The Democratic Republic of Timor-Leste gained its independence in 2002. Since then, the small country has been busy diversifying its foreign relations, building on nascent bonds forged through United Nations missions on its soil since 1999. Amid the international flurry, Timor-Leste must contend with a range of pressing domestic issues. The country has only 1.3 million citizens, 74% of whom are under the age of 35.¹ Timor-Leste aspires to become an upper middle income country by 2030 with healthy and educated citizens, a diversified economy, high quality infrastructure and food self-sufficiency.²

Timor-Leste's oil dependence, as well as its erratic economic growth, do not bode well for the secure future the young nation's leaders have described. Its location in-between much larger states adds to a further sense of vulnerability which, coupled with domestic imperatives, shape its strategic outlook.

As Southeast Asian states grow in economic and military terms, it makes sense for Timor-Leste to build closer ties with them. China, Japan, the United States and Australia, among others, will remain important partners for Timor-Leste. However, Southeast Asian partnerships draw dividends, in both material and non-material terms. This essay assesses the burgeoning relations between Timor-Leste and its Southeast Asian partners. The first section outlines Timor-Leste's strategic outlook and security vulnerabilities as well as describing the current state of its defense capabilities. The second section discusses the reasons for closer Southeast Asian engagement and assesses three major bilateral partnerships (Indonesia, Malaysia, and ...).
and the Philippines) as well as broader regional cooperation. The third and final section analyses the benefits of ASEAN security cooperation and summarizes the challenges for Timor-Leste ahead.

**Strategic outlook and security threats**

Timor-Leste has a unique geographic position, with Southeast Asia's largest state, Indonesia, to its west and north, its South Pacific neighbors to its east and Australia to its south. Its territory includes a main island that shares a land border with Indonesia; an enclave (Oecussi) surrounded by Indonesian territory; and two smaller islands, Atauro and Jaco. Other than the Indonesian archipelago, Timor-Leste is surrounded by the Bandan, Savu and Timor Seas and located next to the strategic choke points of the Ombai Strait and Wetar Strait. By virtue of this geography, Timor's leaders have prioritized Indonesia and Australia as integral regional security partners, followed by partnerships with China, Japan and India, Southeast Asian states, the United States and other Portuguese-speaking countries.

Timor-Leste’s security is most threatened by domestic instability, driven by factors such as underdevelopment and unemployment. According to the World Bank, 41.8% of Timorese lived below the poverty line in 2014, with estimated rates of youth unemployment ranging from 25 to 40%. This carries the risk for conflict between domestic groups, including organized crime groups, gangs and militias, over land rights and access to resources. Some of these groups comprise former independence fighters who were excluded from the military as well as ex-militia members and unemployed youth. They are often family based and can be linked to martial arts organizations. Timor-Leste requires economic growth and job creation but also good governance and a professional and legitimate police force to deal with domestic stability.

Timor-Leste’s strategic priority is defending its sovereignty, especially across the land border with Indonesia and in the maritime domain. With a large portion of its trade being maritime in nature, Timor-Leste has a strong interest in ensuring open and secure sea lanes of communication (SLOCs). With the small nation also located northwest of the illegal fishing hotspot of the Arafura and Timor Seas, maritime surveillance and border protection controls are key concerns. Oil forms 80% of Timor-Leste’s GDP which makes securing oil installations in the Timor Sea and exports a critical part of the country’s future economic well-being. In addition, Timor-Leste is vulnerable to a range of maritime-borne non-traditional security threats including people smuggling and human trafficking. Indeed, Timor-Leste has sadly become a destination country for persons trafficked from other parts of the Indo-Pacific.

Climate change remains a key threat to economic and food security in Timor-Leste. The government has requested further attention from the international donor community on climate-resilient infrastructure, which will be able to withstand expected frequency and severity of extreme climate events associated with climate change. In Timor-Leste, extreme weather can not only cause flooding, erosion and landslides, but impact the yield of coffee, the country’s second most important export. With approximately 80% of Timorese reliant on agriculture as their main livelihood, managing climate adaptation—including accounting for irregular rainfall—is a priority for the state.

**Current defense capabilities**

To address these external and internal threats, the country can rely on the Timor-Leste Defense Force (Forças de Defesa de Timor-Leste, F-FDTL), national police (Polícia Nacional de Timor-Leste, PNTL), defense bureaucracy and National Intelligence Service, among other bodies. The current defense minister is Filomeno Paixão, a former Deputy Chief of Staff of the Armed Forces and an ex-company commander of Falintil, the defunct military wing of the political party Fretilin, which had sought independence from Portugal and then Indonesia. Democratic civilian control remains incomplete. Although Falintil was officially disbanded in 2001, its former members remain influential. Fretilin continues to serve as a major political party in government. One report argues that normalized civilian control will occur only once
a defense minister from outside Falintil is appointed.⁶

Timor-Leste’s challenge is to rebuild a professional military and police force, weakened by fighting between the forces in 2006 when a combination of historical fissures and conflict over resources escalated into violence. In the wake of violence in 2006 and ongoing tensions between the services, a joint command of military and police was established in 2008.⁷ Some analysts worry that this arrangement further confuses the roles between military and police. Moreover, the legitimacy of the PNTL is undermined by perceptions among Timorese citizens that the police are ineffective, factionalized and thus untrustworthy.⁸ Thus the state must build confidence in law enforcement and justice systems as effective alternatives to grievance resolution through vendetta and gang violence.

According to SIPRI,⁹ the country’s 2017 military expenditure was US $25.4 million, which currently amounts to 0.9% of GDP. With approximately 1,000 active service members, the military has only army and navy components and does not operate any aircraft. In November 2017, Australia and Timor-Leste confirmed the transfer of two Australian patrol boats in late 2023, together with crew training and sustainment support. Currently, the navy’s fleet comprises two ageing Albatroz-class patrol boats from Portugal, three Sea Dolphin class patrol boats donated by South Korea¹¹ and two Type-62 (Shanghai) class patrol boats from China. However, the Korean and Chinese vessels are unsuitable to patrol the seas around Timor.¹² To meet its maritime security needs, the Timorese Navy will need significant investment.

The Timorese military currently engages in exercises and training with a range of partners outside of Southeast Asia, notably Australia, Brazil, China, Japan, New Zealand, Portugal and the United States. For instance, in September 2018 during annual exercise Harii Hamutuk, engineers from the militaries of Australia, Japan and the United States worked alongside F-FDTL counterparts¹³ to upgrade military facilities at Timorese bases and in health clinics in the surrounding community. Now in its sixth year, the exercise aims to further develop F-FDTL technical infrastructure and leadership skills.¹⁴

Training with international partners is an integral part of developing the F-FDTL beyond its history of guerrilla warfare. Timor-Leste can become a more active member of regional security arrangements and multilateral activities if it is able to modernize its capability as well as develop its personnel. The Timorese government plans to double the military’s personnel by 2020,¹⁵ though the plan is seen as unrealistic and unaffordable due to other pressures on the country’s economy. Indeed, in 2017, the economy contracted by 5.3% while projected growth for 2018 was a mere 0.8%.¹⁶

**Growing security and defense cooperation with the region**

There are three major reasons for Timor-Leste to draw closer to Southeast Asia. The first is that strengthening ties with Southeast Asia states builds up the Southeast Asian pillar of Timor-Leste’s identity as well as providing greater access to growing economies, advanced expertise and capital. To this end, Timor-Leste applied for formal membership of the Association of Southeast Asian Nations (ASEAN) in 2011. Timor-Leste also sees itself (and is seen by partners such as Australia) as a South Pacific state, owing to its location and comparable levels of economic development with other small Pacific states. However, Pacific Island groupings cannot offer the high-profile diplomatic standing of ASEAN-centric multilateral fora or trade and investment opportunities found in Southeast Asia.

A second reason for Timor-Leste to look to Southeast Asia is to reduce its vulnerability as a small, underdeveloped state. China is an attractive and easy source of capital, goods and military capability. While relations with China have grown significantly in recent years in economic and strategic terms, attracting additional trade and investment from Southeast Asia is one way to avoid overreliance. Thus far, China has constructed the buildings hosting Timor-Leste’s foreign affairs department, the defense department
and the presidential palace. Last year former President Jose Ramos-Horta suggested that his country could turn towards an “alternative partner” in China if it could not get support from partners such as Australia, Japan or the US. At the same time, he has denied claims of “growing Chinese influence” in his country as “absolute nonsense.”

A third reason for Timor-Leste to look north is that relations with its southern neighbor Australia have been strained in recent years. This largely due to competing claims over oil and gas reserves in the Timor Sea’s Greater Sunrise field. While the issue was resolved in March 2018, after both countries signed the Treaty of Definition of the Maritime Frontier between Timor-Leste and Australia, bad blood remains. In 2012, the Timor-Leste government alleged that the Australian Secret Intelligence Service (ASIS) had bugged Timorese offices in 2004. And in 2013, agents of the domestic agency Australian Secret Intelligence Organization (ASIO) are alleged to have removed material containing client information when they raided offices of a lawyer acting for the Timorese government in negotiations. This has strengthened perceptions of Australia as a colonial bully, stealing resources by spying on a much smaller and poorer neighbor. While Australia continues to be a key partner for Timor-Leste, particularly in terms of aid and cooperation, recent events have given impetus for Timorese leaders to shore up other ties.

Indonesia

In Southeast Asia, Timor-Leste’s relations with Indonesia are the closest and most diverse. Despite a bitter separation in 1999 after 24 years of occupation by Indonesia, the salvaging of the relationship began with the Commission of Truth and Friendship, which was commissioned by both governments in August 2005 to jointly investigate human rights violations. Ties are further bolstered by decades of intermarriage, interaction and proximity. Timorese leaders now describe the relationship as “mature” with a “focus instead on the future.” Presently, Indonesia is a significant trading partner and an important source of capital for investment and of expertise, including building infrastructure. Defense cooperation is marked by high-level meetings between senior officials and military training. In 2011, former Indonesian military commander and former Vice President General Tri Sutrisno (Ret.) attended a ceremony to commemorate the founding of Falintil. Sutrisno was the military commander at the time of 1991 Santa Cruz massacre and the 1992 capture of Timorese independence leader Xanana Gusmao. In February 2016, the former chief of army and Minister for Defense Ryamizard Ryucudu discussed strengthening defense cooperation with his counterpart during a visit to Dili. At lower levels, junior F-FDTL officers train at Indonesia’s military academy while mid-ranking and senior officers train at the National Resilience Institute (Lemhannas) and Staff and Command College. Indonesia’s Ministry of Defense is also opening up opportunities for training Timorese soldiers as engineers.

Military exchanges also extend into the humanitarian sphere. In 2016, the Indonesian navy’s medical experts and doctors provided assistance to civilians and military personnel in Dili harbor. There is also potential for further training at Indonesia’s peacekeeping center in Sentul, given Timor-Leste’s nascent steps into peacekeeping missions. These exchanges help build a reserve of positive Indonesia–Timor-Leste interactions among a younger generation of military personnel. This can counterbalance any residual animosity in the Timorese military and in broader society towards the Indonesian military whose legacy includes human rights violations during the occupation.

Timor-Leste has also become a potential market for Indonesia’s burgeoning defense industry. In 2011, the country ordered two patrol vessels from Indonesia’s domestic shipbuilder PT PAL. A recent report also confirms that Timor-Leste is interested in purchasing the Anoa armored vehicle manufactured by Indonesia’s PT Pindad, from which it has already acquired rifles. Further orders will depend on increases to Timor-Leste’s defense budget.

Despite these areas of progress, challenges remain in the broader bilateral security
relationship. The success of Indonesia’s crackdown on illegal fishing in the Arafura Sea, for one, has had a deleterious impact on Timor-Leste’s surrounding waters. Companies have shifted their operations from the Arafura Sea to the Timor Sea. In 2014, estimates of the economic loss of illegal fishing for Timor-Leste stood at US $40 million, with further losses due to destructive harvesting techniques used by poachers such as dynamite. This is an area of common concern to both countries and the displacement of IUU fishing activity from one sea to another demands dialogue both at the bilateral and multilateral levels.

Another issue that remains unresolved is the delimitation of both nations’ land and maritime borders. Although the main border separating east and west Timor has been successfully negotiated, the 120km border between exclave Oecussi and West Timor remains under dispute. This unresolved border is a source of tension and conflict between communities over customary land. Both countries currently hold joint patrols given the area’s propensity for unrest and use for trafficking of humans, drugs, wildlife or timber. Guarding the border is also made more difficult by logistical issues such as access to clean water for soldiers at remote and deteriorating posts. A meeting between the Indonesian and Timorese foreign ministers in January 2018 failed to deliver a negotiated result. These issues aside, however, Indonesia remains a critical partner in Timor-Leste’s bid for ASEAN membership and a source for trade and defense.

Malaysia
Aside from proximity and a common tie of Portuguese colonialism, Timor-Leste also enjoys strong security ties to Malaysia. This relationship stems from Malaysia’s early involvement in Timor-Leste, sending troops to be part of the post-referendum peacebuilding mission in 1999 known as INTERFET. This was followed by further contributions to UN peacekeeping missions including UNTAET in 1999, UNMISET in 2003 (including a lieutenant-general who served as commander) and UNMIT in 2006 for which it was the top contributing country of police. Just before UNMIT’s conclusion in December 2012, the Malaysian forces donated their police vehicles to the Timor-Leste government.

Malaysia has also supported the development of Timor-Leste’s nascent security forces. In 2003, Malaysia contributed $2.56 million as part of its efforts to assist Timor-Leste in developing its defense forces. In 2015, Malaysia’s Ambassador to the UN reported that since 2002, 43 Timorese military officers had attended courses as part of the Malaysian Defense Cooperation Program, including a ship diver’s course, language training, the law of armed conflicts, joint warfare and training as UN military observers. Malaysia has also provided capacity-building and training for the PNTL.

Philippines
The Philippines and Timor-Leste share a long history as the only Catholic majority countries in Southeast Asia. The Philippines’ military ties with Timor-Leste, however, are relatively recent, and originated in 1999 when it sent 600 personnel as well as military hardware in support of INTERFET and, later, to UNTAET (where, in January 2000, Lieutenant General Jaime de los Santos was appointed Force Commander of the missions’ military component), to UNMISET, and to UNMIT (during which a Filipino, Dr Rodolpho Asel Tor, was appointed UN Police Commissioner for a period).

Since then, bilateral engagement has expanded through a number of defense cooperation agreements signed in 2008. In recent years, both countries have hosted a number of high-level visits during which officials have signed cooperation agreements covering defense, signaling growing support at official levels for deepening the relationship. For instance, in June 2013, leaders established a bilateral mechanism between the two countries’ foreign affairs agencies for dialogue and exchange on bilateral, regional, and international issues of mutual interest, including military consultations and intelligence sharing. Then-Philippines President Aquino said the agreement was “vital to maintaining peace and security on our part of the world.”
Like other Southeast Asian nations, military assistance provided by the Armed Forces of the Philippines (AFP) focuses on capacity building in the F-FDTL. With both countries being majority Catholic, a shared religious-cultural outlook could be conducive to building people-to-people relations between armed forces. The experience from transitioning between a dictatorship to a democracy in the Philippines might also yield useful lessons for future civil-military relations challenges for Timor-Leste’s leaders. While there are legitimate questions about the future character of the Philippines’ democracy under President Duterte, the military has been thus far exempt from policies that undermine democratic processes such as the drug war.

Broader cooperation with Southeast Asia
Aside from those three major relationships, Timor-Leste also engages with Southeast Asian states in multilateral exercises and training. For example, Timor-Leste, Australia, Indonesia, Philippines and the United States joined forces in Suai, Timor-Leste, for a humanitarian assistance and disaster relief exercise in June of 2018. That said, this kind of multilateral engagement remains limited.

Conclusion
Looking to the future, membership in ASEAN could increase Timor-Leste’s cooperation with Southeast Asian states. For one, accession to ASEAN would open the door for Timor-Leste to be involved in ASEAN-specific exercises such as the ADMM-Plus Maritime Security exercise or arrangements such as the “Our Eyes” intelligence-sharing sub-group. Timor-Leste could also participate in future bilateral ASEAN activities such as maritime military exercises with China, air force training with Japan, or mine-clearing with India. Constraints in Timor-Leste’s capabilities, such as its current lack of air force, can limit the range of engagement. Nevertheless, dialogue with bilateral partners in a range of senior official or ministerial defense meetings held alongside ADMM-Plus will be beneficial for raising the country’s diplomatic profile and promoting its strategic interests.

Overall, coupled with its urgent economic and infrastructure issues, Timor-Leste’s leaders must contend with threats such as domestic unrest and illegal fishing. Ensuring a diversified economy and long-term growth will help the country invest in training professional military and police forces as well as in purchasing modern military hardware. Until then, cooperation with partners in Southeast Asia not only provides a source of much needed capital, trade and investment, but also military training and exercises. Being able to join ASEAN in the future will allow Timor-Leste to benefit from multilateral arrangements including intelligence sharing as well as defense dialogues. In these fora, Timor-Leste will also be able to lobby on behalf of the region on issues such as climate change which are disproportionately impacting smaller island states. With most Southeast Asian states supporting Timor-Leste’s membership for ASEAN, the future could look brighter. In the rush, however, to better enmesh their young nation within the region, Timorese leaders will have to ensure resources are not spread too thinly across too many areas and with too many partners.
Endnotes


24 Aritonang, “Discourse: Indonesia, Timor Leste have developed a mature relationship: PM”.


27 Eko Ari Wibowo, “Indonesia Jual 2 Kapal Patroli ke
Future of the Asian Order


43 Gutierrez, “PH, Timor Leste renew partnership”.


About the Pell Center

The Pell Center for International Relations and Public Policy at Salve Regina University is a multi-disciplinary research center focused at the intersection of politics, policies, and ideas. Dedicated to honoring Senator Claiborne Pell’s legacy, the Pell Center promotes American engagement in the world, effective government at home, and civic participation by all Americans.