Chesterman, 2002, p. 68).

During the ongoing state-building mission, the UN SG recommended an extension of the UNTAET mandate until the 31st of December, 2001 (S/2001/42, p. 10). He wanted to ensure a calm transition of authority and sovereignty after acquiring independence by East Timor. He considered all circumstances and ramifications which independence could bring, and thus, provided East Timor with the necessary international support. The UNTAET mandate was then extended by Resolution 1338 on the 31st of January, 2001 for up to a year (S/RES/1338, Art. 2). The duration of the mission was prolonged to ensure that the UN staff would not leave East Timor before the founding of an independent state. The UN SG had already known in October 2001 that withdrawal of the UNTAET would not be the end of the support and capacity-

building process in East Timor. He admitted that further assistance was needed in upcoming years and presented a framework which would ensure it.

### 4.2.2.6 Independent Timor-Leste

All established institutions under UNTAET mandate had one common purpose. The goal was to create a democratic state of East Timor which would be able to govern and administrate itself through these institutions. The cabinet of ministers, together with the National Council and Constituent Assembly, were under the authority of the Transitional Administrator, whose function was to control and coordinate the actions of the East Timorese and UNTAET officials. The state-building process of the UNTAET was accomplished by adopting the constitution on the 22$^{nd}$ of March, 2002, when the Constitution of the Democratic Republic of East Timor was signed and came into force on the 20$^{th}$ of May, 2002 (S/2002/432, p. 1). The constitution was accomplished owing to the collaboration of UNTAET officials with NGOs and the East Timorese population to ensure that citizens would feel the ownership with this significant document and state, respectively. "Constituent Assembly transformed itself into a Legislative Assembly and (became) the first legislature of the independent country" (S/2002/432, p. 2). Such a Legislative Assembly was assigned to serve its role for the next five years (Simonsen, 2006, p. 581). "The powers of the president were circumscribed, so as to create a semi-presidential system rather than a full-fledged presidential system" (Simonsen, 2006, p. 581). The head of the Democratic Republic of Timor-Leste, Xanana Gusmão, became the elected president on the 14$^{th}$ of April, 2002.

### 4.2.3 Developing governance capacity in East Timor

East Timor has progressed in numerous aspects over the years under the UN transitional administration. After examining the evolution of institutions created by the UNTAET, the focus should shift to the development of state functions. A presented list of established institutions would mean nothing without a proper delivery of state functions through action steps created together by these institutions with representatives from the UN and East Timor. State institutions have to be capable of operating and performing their assigned tasks in order to be perceived as successful. Thus, it would be possible to verify the stated hypothesis of the UN peace-building efficiency. The

following paragraphs attempt to show how UNTAET officials together with East Timorese representatives cooperated in order to enhance governance capability and whether if their performance can be deemed as successful. The inference of those variables is significant for tracing the process of building governance capacity in East Timor. The initial state of governance capacity is presented above, and as mentioned, there was almost no state function which had been delivered in an appropriate way.

### 4.2.3.1 Development after establishing the UNTAET

The initial point of research was that the state floundered through intrastate armed conflict. As the security situation was swiftly pacified, "the transition from peacekeeping to peacebuilding was rapid from 1999-2000" (Braithwaite, 2012, p. 291). The UN SG stated in his report that most of the inhabitants were not threatened by violence from January 2000, however, some cases of violent incidents arose primarily on the border with West Timor (S/2000/53, p. 1). Those incidents were pacified by INTERFET troops with little UNTAET support. Therefore, the UN officials employed under the UNTAET mandate were able to observe the administration of East Timor rather than rely on pure peace-restoring tasks to secure the country from violent conflicts. However, the East Timorese were not primarily involved in peace-building operations and only a limited number of East Timorese soldiers were called to assist. The UNTAET had space to enhance state functions and accomplish capacity-building. The "UNTAET was charged with the standard tasks of Chapter VII "robust" peacekeeping, including troop retraining and reintegration, civilian policing, humanitarian assistance, and, in a unique move, the governing of an entire country" (Howard, 2014, p. 128). The last task, governing the entirety of East Timor, was assigned to the UN officials, however, the UN SG argued that they let the East Timorese cooperate as much as possible from the beginning in most areas. Against these intentions, the UN transitional administration kept the authority and most of the decision-making rights and did not give the East Timorese sufficient space to participate. It was the wisest solution to prevent any risks or catastrophes that could potentially be caused by unqualified East Timorese members.

The initial point for most of the areas were working on a very low level when almost no state function was operating and the UNTAET had an opportunity to build them from the ground up. During the last months of 1999, when the UNTAET began its

mandate, UN officers, together with published official documents, talked about the East Timorese as major stakeholders in governance and public administration (S/2000/53, Art. 41). However, this challenge was not accomplished throughout the mission. State functions began to operate on a basic level but without any significant local aid. During the first months, the UNTAET focused on justice, border control, police, public finances and public and social services (S/2000/53). Thus, minimal and intermediate state functions were given a high consideration – defence, law and order, macroeconomic management, unemployment, public health, and education (Table 1). The NCC was the institution responsible for decision-making through regulations with the Transitional Administrator, who had veto-power. However, one factor was that a majority of the members were East Timorese and secondly, the NCC was not a distinguishably powerful body and had no legislative power, which was still in the hands of the Transitional Administrator.

### 4.2.3.2    Evolution in particular functional areas

The main development in the function of defence, and law and order lied in the establishment of institutions in the police and justice sector, which were largely based on international support and the training of subsequent East Timorese jurists, as well as civil and army servants. No vast reform in any of the functional areas had been implemented by that time and the UNTAET focused on providing basic functions. Public finances were administered by foreign business officials and internationals who should have ensured the correct financing of public and social services (S/2000/53, Art. 56). Bringing international attribute into the administration of public finances ensured that development funds were divided equitably among needed districts and sectors. The East Timorese economic situation improved due to agriculture, which contributed to the GDP reaching its peak (S/2000/53, Art. 60). According to Howard, agricultural development was remarkable during the UNTAET period and it has only increased from that time on (Howard, 2014, p. 130). Basic social and public services such as electricity, civil aviation, education and public health were the areas the UNTAET focused on. UNTAET officials conducted researches in particular areas and proposed necessary improvements.

Afterwards, the Transitional Administrator, with the NCC, were able to draft or amend regulations covering the issue. UNTAET officials can be largely credited for accomplishing development in the first months of the UNTAET. The development was modest, nonetheless, it shows primary determination to conduct proper state-building in East Timor. UNICEF, churches and local communities enabled about 100 000 primary and secondary school students to gain education by the end of 1999 (S/2000/53, Art. 61). The situation in the health sector slightly improved from an absence of medical staff to "the rapid basic restoration of a network of 52 fixed health facilities, including 8 hospitals and 52 mobile clinics" (S/200/53, Art. 62). Most of the personnel were ensured by international assistance, while professionals among the East Timorese started training in other functional areas.

After establishing the NC instead of the NCC and continuing with attempts to increase the participation of locals, the UNTAET assumed a more visible influence in decision-making with the help of the East Timorese. Along with the NC, the Cabinet of Ministers was founded and represented the official framework for minimal and intermediate state functions. Ministers of foreign affairs, internal administration, infrastructure, economic affairs and social affairs were appointed from East Timorese political representatives (S/2000/738, Art. 3). However, development did not always meet East Timorese expectations. The UNTAET planned and offered a large amount of courses in governance, public participation and management but only 1500 East Timorese had participated until the end of 2000 (S/2001/42, Art. 17). The financial decisions were agreed upon by the NC where the East Timorese exclusively held all the seats; they also planned and agreed on the budget for upcoming years. However, the international organization and established trust funds were those who distributed the money according to the agreed budget (S/2001/42, Art. 18). The defensive state function was improved by the founding of the East Timor Defence Force, which comprised both international and local representatives. Education improved significantly till April 2000 when approximately 200 000 students planned to start the school year in the autumn (S/2000/738, Art. 35). Training and recruiting for teachers was still being done through UNICEF and the UNTAET, but the CNRT and local communities enhanced their participation and positive results were traced in a short time. In spite of the development of medical facilities across East Timor, only 23 medical Timorese doctors were present in 2000 (S/2000/738, Art. 39). Since medical services were provided by international personnel, unqualified locals did not feel the

need to take part in professional training to join the East Timorese health sector as an employee. The defence and police sector experienced various reforms but most of them only attempted to transform and create democratic institutions and systems which the East Timorese did not feel a sense of ownership with.

The UNTAET established many mentioned institutions and applied various processes but some of them needed systematic support in certain functional areas. The judicial sector is the quintessence of the institution; it needed consultations and assistance due to its inability to find and train a sufficient number of East Timorese jurists and prosecutors who would have taken over the responsibility in the sector (S/2002/80, Art. 17). The UN SG admitted that support in the judicial system to ensure proper delivery of the rule of law would take years and further UN missions as well (S/2001/42, Art. 50).

Along with attempts to provide the highest possible number of job opportunities in various institutions during the UNTAET, a mutual linkage between a number of international staff and employment of East Timorese was visible during the UNTAET mandate. Withdrawing international representatives engendered another marginal but conspicuous rise in the local employment rate (S/2001/436, Art. 10). The trend of decreasing personnel was not possible on a large scope because they needed to provide training and they also had a responsibility towards administering the country when the East Timorese were not capable of doing so. By the end of the UNTAET, approximately 9 633 East Timorese inhabitants were recruited into governance and the public administration sector while most of the internationals withdrew (S/2002/80, Art. 13). Those who stayed in East Timor had the duty of continuing with training and capacity-building.

The functional areas listed above do not cover all functions stated by the World Bank, however, they can create a picture of the state of development under the UNTAET. Established governance and administering bodies were not able to manage all the state functions during the given time period of two and a half years. The UN pledged to continue with its assistance during the upcoming years after terminating the UNTAET. The UN SG was aware of the necessity to continue with professional support in governance and public administration as well as other areas. Some of the functions were not provided by the end of the UNTAET mandate, however, international officials were willing to take care of them. As Fukuyama argues, it is not necessary to be able to provide citizens with all the state functions but to perform well in those which state-

building activities focus on. Thus, governance capacity is enhanced and a foundation for further improvement is established by a great level of state strength.

The function of providing public health increased rapidly in a very short time. The credit for such development cannot be assigned to a high ownership of locals but to a massive deployment of UNICEF. Local communities assisted in founding medical facilities and recruiting doctors but in comparison to what was done by internationals, it is only marginal proportionate. Overall, public and social services such as education, health, infrastructure and unemployment was definitely developed to a great degree. The UNTAET did a great job there and offered the East Timorese a strong basis which they could build on. The fact that the judicial system or macroeconomic management were warranted with international support did not decrease East Timor's governance capacity. Despite the fact that East Timor had to improve in these areas, a well-established governance and public administrative apparatus represented its ability to govern the state. The overall view presented here is that the UNTAET was unique in successfully implementing state-building to a limited extent as imposed by the international community to preserve human rights and establish democratic and a secure environment for the East Timorese. Along with advocates of the UNTAET, there are authors who argue that the UNTAET is an example of state-building failure (Chopra, 2002, p. 999; Howe, 2015, p. 5). Despite the inexistence of unambiguous consensus about results of the UNTAET, one cannot deny the development of state functions which the UNTAET accomplished in such a finite period of time. Despite the fact that UNTAET state-building has important shortcomings, most of the minimal and intermediate functions were enhanced. Hereby, the governance capacity of East Timor increased owing to state-building activities. The establishment of an independent state in May 2002 has offered Timor-Leste to continue in increasing governance capacity and improving bases in state functions which were established by UN officials. The issue of local ownership in state-building is one of the shortcomings on which the UN could work more on and the UNTAET may have had better developmental results.

### 4.2.3.3 Governance capacity after the UNTAET

Ultimately, the overall view of the UNTAET mission is positive. Most of the authors mention success of the mission in particular areas and in general, respectively. The UNTAET had six main elements where it attempted to succeed. The UNTAET did provide security and maintained law and order throughout the territory. However, this element was completed primarily without East Timorese participation. The UNTAET established an objective to create effective administration which was successful as well. In this area, locals were involved primarily on a district level where knowledge of local environment was crucial to implement reforms. The third element was to assist in the development of civil and social services. This area has had a high priority right from the beginning of the mission and a certain degree of improvement is visible. Education of the East Timorese had meaningfully rose; infrastructures were repaired and East Timor had 64 fully equipped medical facilities with doctors by the end of the UNTAET. Within the sector of civil and social services, it was vital to employ local staff and provide them with training and professional education. Humanitarian assistance was obviously provided by the UN officials together with East Timorese and foreign NGOs. The last element the UNTAET mentioned in their founding resolution was to assist in the establishment of conditions for sustainable development. This element was successfully fulfilled by continuing with subsequent UN missions as well as establishing independent Timor-Leste itself. Despite the fact that mission was successful in increasing governance capacity, it also represents shortcomings in the area of peace-building and state-building with local participation. There are some points that should have deserved more focus. One of the most significant here is examining the involvement of locals (Azimi and Lin, 2002, p. 156). Sahin states that the deficiency of the UNTAET was caused by an "inaccurate reading of local circumstances and of potential political and social problems that could affect the success of capacity development programs and (…) failure to leave room for negotiation and to gain broad local participation in third-party institutional capacity building" (Sahin, 2007, p. 254). Broad local participation was supposed to happen through training locals which was very limited; finally, locals were not able to gain skills and experiences.

State-building assistance was not completely terminated after the completion of transitional administration in May 2002. The need to continue with international support was stressed by the UN SG in his earlier reports on the situation in East Timor.

Upcoming missions were not in the form of transitional administration, however, their significance cannot be denied. The process of state-building and improving state functions and institutions is never-ending and there is always room for improvement. The need to continue in peace-building assistance illustrates the partial failure of the UNTAET mission. International support has definitely not ceased by withdrawing the UNTAET, and almost simultaneously, the United Nations Mission of Support in East Timor (UNMISET). The UNMISET immediately took over partial responsibility for continuing the East Timorese administration. In a subsequent mission, the United Nations Office in East Timor (UNOTIL) was established in 2005 and its purpose was to continue in lending slight assistance to East Timorese representatives in administration. The latest established mission was the United Nations Integrated Mission in Timor-Leste (UNMIT); besides administrative support, the UNMIT was mandated to support the Government in consolidating stability and the democratic regime, and facilitating political dialogue among the Timorese in their efforts to bring about a process of national reconciliation (Tansey, 2014, p. 179).

## 4.3 Local ownership

The UNTAET had limited success as the state-building and peace-building mission was realized with certain shortcomings. The governance capacity of East Timor was enhanced from zero to the degree that an independent state with its own government and public administration was established. Some of the state functions were improved and some have had to be resolved after the UNTAET mandate. State scope gradually rose and achieved a different level, therefore, Timor-Leste should not have been labelled as a failed state in May 2002.

The most significant flaw was the low level of local participation in state-building activities. The East Timorese were not excluded from participation in decision-making during state-building. They still felt some degree of ownership in state-building due to sharing the same goal with the international officials; their goal was to gain independence for East Timor by the East Timorese (Steele, 2002, p. 79). Despite various regulations and ideas on how to involve the East Timorese in state-building, the UN did not work well with local mechanisms and environment, respectively. The UNTAET failed in managing differences among the East Timorese. The UNTAET neglected considering needs of locals and whole local environment. This fact turned out

to be "the most serious hurdle in developing a unified Timorese nation whose people are loyal to state institutions" (Sahin, 2007, p. 258). In other words, the biggest challenge the UNTAET had to face was the decentralization of public administration and government through district administration units (Chopra, 2002, p. 985). The UNTAET was supposed to build not only state but also a nation. Chopra highlights that the Transitional Administrator had never mentioned any timetables and milestones to see the progress of transition and to transfer power, and in addition to that, the UN had never intended to transfer their authority during ITA (Chopra, 2000, p. 31; Hohe, 2002, 570; Sahin, 2007, p. 258).

UNTAET officials unquestionably enhanced governance capacity and provided expertise in various areas, including governance and public administration. In spite of state development, supportive local civil servants were not able to gain experiences through training in specific processes (Azimi and Lin, 2002, p. 156). Mentioning participation in the training above, it is undeniable that better promotion of training opportunities and greater openness to local political and cultural environment would have been influential factors to raise local ownership within the state-building mission, and thus, performance in governance and public administration. The UNTAET did not enhance the local ownership enough because they were not able to participate during the state-building process and learn how to administer and govern the country by themselves. Unsustainable development through such mission is not sufficient to argue that the mission was successful. The hypothesis stated for this research is verified in a reversed way. The low level of local ownership was the cause of not fulfilling the potential of successful peace-building and state-building under the UNTAET.

# Conclusion

East Timor suffered from a low level of governance capacity and it was not able to meliorate itself due to an absence of qualified personnel. East Timor was the case of a failed state with a lack of proper performance in most of the state functions. This thesis attempted to trace the process of state-building under the UNTAET mandate. The UNTAET was established in October 1999 and terminated in May 2002 after two prolongations. Along with humanitarian and security goals, the UNTAET formulated an objective to enhance governance and public administration in East Timor. Since almost all institutions and infrastructure did not operate and most of the political representatives had not lived in East Timor, the UNTAET task was to take over total authority for governing and administering the country. The UN SG appointed a Transitional Administrator who represented the last instance and embodied authority of ITA. The East Timorese state-building process covers a large number of established institutions and progress points which were mostly forced by the UN official employed in state-building under the UNTAET mandate. In spite of the amount of completed tasks, the UNTAET cannot be evaluated as a fully successful peace-building and state-building mission. Despite the fact that mission developed certain degree of governance capacity through its six main mission elements, it neglected to involve local population. Thus, the sustainability of development is threatened. After terminating the operation, more UN missions continued to be active in Timor-Leste to ensure that Timor-Leste becomes a strong democratic state with a strong basis and a great level of governance capacity.

To summarize, state-building is not a concept which should be applied as a uniform template for failed or weak states, but rather, it is a concept that should be adjusted to a particular environment. East Timor is a specific case where state-building was applied through mission establishing international transitional administration with exclusive mandate from the Transitional Administrator. Fukuyama argues that the key to a successful state-building mission is to employ local inhabitants and communities and to grow local ownership of state-building. This hypothesis was the building block of this thesis.

The UNTAET had to face various obstacles and challenges but on the other hand, transitional administration in East Timor gained certain accomplishments in the area of governance and public administration. Despite the fact that state-building is a

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long-term process and in spite of the inability of the UN to enable provisions of all state functions immediately, the scope of the functions rapidly increased during that short period of time. This thesis focused on the institutions connected to East Timor governance and public administration. East Timor enhanced itself in many functional areas and thus has been able to perform better in specific administrative and governance issues. The first research question searches for the degree of success of the UNTAET mission. There is definitely a great level of improvement and development in particular state functional areas. Security situation was stabilized and violent incidents rarely occurred and they did not deserve comparison with pre-UNTAET conflicts. Focusing on particular state functions, some of them have had to be controlled and administered by international experts after the termination of the UNTAET. Health sector, justice or education system has still had to be supported by international actor and not administered only by trained locals. One of the goals that the UNTAET stated was to build the capability of locals to administer their own state institutions. Unfortunately, this goal was not achieved by the UNTAET. Thus, this thesis argues that the UNTAET mandate conducted a rather unsuccessful peace-building mission in East Timor with several shortcomings and residual challenges.

The second research question is stated as follows: What are the main aspects of state-building activities in East Timor that helped to enhance performance in the area of governance and public administration? The stated hypothesis argues that aspects enhancing performance in the area of governance and public administration are those enabling local activism and participation. The results of research achieved here on East Timor proved that there was limited room for local participation and activism offered in the UNTAET. The UNTAET did not explicitly supress local participation in training, but on the other hand, the UN officials had reservations in offering these opportunities to train local representatives. Developing some degree of governance capacity through improving some of the basic and intermediate functions should not have been denied; and the limited success of state-building in this case was enhanced by the initial situation and rooted political culture among the East Timorese inhabitants. Despite the fact that a large amount of qualified personnel emigrated from East Timor during the Indonesian occupation era, the East Timorese have kept their identity and political culture, and thus, state-builders had the foundation which enabled international state-builders to begin the process.

If local ownership was more empowered, state-building could have succeeded to a greater degree. The linkage between local ownership and the success of state-building stated by Fukuyama can thus be verified. In spite of the situation regarding local ownership on the state-building mission, possible improvement could be done in this particular case. However, governance capacity was developed to a decent level from scratch, and East Timor became an independent state with a governing body and an administrative foundation. Even though the UNTAET is not a prime example of how to engage the local population in state-building, it proved the necessity to do it in order to ensure a long-lasting effect on the stability of established institutions.

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# List of appendices

**Table 1: Functions of the state**

# Appendices

**Table 1: Functions of the state**

| Minimal functions | • Defense<br>• Law and order<br>• Property rights<br>• Macroeconomic management<br>• Public health | | |
|---|---|---|---|
| Intermediate functions | • Basic education<br>• Environmental protection | • Utility regulation<br>• Antitrust policy | • Redistributive pensions<br>• Family allowances<br>• Unemployment insurance |
| Activist functions | • Fostering markets<br>• Cluster initiatives | | |

Source: World Bank, *World Development Report*, 1997.

# Master thesis project

## Introduction

My master thesis will attempt to examine the concept of state-building which have been the key feature of the post-Cold War international order. The chosen topic is appropriate for the thesis in security studies because it is closely connected with the security of the international system and its actors. State-building attempts to improve governance capacity in weak, failed or fragile states, boost economic recovery and promote respect for human rights and rule of law. The state-building is modern concept and policy approach, and it is crucial for security of the particular failed or weak state as well as for the rest of the actors of the international system. States without appropriate governance capacity can be cause of various security problems from refugee flows, performance of terrorist groups, and occurrence of non-democratic regime to spreading of diseases. As Francis Fukuyama argues, state weakness is security problem due to its nature and also to globalized nature of the world in these days. Spreading of potential conflict, political instability or disease is likely to happen in weak state than in stable democratic state.

This master thesis will deal with the problem of states which need state-building interventions from the perspective of governance capacity. States need good governance in two aspects. The first one is developmental management ensuring implementing of rules and institutions and the second one is the system of public administration. System of public administration should be open, efficient, and accountable. During the interventions and state-building aims we have witnessed attempts of creating the democratic states similar to Western democracies. It is understandable move because if democracies have experience with the working system, implementing of the same system is inevitable. In fact, weak and failed states intervened in last twenty-five years were according to neo-liberal approach unable to govern effectively and responsibly in a globalized world. State-building is thus not an instrument to supress the sovereignty of the state by implementing new system but it is more of the process how to help failed and weak states how to fulfil their function to secure their territory and nation.

Since this master thesis will focus on the case of East Timor, at first it is mandatory to define what exactly has been enhanced and developed by international state-building activities from 1999 till present. State-building is vast and complex process which involves huge number of specific processes and action steps on

international or local level. State-building covers aims to enhance or create democratic government, protection or promotion of human rights, establishment of rule of law, efficient administration and public services and last but definitely not least establishment of free market.

The topic of state-building has been examined by various theoretical approaches and authors. The expansion of the academic literature and policy papers in this field has come in the 1990s when weakness and fragility of state has become the global problem and international community have had to respond. Such a global issue has needed to be solved by intervention of external actors, to be specific, in a lot of interventions the UN or NATO were involved as the legitimized actor. The weak or failed states have presented challenging security problem for still globalizing world.

The authors are neo-liberalists as well as neo-institutionalist or Marxists. Different perspectives on the issue of state-building established strong basis for analysing the issue on academic level. In the bibliography below, some of the key writings for master thesis are mentioned. Master thesis will not probe all the available literature on the topic because some of the approaches use normative arguments which do not appropriately suit with the research in thesis. Brief overview of the evolution of the literature will be involved, since the particular shift has been seen also in policies of international community in issue of state-building.

# Methodology and research question

Theoretical approach used in this master thesis will be based on neo-liberalism which assumes that intervention by international community is in connection to state-building the right thing to do. Through state-building, fragile and failed states are enabled to develop their governance capacity. The state-building is then based on providing the state with institutional functions, efficiency and effectiveness. To specify the approach used in the master thesis, I will use theory conducted by Francis Fukuyama based on the argument that state weakness should be treated through developing state strength. Fukuyama distinguishes between state strength and state scope and sees the difference in the functions. State scope is defined by number of functions a state performs. On the other hand, state strength shows state's ability to implement the rules and carry out state functions.  Thus, it is not about the function which state is able to perform but on the ability to ensure great performance in those which state operates in, it means that after state-building activities it is necessary to analyze performance in exact policy area.

Theory will be applied on the given case to show if and how East Timor has improved governance capacity in specific areas. Master thesis will examine processes of interveners (in cooperation with local elites) that have been made in East Timor and whether they improved capacity of performance and thus governance capacity. Method how to examine this issue will be process tracing, looking on exact action steps used by international and implemented by local actors. The main research question is: *What are the main aspects of state-building activities in East Timor that helped to enhance performance in the given areas?*

To find the answer on this question it is necessary to trace the processes of state-building and get knowledge about processes of development in public administration and other policy areas in East Timor which will show whether external actors (the United Nations in this case) enhanced the performance in concrete given areas and by this enhanced also governance capacity of East Timor. It is possible that this master thesis will show that performance was enhanced due to the international aid and influence, commitment of locals to improve government capacity, commitment to cooperation between the actors, or desire to create better state for citizens of East Timor. Following Fukuyama, there are two aspects of governance capacity – state scope and strength, and for him the key one is the state strength. Examining the UN operations

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and processes and reforms implemented in East Timor, master thesis should be able to explain whether and how were state strength and thus governance capacity enhanced.

After literature research of academic writings it is reasonable to focus on areas of judicial system which will present the rule of law, police and military reforms and overall governmental system of East Timor. For purposes of this thesis it is necessary to examine the processes involved in the areas mentioned above - the reforms and implementations of the enhancing measures. The state-building processes are continuing and complex issues and it is plausible that each area evolved differently and under various circumstances and influences of actors. Following Fukuyama, reduced number of state scope is not index of state weakness and it is necessary to follow performance in chosen areas, processes adopted and implemented in East Timor and it is likely to happen that outcome of this research will show that state-building processes in East Timor has been various in different areas and have had different scope of influence of locals and external actors.

# Outline

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