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CG-19

Southeast Asia

Curt Gabrielson, a science teacher and an Institute Fellow, is observing the re-establishment of education in East Timor.

Aid?

By Curt Gabrielson

JULY 1, 2002

BAUCAU, East Timor – USAID, the US Agency for International Development, has spent \$43.6 million on East Timor in the past two years. This sizable sum is a relative nothing compared to the \$1 billion-plus worth of weapons the US sent to Indonesia during its 24 brutal years occupying East Timor. Yet, it is 50 times more dollars per capita than the US gives as aid to Indonesia today. I've personally seen quite a few good results from this money here in East Timor; in particular, the funding of solid, local groups with excellent programs forwarding democratic principles and functional systems of journalism, education and justice.

Are these the goals of USAID? After some research, I found the primary goal of USAID to be: "to promote the foreign, security and general welfare of the United States." How? "[B]y assisting peoples of the world in their efforts toward economic development and internal and external security."

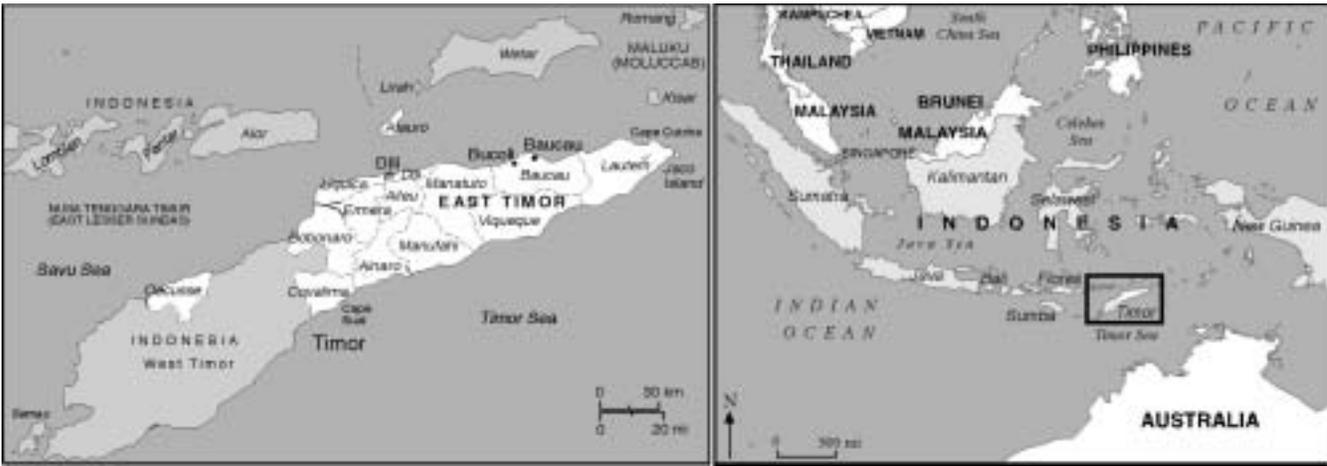
Now, that leaves us in a bit of a muddle. First of all, why is the title "Agency for International Development," and not "Agency for the Promotion of the Welfare of the US (APWUS)?" And furthermore, how is supporting, for example, journalism in East Timor promoting the welfare of the US? I for one am not buying the warm, feels-good explanation that USAID came to East Timor because the US has an genuine interest in seeing that the citizens of the world are well informed. What does USAID truly hope to gain from its investment in East Timor?

The US is not alone in "aiding" East Timor. Nor is it the biggest cookie in the jar. Japan has given \$81.6 million, Portugal \$79.8 million, the European Union \$65.6 million, Australia \$45 million and the UK \$15.8 million.¹ These contributions, together with the US's, amount to 94 percent of the total bilateral aid to East Timor during the period October 1999 to October 2001. Add emergency aid given for help in recovering from the trauma of 1999,² and bilateral aid has totaled \$473 million.

Again, the question arises: Why are these governments so gung-ho all of a sudden to support East Timor? Many of their histories relating to East Timor are scandalous. When Indonesia invaded in 1975, far from defending its colony of 400-odd years, Portugal turned tail and ran. One may be able to forget Japan's painful occupation of East Timor and enslavement of its people during World War II, but certainly not recent decades in which Japan supported Indonesia and turned a blind eye to the massacres in East Timor, as the US did. When the US Congress finally cut all US military aid to Indonesia in 1998, the UK stepped up, smiling, to offer warplanes and helicopters, East Timor be damned. Most shameless of all, Australia cut deals with Indonesia for billions of dollars' worth of oil

¹ These figures are for non-emergency, non-military aid, and do not include assessed (required) contributions to UN operations. Courtesy of the *La'o Hamutuk Bulletin*, a locally published monitoring journal.

² After the 1999 UN-sponsored referendum in which East Timor voted overwhelmingly for independence from Indonesia, the Indonesian military and the militias they controlled destroyed most infrastructure in East Timor and forcibly removed close to 300,000 people. See CG-1 and CG-6 for more information.



and natural gas lying beneath the waters off East Timor's south coast, thus formally recognizing Indonesia's illegal occupation of East Timor, a step even the US never took.

Representatives of these nations do not hang their heads in shame as they walk the streets of Dili today. What are they up to?

A large portion of the above-mentioned money, in addition to money from 17 other governments, has gone into the Trust Fund for East Timor. The World Bank administers TFET, some \$166 million to be put to use in East Timor by the end of this year. The questions surface like flying fish around a speeding ship: Why was the Bank put in charge of this money? What are the specific objectives for this money? Who is making the decisions on where this money goes?

And scurrying about the margins of the whole show are all of the UN agencies — UNDP, UNHCR, UNICEF, UNOPS, UNIFEM, etc — and 100 or so International Non-Governmental Organizations (INGOs) bringing in funds

with fewer zeros to support a plethora of projects the length and breadth of the half-island. Where did these characters come up with this cash, and what are their goals?

For better or worse, East Timor is playing host to a massive aid industry. "Development" is the focus, or at least the stated objective, of virtually all economic and political activity here. Nearly all the money recently showered upon East Timor is earmarked for development of some sort, and most of it is not at all controlled by East Timorese, but rather by the aid agencies listed above. Clearly we must look carefully at these institutions — their goals, structures, behaviors, and track records — if we are to understand what is going on.

Here one sees the evidence of aid agencies at work everywhere. Every new trash bin and water tank that Oxfam installed is labeled "Oxfam." Every bridge or road embankment that Portugal helped to construct has an ornate stone pedestal bearing the name of Portugal. Each vehicle and major appliance donated by USAID has a large red, white and blue sticker stating as much. USAID personnel will come and question the organization that dares remove this sticker, even months after the donation is made. Keeping the sticker stuck is a requirement for receiving the item in the first place. AusAID, USAID's Australian counterpart, gave money for the cabinets that will store science equipment in schools throughout the nation. When they turned over the money, they also provided a giant stencil proclaiming, "AusAID," complete with a kangaroo and the name of the specific program that funded the project. The carpenters are to paint this stencil on each cabinet. (It is so big and inelegant, it may get put on the backside.)³



This pile of rocks was stacked with the assistance of Portugal.

INGOs are probably most enslaved by this publicity, due to their smaller size. The tight circle goes around like this: INGOs get money from one or more donors. The donors want to know where their money is going, and that people know who gave the money. Agencies convey this information to the donors in order to get more money

³ It is interesting to imagine this phenomenon taking place in the US, that is, names of charities and foreign governments plastered around a small city and the surrounding countryside. I have a feeling it would not be tolerated.



Oxfam apparently put up the water hydrant behind those two goats, though it is not working now.

and maintain their operation (i.e. jobs). Publicity is the mechanism for making this happen.

My experience with a small, international INGO here that gave \$20,000 to procure materials for high-school science kits led me to believe this cycle could spin perpetually, with or without locals benefiting or even having anything to do with it. Sure, we penned lofty goals of increasing educational quality in East Timor and filled in columns for “Contributions of Local Actors,” but these were most certainly superfluous to the goal of spending the money, getting publicity for the INGO and reporting this back to the donors while asking for another chunk of funding. For my part, I saw the cycle working to my advantage. I needed these kits in the schools in order to introduce certain experiments into the physics curriculum, so I encouraged and added momentum to the cycle until the goods were in place. It strikes me that many locals have also figured this out, and do what it takes to make this cycle keep turning, then get the benefits as they are spewed out the side.

From the most cynical perspective, INGOs in East Timor are “middle men.” They locate funding from the outside world and deliver it to projects in East Timor while keeping a cut for themselves. As with all middlemen, they try to become indispensable, and then take as big a cut as possible.

According to my experience, effective INGO workers view their job not as business, but as facilitating the process of development. I have seen that INGOs here have the unique ability to finely tune their programs to the needs of the local community, and many do. Conversely, if an INGO is bad, its damage will be limited, due to its relatively narrow financial base.

In the grand scheme, INGOs are secondary actors in the development drama. They can't have nearly the ef-

fect of the grand capital East Timor is receiving for rebuilding and improving infrastructure and launching the new government. This capital comes from bilateral donors, like USAID, and multinational donors, like the World Bank and UN agencies.

In December 1999, soon after the independence referendum and subsequent destruction of East Timor, Japan hosted an international Donors' Conference for East Timor. Both donors and the leadership of East Timor agreed to put the World Bank in charge of a trust fund to which donors could contribute, and which would be doled out over the following two and a half years. Donors also made pledges for amounts of aid they

would deliver directly toward projects of their own choice, and to another pot, the Consolidated Fund for East Timor. CFET funds would support the transitional East Timorese government, and would be used according to that government's priorities. Four more donors' conferences have been held since 1999, not so much to give more aid, but to review progress on aid already given.

This money has improved the situation greatly in East Timor. Today East Timor's recently independent government is functioning with stability, and peace and order prevail in the nation. East Timorese have access to many services, and the general infrastructure — roads, communication systems, water, sanitation, police, etc. — is improving by the day. Donors' money made this a reality. But before we get all gushy with gratitude and nominate these donors for awards of nobility and selflessness we should consider the historical context and the true goals of the donors.

Considering the reprehensible behavior of many of these donors over the last two and a half decades, their contributions today must not be seen as gifts so much as reparations. This “aid” would not be necessary today (and around 200,000 lives would have been saved) if they had stood up to an invading Indonesia 25 years ago. They did not. To the contrary, the vast majority of bilateral donors have gained considerably from dealing with Indonesia over the years. The World Bank itself loaned billions to Suharto's regime, heralding Indonesia as a magnificent success story of neoliberal development⁴ even as systematic human-rights abuses were documented across the Archipelago. Thus, reparations are very much in order.

I've never heard anyone from an aid agency here use the term “reparations.” Mostly, I hear the term “help,” as in “We're doing all we can to help the East Timorese,” or “With help from the World Bank, East Timor will be able to develop its education system.” Considering the facts outlined above, East Timorese officials on the

⁴ After the Asian Financial Crisis of the late nineties, the Bank admitted that its programs in Indonesia had been in error.

receiving end of this “help” should be wary.

Here’s an analogy: A dog attacks you, biting and ripping your flesh continuously for half an hour. Several people hold the dog’s leash, and stand by casually observing the carnage while commending the dog’s physique. These same people had sharpened the dog’s claws and fed it well. Finally, the dog is called off and tied up. Then the people previously watching rush in to offer you medical assistance. Should you feel beholden to them? Trust them? I have known aid workers here to opine that the East Timorese should well be grateful for all the assistance they are currently receiving, and some have gone so far as to say East Timorese who don’t express their gratitude toward foreigners are arrogant and selfish. Such attitudes ignore history and are certainly not conducive to effective, sustainable development.

At the very least, if someone is “helping,” things should get better. In reality, the worldwide aid industry has done a lot of harm over the last 50 years. Every year new books come out documenting the adverse and sometimes disastrous effects of the aid machine. *La’o Hamutuk*, the organization for which my partner Pamela works, has a bookshelf full of them: *Developed to Death*; *Victims of Development*; *Dependent Development*; *Needless Hunger*; *Famine Crimes*; *Seeds of Famine*; *Paradox of Plenty*; *Global Village or Global Pillage?*; *Inequity in the Global Village*; *Globalisation of Poverty*; *Lords of Poverty*; *Mortgaging the Earth*; *Aiding Violence*; *Do No Harm*; *Dying for Growth*; *Mozambique: Who Calls the Shots?*; *50 Years Is Enough*; *10 Reasons to Abolish the IMF and World Bank*; *Ancient Futures: Learning From Ladakh*; *The Road to Hell*, and so on. These books are filled with true-to-life horror stories of the aid industry inserting itself into desperate, currency-strapped nations and making things worse.

There are similar threads in many of the stories, and nearly every story has a current parallel here in East Timor. Aid agencies enter a small country with enormous amounts of money by local standards, and thus wield enormous power over local affairs. Local groups and individuals are strongly influenced by the chance to catch some of the incoming funds. This results in local organizations tailoring their plans to the goals of the aid agency,



*USAID
wants the
world to
know who
donated this
truck.*

and the rise of a pervasive environment of scamming and begging. More often than not, aid agencies have non-democratic or even anti-democratic structures, and have few mechanisms of transparency—that is, no one knows how they work.

Perhaps most insidious, aid agencies steal local employees from their jobs with civil service or with local organizations by offering higher salaries (salaries still much lower than international employees are paid by these same agencies). When UNDP opened up its nationwide civic education initiative here, it heisted nearly two dozen highly qualified East Timorese from their lower-paying local positions, leaving gaping holes in both government and civic organizations. Locals snatched up by international-aid agencies learn to assume the elite lifestyle of their international counterparts, sometimes divorcing themselves from their own culture and community and often coming to feel superior to their fellow country-people. I’ve seen it here in East Timor, and it’s an ugly sight, not to mention counterproductive to sustainable, democratic development.

Another simple dilemma that is present here, as well as in nearly every one of the above documentations of aid gone bad, is that of the rotten consultant. Consultants are called in for any number of reasons, always paid enormous wages and all too often have little to offer. Plenty of consultants I have met here in East Timor are not even interested in learning about local customs and conditions, or worse, assume they know already. They may as well have T-shirts or forehead tattoos that say: “Step Aside — I Know How To Do Development!” Facilitating a meeting for the creation of the National Development Plan (*see* P.6), one consultant spoke high-level English as her harried interpreter translated to Tetum and wrote in Portuguese on the dry-erase white board. It was a corporate-workshop model, with the significant problem that most of the East Timorese in the room were completely unfamiliar with the scheme, and sat staring confusedly at their handouts. I thought to myself, if I were an East Timorese sitting in this meeting, would I trust this woman? No. As far as I can tell, these folks do more harm than good. They consume money meant to assist in development, offer nothing, often *create* confusion and strife among locals and set a terrible example. Moreover, even if they have been dead weight here, when they leave they’ll have “East Timor” on their résumés and chances are high that future employers will never be able to locate their old bosses or clients for references. They’ll likely continue to ride the aid gravy train for years to come.

A final issue is that aid is seldom free-flowing; it is controlled and restricted in many and various ways. Rarely does an aid agency allow its funds to be spent strictly according to the receiver’s goals. Often bilateral aid is “tied,” meaning it must be spent on goods and services from the donor country. Efficiency and suitability are thrown to the wind, and “aid” money ends up primarily, if not exclusively, aiding companies within the

donor country. Nineteen percent of US aid was tied as of 1994 when the Clinton Administration decided that percentage was insufficient and set up the Tied-Aid Capital Projects Fund to “compete” with other countries tying their aid. Aid is also restricted by time frames imposed by the aid agency. These time frames often have more links to the economic calendars of the donor than the time required by locals to carry out a reasonable project. Once, while seeking funds for science-education equipment, I followed a false lead to a frantic man at a German INGO desperate to set up an employment-generation project: seed grants, micro finance, training, small enterprise, and the like. This man’s bosses gave him a huge chunk of change and slightly over a month to get the project set up. I shudder to think of what emerged from that mad effort. It seems most projects worth undertaking take a long time, and few aid agencies here are working with plans of more than a couple years.

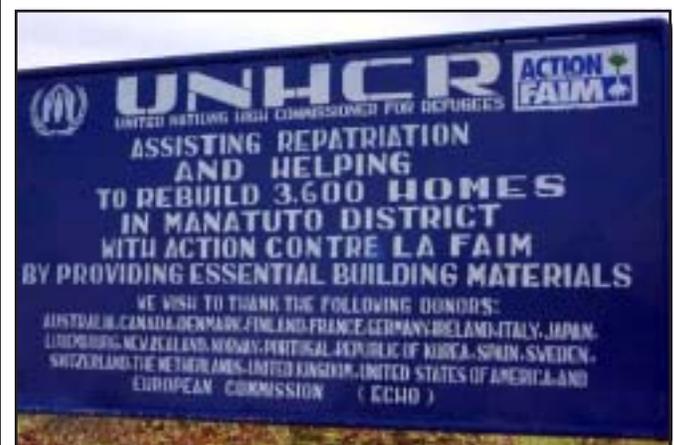
The World Bank incorporates many of these problems into its activities here in East Timor.⁵ In the original school-furniture project (outlined in CG-7, July 2001), the Bank recommended — against the advice of consultants who had done extensive research on local conditions — that all furniture be imported. Local leaders refused to go along with this, and a compromise was reached in which local carpenters constructed a percentage of the furniture. The local furniture turned out to be top quality, cheaper and arrived in the schools earlier. Now the World Bank’s school-rehabilitation program has entered its second phase, which entails building nine “model” schools from the ground up. Are local contractors able to participate? Sure, as long as they can show assets of \$100,000, a prerequisite for working with the project. This eliminates every East Timorese contractor, with the exception of one or two with big connections in Australia or Indonesia. Since these model schools are to be constructed entirely of imported materials, it is unclear how the East Timorese can view them as models. According to this model, all good things must come from abroad.

Many Bank initiatives look good from a distance. The Community Empowerment Project, a \$22.5-million Bank initiative in East Timor, is meant to set up village councils and give them funding for whatever projects they see best fitting the community. It also put \$20.7 million into an Agriculture Rehabilitation and Development Project meant to jump-start East Timor’s small agricultural enterprises after the destruction of 1999. Both these projects resulted in many benefits, but drew plenty of local criticism, in part regarding time frames and undemocratic processes.

At this time the Bank is only assisting East Timor by

means of grants, and grants of other donors’ money to boot (the Bank has put only \$10 million from its own coffers into TFET, nearly all of which went right back to the Bank for “project participation” fees). When it begins its usual fare of development loans, things may change considerably.

The World Bank is known as an International Financial Institution, or IFI. (The acronym is fitting: any arrangement in which billions of dollars are jerked back and forth across the globe over the heads of governments and peoples seems a bit iffy to me.) Another IFI is the International Monetary Fund. Both these IFIs generally operate programs in which money is loaned, not given as grants. As of yet, no loans have been given to East Timor because it has not been self-governing; up until last month, East Timor was under transitional administration by the UN. But early on, the UN, with the agreement of East Timorese leaders and the wide praise of international donors, called in the IMF to “help” East Timor set up its financial institutions and generally situate itself in the glo-



According to this enormous roadside billboard, repatriation of refugees and the construction of 3,600 homes in the district of Manatuto were assisted by the UN High Commissioner for Refugees and Action Contra La Faim. The billboard goes on to thank 20 nations and the European Commission.

bal economy. Employees on the IMF payroll were and still are working in many government offices, especially those of finance and treasury.

Those with any knowledge of the IMF’s track record in other countries will be aghast at this information: letting the fox in to help the hens so to speak. IMF-led structural adjustment in numerous countries across the globe has led to marked increases in economic inequity, environmental devastation, downfall of social services like health and education and billions of dollars flowing out of — not into — these “aided” countries. Success stories are nearly unheard of. Now East Timor’s “structure” is being “pre-

⁵ It is interesting to read 10-year-old criticisms of the World Bank, and then read current Bank publications that incorporate the same language in promoting itself. An example is the term “pro-poor.” Ten years ago, democratic development groups criticized the Bank for its lack of “pro-poor” projects. Now the Bank is keen on calling its projects “pro-poor” (which is difficult, if not embarrassing, to translate into Tetum), yet continues to promote privatized health care, “recovering costs” in primary education and various other “anti-poor” policies.

adjusted" by IMF personnel working within the system.

The IFIs are some of the least democratic of all players in the aid industry. The World Bank and the IMF do not directly answer to citizens, governments, or even the UN. Nations send representatives to serve on their boards, but these representatives are neither elected nor do they have equality of power within the IFIs: internal voting policy gives more weight to nations who have contributed more. It is clear then that wealth makes the rules within the IFIs — a situation democratic nations have made efforts to avoid for 200 years or so. In terms of transparency, the IFIs have only recently started to open themselves to scrutiny after much criticism for their hypocrisy in promoting transparency in receiver nations. Still, much secrecy remains. Just finding out what the IFIs are doing in East Timor is a full-time job.

For example, last year the IMF recommended that East Timor adopt the US dollar as its official currency. Information and debate on this tremendously important move were nearly nonexistent. Several countries have previously implemented dollarization, and much insight into this recommendation could have been gained by researching their experiences and publicly debating the pros and cons. But this was not done. The East Timorese governing body at that time was the National Council, and it voted in favor of an initial proposal to purchase five million dollars in small change without debate or even any questions from the NC representatives. One must question whether the Council Members simply trusted the IMF or perhaps saw personal benefits. The public got the details only after it was a done deal.

IMF backers are quick to point out that the IMF offers only suggestions on policies and adjustments. Here in East Timor, it was indeed local governing officials that chose to follow IMF suggestions. Of course, not following these suggestions would most certainly result in isolation imposed by the vast majority of international economic players. The government of Mozambique tried ignoring the IMF in the early 80's and was ostracized and attacked by the international community for several years until it buckled and agreed to an IMF structural-adjustment plan. The IMF plan included cutbacks in already pitiful health and social services, which in turn led to worsening conditions for the majority of citizens while the elite maintained their riches. Various East Timorese leaders, now members of the elite in East Timor, were in Mozambique to witness first-hand this turn of events, and are not likely to shun the IMF today.

Even in 1999, after the Asian Economic Crisis, when the IMF essentially agreed that its policies had resulted in magnifying the problems of many countries and began a scheme to forgive a small portion of the crippling debt of several nations, debt forgiveness was contingent on *further structural adjustment*.

Most bewildering to me is the fact that executives in

the IFIs generally come from positions in the corporate financial world. It is simply unrealistic to think that these business magnates can be trusted to do what's best for the poor or even the middle class in developing countries. Their very positions negate the possibility of them having a good understanding of what poor people want or need. And yet they are in charge.

Unless the IFIs are severely democratized, I see little hope that they will effect changes beneficial to the majority of the world's inhabitants. The East Timorese leadership, while personally standing to grow rich with the help of the IFIs, faces a huge challenge in dealing with these institutions without forfeiting all control of the nation and its resources.

Earlier this year, East Timor created a National Development Plan. This plan was requested — that is, mandated — by donors at the last Donors' Conference as a prerequisite for continued funding. The World Bank put much assistance into the process of bringing together key East Timorese to come up with goals for the next five years. As could have been expected, it was an incredibly hurried and confused process and the results reflect, as far as I can tell, priorities that locals think donors want to fund. The Plan contains phrases that likely did not come from the hearts or minds of the East Timorese such as "open market economic system," "labor discipline," "agriculture as a social safety net" and "sustainable domestic capabilities." This makes one ponder how much of the process was a rigged multiple-choice game: Which of these identical, miserable choices do you choose?

How much the Plan will really effect government policy will depend in part on future "Donor Missions," in which representatives from donor countries and IFIs visit East Timor and make known their opinions on the current state of development, opinions that hold all the weight of future aid.

Having a plan is a fine idea. The responsible giver wants to be sure the receiver has a good plan for the gift's use and is accountable for it, in order that the gift not be squandered. But it seems much more strategic for local leaders receiving aid to be held accountable to the public at large for the wise use of aid, rather than accountable to some god-like foreign donor. For this to happen, the public must be well informed of the aid's objectives and the plan for its use. Unfortunately, this is rarely a goal for the larger donors, and is certainly not the norm for development projects I've come across here in East Timor.

As mentioned above, the goals of these god-like donors are rarely as simple as aiding the receiving nation. Donor countries will always have their own welfare in mind, and are not likely to aid projects with no strategic benefits for themselves. IFIs are deeply entrenched in the global corporate environment, possessing an idolatry of growth and capitalism at whatever expense and in the face of mounting historic evidence of the unviability of

this vision.⁶ Even INGOs as institutions are first and foremost interested in prolonging their own existence.⁷

Understanding that most international aid is a side effect, or the coincidental result of a strategy for self-gain, helps greatly in dealing with the aid industry. I see that many East Timorese have indeed made this discovery, and are using it to make best use of the aid swirling about East Timor today.

At a fundamental level, aid should reduce inequality. However, despite the burgeoning aid industry, global inequality is getting worse. UNDP says the ratio of income between the world's richest 20 percent and poorest 20 percent was 30 to 1 in 1960 and had risen to 82 to 1 by 1995. The *No Nonsense Guide to Globalisation* points out that in six out of eight years during the global economic boom of 1990 to 1997, developing countries paid more in debt services than they received in new loans. The Bank itself says the number of people living on \$1 a day or less has increased over the last decade, to 1.3 billion.⁸

Kofi Anan has recently reiterated the UN's long time request that the rich nations of the world give a sum equal to 0.7 percent of their GNP to overseas development. This request acknowledges vast inequity in the world today, and outlines one strategy towards overcoming it.

The US currently gives only 0.1 percent of its GNP toward overseas aid. We squat at the very bottom of the list of the 22 top aid-giving nations, giving a mere one-quarter of the average contribution among them. Every large nation in Western Europe gives more, as do most small ones. Spain gives twice as much. Finland gives three times as much. Tiny Denmark gives ten times more of its GNP to foreign-development projects than the US does. Japan's economy is around half the size of the US's, and yet Japan gives out nearly twice the foreign aid that the US does.⁹ This information makes one think twice about the general sentiment in the US that we are supporting much of the world.

If the US followed the UN request and increased its international non-military aid by a factor of seven, from \$9 billion to \$63 billion, the world would be a different

place indeed. If this aid was given responsibly, in support of goals set by the receiver, following a time frame established by the receiver, great things could come to pass.

At the same time, if US aid continues to prioritize narrow US goals, gaining global influence and giving support to US corporations, I'm not sure I'm interested in increasing it. I have concluded though, from my observations here in East Timor, that aid can be an effective strategy in lowering the unconscionable global inequalities that exist today. I've seen highly effective aid here, primarily through smaller NGOs, and some smaller government programs. I've seen projects by Oxfam and Peace Winds Japan, and by the governments of Finland and Ireland, for example, that are extremely sensitive to local conditions and goals, with highly qualified and motivated internationals working together with local groups in a democratic manner. USAID East Timor, as I mentioned earlier, is also involved in a several good projects.

It is an enormous challenge to get all the required elements in place for an effective aid program, but when they are, aid can help to reverse the last 500 years or so of mounting inequality. The US can and should reverse its self-serving stinginess in the area of aid and step up to this challenge. At the very least, US aid to East Timor should be seen as reparations and increased accordingly. □



Any questions? The future site of the US Ambassador's residence in Dili.

⁶ In 1999, the IMF and World Bank and World Trade Organization announced a new "coherence agreement," in which they will coordinate future activity. This is worrisome, since the WTO has no pretext of helping anyone and focuses entirely on clearing the way for corporate domination.

⁷ In one of the many ironies of the aid industry, aid workers often must wrangle to keep their positions by creating more and more projects, effective or not. In this way, the system is similar to cumbersome civil services in developing countries, bodies that the aid industry continually criticizes and scapegoats for economic difficulties.

⁸ Inequality is also increasing *within* many rich countries. The Center for Popular Economics says that the poor in the US saw their real income decline by 3.2 percent between 1989 and 1996, while the rich saw theirs increase 15 percent.

⁹ Statistics from the Organization of Economic Cooperation and Development. The top 22 aid-givers are part of the Development Assistance Committee within the OECD, and communicate regularly to coordinate and cooperate with the aid they give.



From this US warship, strangely enough, will come assistance for some community in East Timor.

US Military Activities in East Timor

The Pentagon is pouring money into East Timor, primarily through a program called US Support Group East Timor. At present USGET consists of ten soldiers, down from 15 last year, that live on a luxury foreign hotel boat bobbing in Dili's harbor. The support and maintenance of this support group cost the US taxpayers over \$1 million dollars per soldier per year.

USGET's stated purpose? To "show the flag." The group's primary activity is to prepare for US ship visits every month or so, during which US military personnel sift into communities throughout East Timor to carry out aid projects: painting schools, performing basic dentistry and eye surgery, distributing food and medicine — all things that can be carried out in a few days. A few big projects per year tackle larger problems requiring engineering or construction. In this way, the friendly American soldier makes a good name for himself in East Timor.

US military and State Department officials deny that the US is looking to establish a base in East Timor, despite ongoing rumors. Judging from past US military denials, that base could be in place within a few years. At the very least, the government of East Timor knows with great certainty that the world's only superpower is following its every move, and that no unwanted move will be permitted.

A most troubling aspect of USGET — beyond the fundamental oddity of the military carrying out humanitarian aid — is that the Pentagon pays an enormous private company to maintain the mission. DynCorp has 23,000 on its payroll throughout the world, about 30 of whom handle all logistical issues for USGET. DynCorp has long worked as a proxy for the Defense Department by providing military training to Colombian armed forces, among others, thus removing direct responsibility from the US government. Farmers and the indigenous community in Colombia and Ecuador are now suing DynCorp for spraying highly toxic chemicals onto their people as part of the "War on Drugs." DynCorp is also being sued by an ex-employee who alleges his fellow workers were involved in child prostitution, among other hideous crimes, in Bosnia. *Insight* magazine (14 January 2002) says a US Army investigation verified these charges but no criminal prosecutions resulted. In fact, DynCorp kept its contract.

There are no allegations as yet against DynCorp or the US soldiers in East Timor, but the mere presence of DynCorp is not an optimistic forecast of how the US military intends to interact with the people of East Timor.

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Author: Gabrielson, Curt
Title: ICWA Letters - South Asia
ISSN: 1083-4257
Imprint: Institute of Current World Affairs, Hanover, NH
Material Type: Serial
Language: English
Frequency: Monthly
Other Regions: East Asia; The Americas; Europe/Russia; Mideast/North Africa; Sub-Saharan Africa

ICWA Letters (ISSN 1083-4257) are published by the Institute of Current World Affairs Inc., a 501(c)(3) exempt operating foundation incorporated in New York State with offices located at 4 West Wheelock Street, Hanover, NH 03755. The letters are provided free of charge to members of ICWA and are available to libraries and professional researchers by subscription.

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