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***Global Governance and Peacebuilding:
Perspectives from Timor-Leste***

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Ms. Madoka Futamura, Academic Programme Officer, United Nations University
Institute for Sustainability and Peace,
Distinguished Guests and Participants,
Ladies and Gentlemen,

It is a great privilege for me to address this august institution at a time of great regional and global challenges as they are seen in perspectives from Timor-Leste.

I am proud to say that Timor-Leste is an excellent example of success in building peace and stability following a lengthy period of armed conflict. Since the restoration of independence in 2002, we have come a long way in a fairly short time. At the stroke of midnight of 19th May 2002, our National Flag went up, the National Anthem was sung, our people were finally free and stood on our own feet after nearly 500 years of Portuguese colonialism, four years of Japanese occupation (1942-1945), 24 years of Indonesian occupation (1975-1999) and, I might add, two and half years of UN transitional trusteeship (October 1999- May 2002).

The political situation in Timor-Leste in recent years has been remarkably free of tension. Timor-Leste's achievements and the positive outlook we enjoy on our way to development must be attributed first and foremost to the strategic directions and measures the Timorese leaders took and pursued since the restoration of independence.

These decisions we took are:

- (1) First, to put the past behind and move forward by strengthening our peaceful and productive relationship with our most important neighboring countries, Indonesia which surrounds us, and Australia located just south of Timor-Leste;
- (2) Secondly, to strengthen the democratic system of governance by placing trust and power in people, by making government and other public institutions transparent and accountable to people; and
- (3) Thirdly, to share the benefit of wealth generated from our extractive natural resources for the growth of economy and the improvements in education, health and livelihood of people.

Ladies and Gentlemen,

Let me explain briefly to you how we have implemented these strategic decisions and achieved tangible progress.

- Economic growth and improvements in the people`s livelihood

In May 2002, we were handed over smoldering ruins, a country destroyed, a people traumatized, still mourning the many thousands of loved ones dead and disappeared and a leadership un-experienced in democratic governance.

Hence, ten years on, we have made tangible progress in improving our living conditions particularly during the last several years. Life expectancy at birth in Timor-Leste increased steadily and now averages 62.1 years. Gross National Income per capita increased dramatically from less than one thousand dollars in 2002 to reach over US\$3,000 in 2011. Average annual growth has exceeded 10 percent for the last four years and real non-oil GDP growth remains also strong as we speak. According to The Economist, Timor-Leste was among the 9 fastest growing economies of the world in 2011. According to UNDP (United Nations Development Program), GDP growth continues to be approximately 10 percent in 2012 reflecting a more than 50 percent boost in public spending to US\$1.67 billion in spite of more moderate agricultural growth.

To be a little more technical, I should cite a significant improvement made in the quality of human living conditions of ordinary people as measured by the UNDP Human Development Index (HDI). By 2010, it jumped to the value of 0.502 in Timor-Leste, placing our country in the medium human development category. Five years earlier in

2005, Timor-Leste's HDI was still 0.428 which put the country in the group of low human development countries, and at independence in 2002 it was 0.375, located nearly at the bottom of the ladder.

Though proud of our achievements, we are very much aware of the daunting challenges still to overcome. Poverty remains still high, particularly in rural areas, although its prevalence declined from well over 50 percent in 2002 to well below 40 percent by 2010 and 37.4 percent in 2011. However, this steady reduction in income poverty does not mask the need for improving the availability of clean water and sanitation. According to the UNDP Human Development Report 2011, the proportion of the multi-dimensionally poor that are deprived of clean water accounted for 35.7 percent of the total population and improved sanitation facilities, 47.6 percent, and modern sources of energy, 67.6 percent. Access to clean water and sanitation, are key priorities along with public health and education that need robust investment now and for years to come. For those of you who are interested in reading the Timor-Leste Human Development Report 2011, I invite you to access the UNDP Timor-Leste home page.¹

➤ Establishment of Democratic Governance

Let me now turn to the issue of governance. Like many countries in the early years of independence, Timor-Leste has had to confront not only economic but also political and social challenges. In some instances in 2002, 2006 and 2008, violence flared up. As you all well know, I almost lost my life in 2008. However, we have been able to quickly overcome these crises. As the UNDP Human Development report and other indicators show, we have rebounded stronger from the brief periods of instability. Timor-Leste is an open democratic society. Ours is a country that respects liberty and freedom, most importantly, the will of its people. Earlier this year, I declared my loss in the presidential elections is a victory for democracy and the people of Timor-Leste. We have a dynamic multi-party democracy with 4 parties in the National Parliament. More than 30 percent of the elected MPs are women. Several women hold key ministerial portfolios. We have ratified all major International Human Rights Conventions and complied with reporting obligations. I am sure women in Japan can contribute more to the governance of your country, Japan, if they are given a chance. I propose Japan

¹ http://hdr.undp.org/en/reports/national/asiathepacific/timorleste/Timor-Leste_NHDR_2011_EN.pdf.

adopt a law that gives a certain ratio, for example, 10 to 20 percent, of the Diet seats to women.

In the pursuit of transparency and accountability, our National Parliament has passed an Anti-Corruption Law and Government has since created an Anti-Corruption body. The offices of the Ombudsman and the investigative powers of the Prosecutor-General have been strengthened. According to *Reporters Without Borders*, Timor-Leste has one of the freest media in the region.

Enhanced transparency and accountability of our public life and resources are of highest importance to the country. We are determined to avoid the resource curse. Therefore, we instituted a “Norway-Plus” accounting system several years ago to ensure prudent management of the Petroleum Fund. The payments from ConocoPhillips and other petroleum companies are made directly to an account with the Federal Reserve Bank of New York. Nobody, even the President or the Prime Minister, can withdraw any funds from the account unless authorized by the National Parliament for execution of the national budget. I am proud to inform you that the Extractive Industries Transparency Initiative (EITI) rates Timor-Leste the best performer in Asia, and third in the world, in terms of transparency and accountability.

The Petroleum Fund, which started with an opening balance of \$205 million in 2005, now has \$10.2 billion as of June 2012. Gross cash inflows to the Fund amounted to \$851 million for the period of 3 months from April to June 2012. We expect the assets of the Fund to grow as the Osaka Gas Company is expected to double its purchase of natural gas by 2015. While we welcome this development, we need to increase the value-added of our petroleum resources by bringing refinery facilities from Australia to Timor-Leste. We also need to use our natural resources wisely for achieving the sustainable development of our country and the people. As stated in the Timor-Leste HDR 2011, which I personally read and put my message in, we want to manage natural resources for human development and to develop the non-oil economy to achieve the MDGs (Millennium Development Goals).

We have been allocating most of our national budget resources to improving physical and social infrastructure facilities, particularly making education and health our top priority. As a result, school enrolment jumped from a modest 63 percent in 2006 to well over 90 percent now for primary education, according to the 2010 National Census. More than 200,000 adults have also graduated from illiteracy to functioning literacy in the last five years and illiteracy will be eliminated by 2015.

Both the child mortality under five and maternal mortality rates have been halved. Incidences of malaria and dengue fever have been reduced substantially. Overall,

prevalence of poverty has decreased significantly. In short, we are well on our way to achieving most of the Millennium Development Goals.

➤ Truth, Reconciliation and Peace

Timor-Leste has also pursued a successful policy of reconciliation and peace. At the national level we have healed the wounds among the previously deeply divided Timorese Family and with our Indonesian brothers and sisters. The strategic decision the Timorese leaders took after the restoration of independence was to pursue restorative justice rather than retributive justice. In other words, we looked towards our future rather than our past.

We placed a priority on finding truth instead of punishing the accused perpetrators of crimes and atrocity. In 2001, we set up an independent CAVR (Commission for Reception, Truth and Reconciliation) led by East Timorese Commissioners who sought truth in investigating less serious crimes that took place during the period of 25 years from 1974 to 1999 and facilitated reconciliation. Its 2,800-page report entitled 'Chega!' (Never again) was submitted in 2005 to the National Parliament and the President who in turn presented the report to Secretary-General Kofi Annan. For the serious crimes committed in 1999, a hybrid court consisting of international and national judges carried out trials of defendants following the indictment of 391 persons for 684 out of 1339 murders supposed to have been committed. The court convicted 85 defendants out of 285 suspects. This was done expeditiously in a short period of three years, compared with a more than 10-year trial process for the ICTY (International Criminal Tribunal for former Yugoslavia). There has been some criticism about the incompleteness of the process as an additional 303 suspects had reportedly escaped to Indonesia including several “big fish” who left free.

While I am not a jurist, I believe that the process needs to be put in a wider perspective and its outcome assessed in terms of the long-lasting benefit to Timor-Leste. We chose the path of truth, reconciliation and peace with Indonesia and established a joint Commission of Truth and Friendship consisting of several commissioners from Timor-Leste and Indonesia. The Commission revealed the factual truth of the nature, causes and the extent of reported violations of human rights. Two countries agreed not to prevent any recurrence of this unfortunate event and forged a friendly and close working relationship, prompting the members of the UN Security Council to praise the two countries for having overcome the legacy of conflict. I believe that the strategic

decision the Timorese leaders had taken to move forward for a better future, while not forgetting what had happened in the past, was correct and beneficial to Timor-Leste and its people.

It is also significant to note how we have maintained a cordial and productive relationship with Australia in spite of a major difference we have about the maritime boundary issue. We believe Timor-Leste has a legitimate claim for maritime boundaries with Australia. Australia has marked the Timor Trough as the physical discontinuity between Australia and Timor-Leste; but this is just a misinterpretation of geology in order to claim this resource-rich area of the Timor Sea. To resolve the issue, we proposed to take the case to the International Court of Justice for adjudication but the Australian government has refused to go along with us to The Hague. There are many lawyers who insist on waging legal battles on this issue internationally. While the Timorese leaders believe the vast amount of oil and gas in the area of the Timor Sea belongs to us, we have agreed to jointly explore the natural resources with Australia and developed a formula for sharing revenues from the exploitation, while putting on hold the negotiation on maritime boundaries.

I believe this kind of approach could also be considered for resolving the territorial dispute over the Senkaku Islands or the Diaoyu or Tiaoyutai Islands, as they are called in China and Taiwan, and for the exploitation of natural resources beneficial to the countries concerned. In other words, China and Japan should consider taking the case to the International Court of Justice to settle the territorial issues or/and simply should develop together a joint exploration plan to benefit from the natural resources by setting aside the maritime territorial ownership issue.

Ladies and Gentlemen,

➤ Overcoming the Past Human Brutality and Suffering

We are living in times of great challenges in much of the world but also of hope and optimism for our peoples and our continent. Japan, the only nation in humanity's history to have directly experienced the effects of atomic bombs, knows too well the costs of wars and the values of peace. I am a frequent visitor to Japan and have visited several times the historic city of Hiroshima and toured the museum that so vividly walks a visitor through the corridors and chambers of horror of the devastation caused by the one single atomic bomb dropped on that city one clear day in August 1945 at the end of World War II.

No less heartbreaking have been my visits to the Holocaust Museum in Berlin that reminds us of the systematic cleansing of millions of Jews in Europe by the Third Reich. In both cities we are sadly reminded of human beings' capacity to inflict destruction and pain on fellow human beings. And Japanese people should not be reminded only of the horrors of the effects of the atomic bomb dropped on Hiroshima and Nagasaki. They should be honestly and truthfully educated about not only the devastation and death in Hiroshima and Nagasaki but also the suffering and destruction caused by the Japanese Imperial Army in many parts of Asia during the five years of aggression and occupation.

Unfortunately human beings do not seem to ever learn from history. So soon after the end of WWII we had the Korean War unleashed by the communist regime in the North of the Korean Peninsula as it attempted in a lightning, surprise attack to overrun the people and forces of the South. And we had maddening policies of Stalin in Russia and Mao in China, the 1965-66 mass killings in Indonesia, the Indo-Pakistani War of 1971, the Vietnam War that lasted 15 years until the fall of Saigon in 1975, the Khmer Rouge Killing Fields in Cambodia in the mid 70's, the genocide in East Timor beginning in 1975, the Rwanda genocide of 1994, the Balkan wars and ethnic cleansing in the 1990's, and the on-going tragedies in Darfur, Sudan, Congo, Afghanistan, and Syria.

But let us not forget the past wars of partition of India, Pakistan, Bangladesh, Biafra, Iran-Iraq war, the invasion of tiny Kuwait by the Saddam Hussein regime, etc. And let us not forget either the almost forgotten indigenous peoples of the Americas and Australia who have been annihilated by successive "Christian civilizing" invasions beginning in the XV Century till this very day. Yes, ladies and gentlemen, indigenous peoples, the few remaining, are still dying today from humiliation, dispossession, exclusion, drugs, massacres and suicide.

The catalogue of human brutalities is a far too long one and still ongoing that makes me wonder whether we ever learn!

As the US and NATO forces begin their phased withdrawal from Afghanistan, there is growing anxiety and fear among many Afghans about their future — about their hard-won democratic gains; will these gains survive the American withdrawal in 2014 or once again will the country and the people be overrun by the Taliban? And what will happen in Pakistan which faces its own internal Taliban and other security challenges?

➤ Rising Asia: Opportunities, Challenges and Risks

But let's look at also the good news about Asia. And about the challenges we face. Asia's economic performance has been the single most remarkable development since the end of the Cold War in the early 1990's.

Hundreds of millions of people have embarked upon self-reliant development and freed themselves from poverty, in particular in China, India, Pakistan, Bangladesh, Vietnam, Indonesia, Malaysia, Cambodia, Laos, The Philippines, Thailand; others, Japan, the Republic of Korea and Singapore, continue to outshine much of the world in science, technology and innovation. As we enter the second decade of the 21st Century, Asian economies have become the powerhouse of the global economy.

China, India and Indonesia have been growing at annual rates of between 6 and 10 percent for sustained long periods, indeed, decades. The economies of Japan, China, Korea and India put together already account for over 14 trillion dollars of annual GDP. If you add some 2 trillion dollars of combined annual GDP of another fast-growing economic region, ASEAN, the economy of Asia as a whole is equal to or even surpasses the 15 trillion dollars of US economy and the 16 trillion dollars of combined output of EU countries. And, every day, the sustained high economic performance of leading Asian countries helps pull smaller neighbours into the path of economic growth and human development. The world has changed much, but Asia is changing faster, and in the face of the financial and economic predicaments of the US and Europe, Asia must seek to be the center stage and lead. I believe that time has come for Asia to lead and guide the world while navigating the challenges of the 21st Century.

But to lead and to inspire, to be able to forge partnerships, build bridges and seek common ground. Asia can and should lead on tackling the challenges we face in the 21st Century; we have resources to alleviate and finally eradicate poverty; we master sciences and technology; we possess know-how to lead the search for global answers to the challenges of climate change and the need for sustained increase in food production. For this to happen, Asia and the world needs a roadmap of priorities and resource allocation to answer our challenges and we also need leadership to establish and implement this roadmap, strengthening peaceful relations.

As Japan has achieved much, other Asian countries can and should lead on reversing environmental damage and ensuring sustained development, while keeping up with the welfare of our peoples. In our globalized world, Asia can lead only in partnership with other stakeholders, even with other emerging countries far away from Asia like Angola, Mozambique, Nigeria, South Africa, Brazil, Mexico, Venezuela, and

other fast developing economies and societies that are looking for solutions to challenges similar to those we face.

In spite of the remarkable progress in many areas, there are also enormous risks facing Asia as a whole that should not be underestimated. I thoroughly disagree with the optimists, Asian scholars and others elsewhere, who want us to feel good about ourselves and paint a rosy picture about the emerging 21st Century Asia. The challenges facing us are, in fact, overwhelming and daunting. And we can overcome these challenges only by pooling resources and solutions, in partnerships with the US and the EU, that remain technological powerhouses that have much still to contribute to global solutions.

➤ Need for a Long-term Vision

Asian leaders should consider a 30-year Asian Road Map for integrated, sustainable Human Development that includes not only the goals of eradicating poverty, illiteracy, TB, malaria, etc. but also of restoring our forests, rivers and seas by harnessing new and unimaginable technical know-how that we can marshal.

We have heard that knowledge is more powerful than the sword. But, remember what Albert Einstein said: "Imagination is more important than knowledge." For our own survival, by solidarity with our brothers and sisters from other parts of the world, we must now act with vision, imagination and determination. Asian leaders and elites must rise to the challenges of the 21st Century, to the dreams and hopes of a peaceful and dignified life for our peoples, and lead with vision and courage.

Today, Asia is the most populous region in the world with its population of 4 billion out of a little more than 7 billion in the world as a whole. We represent more than half of humanity; the largest, oldest, richest civilizations appeared and met in Asia. Only 50 years ago our region was extremely poor. Today Asia emerges as a center of world power and the 21st century could be Asia's century; we have the brainpower, advanced technology and financial means to make this dream come true.

But the challenges and risks we face in Asia are immense and complex. I would dare say that our region is the most dangerous in the world, the most militarized, most nuclearized, with complex land and maritime border disputes, regional rivalries, ethnic and religious conflicts that have exploded frequently in and among states. Just the sheer size of standing armies and the weaponry available to each side, ready to unleash devastating wars, is maddening. More maddening is the mentality of some people who still believe in chauvinism and bellicose patriotism with a belief in their

national superiority and glory. It is a symptom of the 19th and early 20th centuries. We must rise to the expectation of the new 21st century.

Europe, and even Africa and Latin America, have freed themselves from the legacies of the past century and the world of Westphalia. European countries have transcended past animosity and mistrust and formed a union. Africans and Latin Americans have created regional political bodies. In Asia, smaller countries of Southeast Asia have been trying to come together and move forward. But, our big brothers of Northeast Asia look like they are still living in feudal XIX Century.

Only in Asia there is still a regime like the one in North Korea, as barbaric as the worst of the Stalinist era, although there is a hint of change that may emerge under new leader Kim Jong-Un; in some parts of Asia, there are still extremist Stone Age beliefs and practices that deny girls the right to go to school; in some other parts of Asia acid is thrown on girls for daring to sit in a class room; girls are shot for daring to walk to a school; girls are married off or simply sold off; and a girl is murdered by her own parents. Her sin? Looking at a boy!

Only in Asia a woman can be sentenced to death by stoning for committing adultery. I am sorry to say, as long as all these horror stories occur daily in our region, as long as we have religious fanatics who want half of humanity, the women, to remain enslaved to ignorance and poverty, as long as too many in Asia believe in a God that is NOT MERCIFUL but MERCILESS and REVENGEFUL and in His behalf they kill all those who disagree with certain interpretations of the holy script; as long as Asia has an anachronistic regime like the Kim Il Sung communist dynasty, the 21st Century will not be ours.

As long as leaders and peoples of Northeast Asia (China, Japan and Republic of Korea) are not able to free themselves from the past, as long as Japanese officials and educators continue to trivialize the facts of the suffering caused by the Imperial war unleashed on Asians, and as long as leaders and peoples in China do not have the courage to free themselves from this chapter in their history with Japan, this Century will be still the American Century or it might be the African Century - an Asian Century will be elusive to us!

➤ Japan and Asia in Need of Leadership

Asia has these enormous challenges and risks, yet it has opportunities to become a region of the future. Japan has an opportunity to lead the region if Japan makes another transformation as it did from the feudal Tokugawa era to the Meiji Restoration. I am glad

to be visiting Japan at the time when Japanese people are choosing political parties and leaders to re-build the country. This time, it should be more than just to build a strong nation physically and militarily. Japan should exercise leadership in building not only a just society for its own people, but also a just world for everyone. A just society, that Japan is close to achieving, is one in which resources of society are distributed to all in a fair manner, including those most deserving first. As John Stuart Mill advocated such a society a century and half ago, the government attended to the "common good," and all other citizens worked collectively to build communities and programs that would contribute to the good of others. Japan can extend its vision of social welfare to the rapidly globalizing world that needs mutual trust and assistance. Japan, in short, should strengthen more the bond of mutual relationship, or *kizuna* as I understand you call it, between the Japanese and other peoples of Asian countries.

But, to do so, Japan first needs to overcome the past. Japan needs to become cognizant of its past brutality as Germany was of the Jewish people. In dealing with the maritime territorial issue, Japanese Prime Minister Noda rightly stated that it should be resolved based on international law. But, international law should be applied not only to defend Japan`s position but also to enable fair and impartial settlements of disputes. The principle of international law should indeed be upheld in resolving issues surrounding Takeshima (Japanese) or Dokdo (Korean) islands but also other islands claimed by Japan and other countries.

Malaysia and Singapore did so with regard to Pedra Branca and several other islets located at the eastern entrance to the Singapore Strait. The dispute that began in 1979 was largely resolved by the International Court of Justice (ICJ) in 2008, which opined that Pedra Branca belonged to Singapore and Middle Rocks belonged to Malaysia. As I stated already, Timor-Leste is also prepared to take the maritime boundary issue to the International Court of Justice. The reason I suggest this approach is not just to have a group of international jurists to render their impartial judgments but more importantly to move ourselves from the world of Westphalia created five centuries ago to a world of global governance in which we all can live based on laws and standards that are common to all.

Maybe the various claimant States in the South China Sea dispute should agree to turn the whole area into a Zone of Peace and Joint Development and revenues from the oil, gas and other wealth extracted from the area should go to a newly created Asian Fund for Sustainable Development to be allocated and invested in the whole of Asia. In few words, rather than engaging in dangerous brinkmanship and saber rattling, the

claimant States in the South China Seas should engage in dialogue, build bridges of understanding and search for common ground beneficial to all in Asia.

Ladies and Gentlemen,

As Japan rose above the atomic bombs dropped over Hiroshima and Nagasaki, so should China and Korea to move beyond the “Nanking massacre” and “comfort women.” To do so, three countries should consider establishing a truth and reconciliation commission as Timor-Leste and Indonesia did. Such an international commission should include outside leaders so that the commission can record in an impartial manner what happened in terms of not only suffering and misery they brought about to countless people but also historical perspectives of what happened in past wars and conflicts. Then, the Northeast Asia region will be free of the past and can lead the whole of Asia to form a formidable union that can surpass, in its size and power, the European Union and the United States of America.

For these transformations of Japan and Asia as a whole to occur, we need a leader who possesses the true leadership quality of Mahatma Gandhi to inspire and unite us, to have the courage to overcome the shackles of the past and the differences that exist among us. There is a chance if such a new leader emerges in Asia and leads us all, the 4 billion people of this vast region of great civilizations, religions and cultures, of great challenges and great possibilities, he or she can then, enable us to face the present and adopt a road map to build a Future of Peace, Freedom and Prosperity in not only Asia but also the entire World.

Thank you for listening to me and sharing my vision of *the Rising Asia* and an analysis of *its Challenges, Risks and Opportunities*.

END