Rise of Commitment Problem and Violence in Post-Conflict Societies

-A Case of Timor-Leste-

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Abstract

This paper explores why some armed political groups remain in anti-government groups in post-conflict situations. In situations where democratization and state-building are ongoing, political groups can either keep arms as anti-government groups or transform their organizations into political parties or state organs. This study argues a group who leads the negotiation may often fail to achieve commitment of political deals, which brings some political groups into anti-government groups. In contrast, political groups can successfully transform themselves into political parties or state organs when they compromise in policies. Further, the third party may play a vital role to avoid violence by enhancing a group’s prediction toward the realization of commitment. The paper states this argument by presenting a formal model and then tests the model adopting the case of Timor-Leste.

1. Introduction

Timor-Leste is often referred to as “a successful case of peacebuilding” as there was no reoccurrence of mass violence after 1999. At the same time, however, anti-government groups such as CPD-RDTL (Committee for the Popular Defense of the Democratic Republic of East Timor) and Sagrada Familia have been active in this new democratic state. Although the country has maintained a robust international presence following the end of

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its war against Indonesia and achieved independence in 2002, governments have periodically been challenged by violence conducted by unsatisfied political groups. A riot in the capital Dili in December 2002 and the turmoil in 2006 are examples of such anti-government violence.

This paper seeks to explain why some armed political groups in post-conflict situations remain in anti-government groups, while others lay down arms and become non-violent actors. Past studies such as the research on the Disarmament, Demobilization, and Reintegration (DDR) process have highlighted both the successes and failures of armed groups being converted into political parties (De Zeeuw (ed.)2008; Berdel and Ucko (eds.) 2009). Those extant works have emphasized the difficulty of identifying common solutions for the successful conversion of armed political groups into political parties.

By examining the negotiation process between political groups prior to the first election, this paper outlines specific conditions for negotiations under which anti-government groups can emerge. Specifically, political groups who lead the negotiation process face a dilemma in which they must either accept or decline an offer that is being proposed by their counterparts. The decline of an offer may cause violence even though the leading groups are reluctant to use violence. Also, the acceptance of an offer may cause violence because of uncertainty that the follower possesses. By analyzing the negotiation process, this study seeks to highlight cases where groups fail to commit to political deals or fail to implement the commitment in post-conflict situations where the processes of democratization and state-building are simultaneously ongoing.

This paper begins by providing an overview of the existing literature and how extant works are related to the scope of this paper. In section 3, the paper presents a model of how armed groups transform their organization. Section 4 applies the model to the case of Timor-Leste. Section 5 concludes and notes some future challenges to this research.
2. Previous Research and Scope

Democratization, an introduction of a competent and free election, is double-edged swords which could limit or accelerate violence. While democratization is the process whereby political actors hold national elections to select leaders, the primary goal of democratic processes is to bring about political concessions through non-violent means. In other words, democratization expects all political groups to lay their arms and to participate in a democracy. However, this process can undoubtedly lead to the recurrence of violence. Studies have found that electoral violence in post-conflict situations has been caused not only by internal conflicts between political actors, but also by external factors such as lack of safety (Höglund 2009). There has been no unanimous consensus regarding the effectiveness of democracy in preventing the recurrence of civil war in various post-conflict states (Walter 2004; Mukherjee 2006; Quinn et al. 2007; Collier and Rohner 2008; Collier et al. 2008; Kreutz 2010).

Furthermore, state-building can also bring about violence. State-building refers to the process of constructing and legitimating state institutions. State-building is achieved when citizens of the state invest in the political institutions and allow such institutions to possess the authority to govern (Paris and Sisk 2009, 15). State institutions are expected to provide security, rule of law, budgeting, and basic services to its citizens. Based on the experiences of post-conflict states, some like Paris (2004) as well as Rose and Shin (2001) call for “institutionalization before democratization” to avoid further violence. However, the challenge is to guarantee the legitimacy of the institutions before the new leaders are elected.

Among a variety of state power that state-building targets, this paper focuses on the provision of security. Firstly, this is because political groups refer to state capacity how it can maintain law and order when they take up arms. On the other hand, those who possess state capacity are interested in raising the legitimacy of the possession of force to restore law and order. To achieve this, the first step is set to in motion a non-violent environment by getting combatants in armed political groups to lay down their arms. In this process, states must guarantee the security of those armed political groups. This is a challenge for
both sides because a state capacity without recognition by all members in the state increases mistrust.

Secondly, when a new political environment appears, political groups who had arms struggle over specifically the possession of military power. In Bosnia and Herzegovina, where ethnic divisions were of central concern, the Serbs VRS (Vojjska Republike Surpske) and the Bosnian ABiH, were operating in parallel for a decade since the 1995 Dayton Accord (Kaldor 2003). Similarly, the 2001 Bonn Agreement in Afghanistan did not clarify any commitment on who would be involved in the new Afghan army. With no clear plan for the new army structure, different factions of the anti-Taliban alliance maintained autonomous forces in their respective regions (Giustozzi 2009). As this case implies, armed groups hesitate to give up arms following ceasefire.

As discussed above, the distribution of military power is one of the primary concerns for groups who have different political interests. In other words, state-building process increase expectations of political groups to gain military power in hand. However, the effectiveness of power-sharing in preventing violence is ambiguous. Though political and military power-sharing was agreed on following the 1997 Lusaka Protocol in Angola, the political faction UNITA (National Union for the Total Independence of Angola) did not collaborate in the demobilization process and the leader maintained his own army (Hartzell and Hoddie 2007, 122). Following the election, the leader lost and civil war recurred. Thus, accounting for both the processes of democratization and state-building is vital to understanding the cause of violence in post-conflict situations.

2.1. Power-sharing in post-conflict societies

Following a cease-fire, political groups often seek power-sharing through negotiations before the first election. Such negotiations not only generate concessions, but also mitigate tensions over the distribution of office posts and territory as well as decisions regarding language and education policy. In fact, more than 70% of internal conflicts in the post-Cold War era have ended through negotiations. The figure is calculated based on data from the UCDP (2010).
include power-sharing commitments (Hartzell and Hoddie 2007). However, the groups who gain power in the new democracy may turn down the concessions that were made, resulting in a “commitment problem” (Fearon 1998). In Fearon’s (1998) study on the interactions between groups over policies, the author stresses how the majority can renge on commitments because the group will be empowered militarily once it gains democratic authority. Thus, democratization can lead minority groups to challenge the majority through violent means.

Several accounts could be considered why minorities feel insecure about the commitments they engage with majorities. First is a lack of security power. As briefly discussed in previous section, under anarchy where no one could guarantee safety or the implementation of the commitment, this situation would bear uncertainty for both parties (e.g., Sisk 2010). Secondly, an ambiguous relationship between negotiators in the past would burgeon mistrust. They may have been contenders during civil war, or had the relation of master and servant. Depends on what relationship they have built up during civil war, these experiences bring about uncertainty. Thirdly, political, social, or economic environment which negotiators face throughout negotiation period and thereafter may disturb minorities. Insecurity in neighbor countries and regions could affect the conditions for implementing the commitments (Fearon and Laitin 2004). Such external conditions can also be influenced by infectious diseases or economic crisis. Lastly, providing financial resources to implement the commitment is often a challenge (Stedman 2002). Thus, ensuring who to prepare the budget to carry out the commitment is often a key for successful power-sharing.

Previous studies discuss how violence can be mitigated during the phase of implementing commitments, which to alleviate the uncertainty of minorities. One of the primary solutions cited is the role of third party involvement. Walter (2002) discusses that negotiators have uncertainty over what kind of information each other has, and no one has capacity to check if the commitment is to be implemented. Therefore, both parties have incentives to break the commitment at any time. Thus, she argues that monitoring or enforcement by the third party is necessary in order to give credibility that the commitment
to be in effect. Hartzell and Hoddie (2007) also discuss how the costs that both the government and armed group incur when implementing accords in cases of multidimensional power-sharing result in more credible commitments between both parties. This illustrates the effectiveness of costly signals sent during the implementation phase. Fortna (2008) particularly discuss multiple functions of UNPKO (the United Nations Peacekeeping Operations) to mitigate the anxiety of parties. Those functions are; mediation for contended parties’ communication, electoral monitoring, employment generation (often called as peace dividend), support to building security sector, and promoting international assistance.

Such discussion over the effectiveness of the third party is ongoing, however, the empirical analysis is on the way as a variety of dimensions may affect uncertainty of the minorities depending on what issues negotiators discuss. Thus, this paper explores the role of the third party during the power-sharing negotiation between political actors in post-conflict settings.

2.2. Options for political groups in post-conflict societies

According to extant works, armed groups in post-conflict societies can (1) transform into political parties, (2) remain as armed groups, or (3) transform into security organs. Another option is the process of DDR. UN (2000) defines DDR process as follows. Disarmament refers to the collection and management of light and heavy weapons in conflict areas together with cantoning combatants and demining. Demobilization refers to the process of disbanding military groups and incorporating them into civilian life. This includes registering and assisting ex-combatants in their basic needs and transporting them to home communities. This could be followed by recruitment to security organs. Reintegration means ex-combatants adapt to their social and economic circumstances and lead a productive civilian life. This process entails cash or in-kind compensation and job-training projects. While going through the entire DDR process indicates a group does not seek political goals and must be dissolved, this study focuses on a part of the DDR process which centers on transforming armed groups into security organs.
This paper discusses three options of organizational transformation by comparing cost of each option. Deriving his argument from Dahl’s concept of polyarchy, Shugart (1992) points out that successful democratization depends on how rebels calculate the costs of either remaining as rebels through resistance or becoming political parties through participation. When the choice is a dichotomous one between armed conflict and electoral competition, groups can negotiate during the pre-electoral arena to mitigate costs to participation. This could occur through institutional reform such as electoral law, security provision, and fraud prevention.

However, governing parties also incur costs to both repress rebels when they cause violence (suppression) and incorporate rebels into the political process as political parties. To mitigate such tolerance costs, negotiations could include the provision of guarantees that government interests will be protected in the new electoral competition. Some examples include the enactment of measures requiring extraordinary majorities in the legislature or making commitments to delay discussion on policy areas of concern. In sum, Shugart argues it is not only the rebel but the government that bears the costs for democratization. Based on such extant works, this study in the following section consider both the costs that rebels incur when they are incorporated into state institutions and the costs that the government incurs when it accepts rebels into state institutions.

First, the transformation of an armed group to a political party indicates that the armed group seeks political goals through non-violent means. An example of a successful case is RENAMO (the Mozambican National Resistance). In Mozambique, the government and RENAMO initiated war when the country gained its independence in 1975. Following a war termination pact in 1992, RENAMO won opposition seats in the parliament despite difficulties it faced to remain organized as a political party (e.g., Manning 2008). In contrast, even though the RUF (Revolutionary United Front) in Sierra Leone was guaranteed to be registered as a political party and receive rights of free expression and association in a peace agreement, the RUF gradually lost their political influence due to their lack of leadership and internal integration as a group (Mitton 2009). The literature notes that the human resources and organizational capacity of groups to convert into
political parties, the confidence of parties in gaining votes, and support from both domestic and international society were decisive for rebels to transform into political parties (Kovacs 2008, 140). Based on Shugart’s study, these factors can be characterized as participation costs.

Remaining as an anti-government group has been an attractive option for some groups in various post-conflict societies. For instance, FARC (the Fuerzas Armadas Revolucionarias de Colombia) and ELN (the Ejército de Liberación Nacional) of Colombia maintained their armed forces since 1960s, even after other guerilla groups disarmed or demobilized (Guáqueta 2009). The LRA (Lord’s Resistance Army) in Northern Uganda, who fought against the government, successfully maintained arms for more than two decades. While some combatants entered the DDR processes, core members of LRA repeatedly broke down cease-fire agreements (Borzello 2009).

Obstacles to becoming non-violent actors include organizational factors such as a lack of leadership, human and financial resources, lack of popular support, country-specific variables such as electoral systems, external factors such as insufficient financial support from international society and the absence of third-party mediators (De Zeewu (ed.) 2008, 20-23). In addition, incentives for groups to remain armed may include the lack of effective institutions within the state to deal with crime, widespread poverty, and easy access to arms (Höglund 2008, 89). These explanations articulate how participation costs are high and resistance costs are low for armed political groups.

Recruiting ex-combatants to security organs is a common means of transforming groups into non-violent actors in post-conflict situations. This option allows political groups to directly join state institutions. Ex-fighters who became part of the state’s security apparatus are expected to immediately restore army and policy functions effectively (e.g., Höglund 2008, 91-2). At the same time, such recruitment results in a lack of trust by citizens because the new security organs are filled with those that had been the initiators of violence (Cawthra and Luckham 2003, 312). Thus, unless they are able to rebuild trust from citizens, employing ex-combatants into security organs entails risks to the state. Trust
and confidence in the security organs can be restored by training ex-combatants and repeating good practices, which can only be achieved over the long-term.

From the perspective of ex-combatants, they may be reluctant to hand over their arms because doing so would deprive them from their source of strength (Hartzell and Hoddie 2007). Thus, for ex-combatants to give up arms, the state must provide other means of protecting themselves under fragile conditions during the post-conflict period as well as post-electoral period. Incorporating them into security organs is thus an alternative to provide security for that group. As can be observed in the case of Afghanistan, multiple groups requested army posts to gain cash and social status, and while the government tried to accommodate their demands and provide loyalists with coveted army posts, supply of such posts were extremely limited (Giustozzi 2009).

Ultimately, it is the DDR process which not only leads ex-combatants to reintegrate into the community, but also integrates them into security organs. Factors that lead to the success of the DDR process are somewhat varied. Given the context that armed groups face, such as diverse organizational structures, ideological coherence, internal dynamics, and societal recognition, the obstacles to DDR processes are based on how DDR policy is formulated. Empirical cases illustrate how the processes are initiated and implemented by external actors and sponsors of DDR programs are important. The cases also show that a balance between stability and legitimate demands for justice are important (Berdel and Ucko (eds.) 2009).

Overall, previous studies have implied that both the government and the armed political group bear costs for integrating the armed political group into security organs through the DDR process. The government that seeks to incorporate ex-combatants into security organs incurs costs for creating the security organs by conducting DDR programs, providing trainings, and establishing long-term practices. This cost varies by groups which the government faces because of different characteristics and relationships the government has with each group. This paper call this incorporation costs because it is the cost the government bears to respond to the request of armed political groups. The armed political group bears the costs of not being satisfied with the offers by the government. Some
reasons may be a lack of sufficient offerings in the DDR program or the lack of enough security organs posts for all its members. This paper calls such costs incurred by armed political groups as exit costs because they must satisfy their interests in one-shot negotiations and possibly lose the opportunity to negotiate following the first election.

By discussion so far, the following table 1 shows the cost to be borne by negotiators. In this paper, the group who is likely to take state power (i.e., majority) is called the leading faction, and the other group (i.e., minority) is called the follower.

<table>
<thead>
<tr>
<th></th>
<th>Violence (anti-government group)</th>
<th>State Institution through DDR</th>
<th>Participation (political party)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leading Faction</td>
<td>Suppression Cost</td>
<td>Incorporation Cost</td>
<td>Tolerance Cost</td>
</tr>
<tr>
<td>Follower</td>
<td>Resistance Cost</td>
<td>Exit Cost</td>
<td>Participation Cost</td>
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</table>

Table 1: Costs for Each Action

It should be noted that the two non-violent outcomes are to (1) continue the negotiation in the new parliament (i.e., the follower selects participation) or (2) complete the negotiation process before the election (i.e., the follower becomes security organs). Therefore, players must take into account three types of costs whereby the costs incurred by two non-violent outcomes are inversely proportional. In deciding what would be the most optimal outcome, players define costs relative to their choice of engaging in violence, completing negotiations, or continuing to negotiate in a new democratic regime.

The review above shows that extant works provide various explanations for how armed political groups determine their fate within the context that they face. Case studies have focused on particular groups in the war context to examine whether the DDR processes were successful, or whether the transformation to political parties was successful. These studies enrich our knowledge of how armed political groups struggle to transform into non-violent actors due to various constraints.
However, case study analysis does not provide us with the ability to identify what factors were most important in the decision-making processes of the leading faction and the follower. Such methodological approaches have difficulty identifying what factors influenced decision-making because we are unable to examine the alternative choices the armed political groups would have had. If we want to identify why groups decide to maintain arms, we shall shift the focus of attention on why they avoid becoming political party or security organs.

Also, case studies mostly focus on discussing costs incurred by the follower. However, in the situation where the transformation decision is influenced by the power-sharing negotiation, we should take into account of the leading faction. Concerning such challenges raised by review so far, this paper incorporates the leading faction’s view and discuss actor’s strategic interaction which determines the decision of the follower where democratization and state-building processes are ongoing.

3. Model

This section develops a model in order to articulate the determinants of commitment problems and the conditions to revert those problems.

The model in this paper has two players: a leading faction (L) and a follower (F). The leading faction is an agenda-setter who initiates the interaction with the follower. The two players negotiate a position over policy (or set of policies) \( x \in X=[0,1] \). Policies can be political posts in the new state, economic redistribution, language and curriculum for education, or welfare for ex-combatants. The model assumes complete information as each player knows their relative strength and the costs they would bear given prolonged conflict. The main components of their payoff are expressed by a preference over policy position at policy space between 0 and 1. The leading faction adopts \( x_L \) and the follower adopts \( x_F \)

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3 This section hereinafter calls \( X \) “policy”. It is only in the case study where we can specify what kind of policy or set of policies the two players are concerned.
where the ideal point for the leading faction is \( x_L = 0 \) and the follower’s ideal point is \( x_F = 1 \) in \( x \in [0,1] \). The main component of each player’s utility is given by \( -|x_L - x| \) and \( -|x_F - x| \), respectively.

Another component of the payoff is the costs associated with their actions (Table 1). As discussed in previous section, each player bears the cost by selecting violence. The leading faction must suppress the violence by the follower, with the cost of providing arms and human resources as well as negative reputation from citizens that suppression is not acceptable. This cost is defined as suppression cost \( C_L \geq 0 \). The follower also stands the cost by providing arms, human resources and those maintenance, as well as reputation from citizens. This cost is named as resistance cost \( C_F \geq 0 \).

**Bargaining Power**

Bargaining power refers to the political strength of players to pass a bill in a new democracy. When the leading faction and the follower transform into political parties, they may gain seats in a parliament after the first election. The bargaining power of the leading faction is defined as \( \delta \in [0,1] \) while the follower’s bargaining power is expressed as \( 1 - \delta \). If the number of seats by the leading faction exceeds threshold of passing bills, its bargaining power is \( \delta = 1 \). The threshold is usually defined by regulations under the constitutions or informal rules. For instance, if the rule of passing bills is an absolute majority, a political faction must hold more than a half of the total seats.\(^4\) In other words, if the leading faction holds more than half of the total seats, her bargaining power is \( \delta = 1 \). If the faction holds less than a half of the total seats, she may seek coalition with other political parties to extend bargaining power. In this case, the bargaining power of the leading faction is \( 0 < \delta < 1 \). If the leading faction does not possess any seat in a new

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\(^4\) The threshold of passing bills in Timor-Leste is an absolute majority in the national parliament (the constitution of RDTL 88.2-3).
parliament, it implies the faction has no bargaining power ($\delta = 0$). \(^5\)

Preference over future negotiation

The follower has two options for transformation of the organization as to become a non-violent actor: political party or state institution. Through this choice, the follower considers the costs to be borne by such decision. When the follower transforms into state institutions (namely security organs), the leading faction prepares DDR process and trainings in the long-run, which causes financial burden and conflict risk until the new security organs gain enough trust from citizens. On the other hand, the faction also faces negotiation process in a new parliament. Such concern by the leading faction can be generalized by comparing incorporation cost and tolerance cost (see section 2). The leading faction’s preference over future negotiation is expressed by $\theta_L \geq 0$. When the preference is indifferent for the leading faction between the continuing negotiation in a new parliament or concluding the negotiation by accepting the follower to security organs, the preference is expressed by $\theta_L = 1$. When $\theta_L > 1$, the leading faction prefers discussing policies in a new parliament, and when $\theta_L < 1$, she prefers completing the negotiation before democratization.

Likewise, the follower has preference over future negotiation ($\theta_F \geq 0$). One of determinants of the follower’s preference is the policy itself. The follower considers if the targeted policy should be realized through negotiation in a new parliament, or should be dealt before democratization. Also, another concern is if they can sustain their organization as a political party in the long-run. In other words, the follower compares her participation cost and exit cost, which expresses the preference over future negotiation. If the follower thinks it is indifferent between continuing negotiations in a new democracy and dealing

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\(^5\) The situation which a leading faction has no seat may happen in rare cases. One case would be the president who has no political party support under the presidency. Another case would be the cabinet/prime minister who does not have support from any political party or parliamentarians.
with the policy before democratization, the preference over future negotiation is expressed as $\theta_F = 1$. When the follower prefers continuing negotiations to compromising the policy, the preference is expressed as $\theta_F > 1$. When the follower prefers compromising the policy to continuing negotiations, the preference is expressed as $\theta_F < 1$.

**Winning probability over violence**

The winning probability indicates that the group uses violence in order to gain concessions from the other. A parameter $p$ represents a leading faction's probability of winning by violence under $p \in (0,1)$. $1 - p$ is a follower's winning probability.

**Prediction over realization of commitment**

Each player concerns if the commitment which agreed by compromised policy $x$ is to be implemented. Such mistrust to the commitment significantly affects the success of the negotiation. As discussed in the previous section, the absence of security capacity implies anarchy in the country, which increases mistrust against each other. The relationship between two players is formed through historical experiences as well as external factors such as security, political and economic situation during the implementation of the commitment. Therefore, this paper defines $r$ as prior probability of predicting commitment achievement which a follower hold as she decides to turn into political party, which is affected by past relationships, security and economic situations. Also, this paper defines $q$ as prior probability of predicting commitment achievement which a follower holds as she transforms into state organs.

Holding the prediction whether the commitment to be achieved shall influence the decision of both players. Previous literature discusses that the monitoring or enforcement by the third party are one of best practices to mitigate players’ mistrust toward commitment. As discussed in the previous section, case studies so far also state that the third party’s engagements give both positive and negative impact to follower’s organizational transformation. Therefore, this paper considers that prior probability $r$ as well as prior probability $q$ could be heightened or lowered by external factors such as the
third party’s engagement, socioeconomic situation, and the budget for implementing commitments.

Figure 1: A Model of Organizational Transformation in Post-Conflict Societies

Sequence

The sequence of this model is as follows (Figure 4-1).
1. A leading faction (L) decides whether to give a follower (F) the opportunity of negotiation or not.

2. If the follower does not gain the opportunity, she decides whether to transform into political party or maintain their arms. If the follower chooses the former, the leading faction’s utility is $-\delta|x_L - x_L| - (1 - \delta)|x_L - x_F| = -(1 - \delta)$. In this case the follower’s utility is $-\delta|x_L - x_F| - (1 - \delta)|x_F - x_F| = -\delta$. On the other hand, when the follower chooses to keep arms, the utility of the leading faction is $-p|x_L - x_L| - (1 - p)|x_L - x_F| - C_L = -(1 - p) - C_L$. The follower’s utility is $-p|x_F - x_L| - (1 - p)|x_F - x_F| - C_F = -p - C_F$.

3. When the follower gains the opportunity of negotiation, the follower proposes $x \in [0,1]$. Then the leading faction decides whether to accept or decline a policy $x$.

If the leading faction declines the proposed policy, the follower decides whether to maintain force or take no action (status quo). When the follower decides to remain their arms, the utility of the leading faction is $-p|x_L - x_L| - (1 - p)|x_L - x_F| - C_L = -(1 - p) - C_L$ while the utility of the follower is $-p|x_F - x_L| - (1 - p)|x_F - x_F| - C_F = -p - C_F$. If status quo is chosen, the utility of the leading faction is $-|x_L - x_L| = 0$, and the utility of the follower is $-|x_F - x_L| = -1$.

When the proposed policy is accepted by the leading faction, the follower decides whether to end negotiation (i.e., to become state organ) or continue the negotiation as a political party.

\[ -|x_L - x_L| = -|0 - 0| = 0 \]
\[ -|x_F - x_L| = -|1 - 0| = -1 \]
The utility of leading faction to end the negotiation is 

$$-(1 - \delta)\theta_L |x_L - x| = -(1 - \delta)\theta_L x$$

and the utility of the follower is 

$$-\theta_F |x_F - x| = -\theta_F (1 - x).$$

When the status quo is chosen, the leading faction’s utility is 

$$-|x_L - x_L| = 0$$

and the follower’s utility is 

$$-|x_F - x_L| = -1.$$ Further, the expected utility of the leading faction when the follower decides to end the negotiation is 

$$E_L(q) = -(1 - \delta)\theta_L x \cdot q + 0 \cdot (1 - q) = -(1 - \delta)\theta_L x q.$$

The expected utility of the follower is 

$$E_F(q) = -\theta_F (1 - x) \cdot q - 1 \cdot (1 - q) = 1 - q(1 - \theta_F(1 - x)).$$

When the leading faction accepts the follower’s proposed policy $x$ and selects to become political party, the utility of the leading faction is 

$$-\delta |x_L - x_L| - (1 - \delta) |x_L - x| = -(1 - \delta)x$$

and the utility of the follower is 

$$-\delta |x_F - x| - (1 - \delta)|x_F - x_L| = -\delta(1 - x).$$

On the other hand, if the proposed polity $x$ is not turned out as committed, the utility of the leading faction is 

$$-\delta |x_L - x_L| - (1 - \delta)|x_L - x_F| = -(1 - \delta)$$

and that of the follower is 

$$-\delta |x_F - x_F| - (1 - \delta)|x_F - x_F| = -\delta.$$ Thus the expected utility by the leading faction whether the policy $x$ to be realized is 

$$E_L(r) = -(1 - \delta)x \cdot r - (1 - \delta)(1 - r) = -(1 - \delta)(1 - r(1 - x)).$$

The expected utility by the follower is 

$$E_F(r) = -\delta (1 - x) \cdot r - \delta (1 - r) = \delta (xr - 1).$$

3.1. Sub-perfect Equilibrium

This game seeks a sub-perfect equilibrium. Since the game is based on perfect information, the game is solved through backwards induction. Finding multiple sub-perfect equilibrium in this game, this paper focuses on a particular issue since the recurrence of violence is the paper’s interest. That is to analyze the commitment problem could be solved

\[\begin{align*}
-|x_L - x_L| &= -|0 - 0| = 0 \\
-|x_F - x_L| &= -|1 - 0| = -1
\end{align*}\]
in the case when the follower has credible threat by violence against the leading faction (Appendix1).

The follower’s condition to maintain arms at the last node is $C_F + p < \delta$ when the leading faction does not offer the negotiation, or $C_F + p < 1$ when she defies the follower’s proposed policy. Then the leading faction decides to apply violence in this situation in case of $C_L = 0$ and $p = 1$. However, the equilibrium does not exist since these conditions do not allow to hold the condition of the follower to keep arms $(0 \leq \delta < 1)$ (Appendix 2).

When the leading faction offers negotiation to the follower, she can expect three outcomes. The first is the violence recurs, the second is the follower transforms into political party, and the third is the follower transforms into state organs by ending the negotiation. The common conditions which the leading faction bears to use force is $0 < (1 - p) + C_L < 1$.\(^8\) The condition of outcome of the violence is when the leading faction offers the negotiation opportunity but declines the proposed policy $0 < x \leq 1$. Then the follower decides to keep their arm under conditions $C_F + p < 1$ and $0 \leq \delta < 1$.

On the other hand, in order to avoid violence, the condition $0 \leq x \leq 1$ and $\delta = 1$ or $x = 0$ and $0 \leq \delta \leq 1$ must be satisfied. In addition, either of the following conditions allow the follower’s decision to transform into political party. The first case is $\delta = 1$ and $1 - q (1 - \theta_F (1 - x)) \leq (1 - x r)$ under $0 \leq x \leq 1$ and $\delta = 1$. The second case is $1 - q (1 - \theta_F) > \delta$ under $x = 0$ and $0 \leq \delta \leq 1$.

\(^8\) The condition of leading faction selecting the violence is $0 \leq (1 - p) + C_L < 1$. The condition of leading faction to accept the proposed policy is $(1 - p) + C_L > 0$. 
Also, the four cases below can satisfy the conditions that the follower decides to end the negotiation and turn into state organs. The first case is
\[ 1 - q(1 - \theta_F(1 - x)) \leq (1 - xr) \] under \( 0 \leq x \leq 1 \) and \( \delta = 1 \). The second case is \( 1 - q(1 - \theta_F) \leq \delta \) under \( x = 0 \) and \( 0 \leq \delta \leq 1 \). The third case is both \( q = 0 \) and \( \delta = 1 \) are satisfied and the forth case is \( \theta_L = 0 \) (appendix 3). The discussion above yields the preposition as follows.

**Proposition**

When the burden of using violence is enough small by both the leading faction and the follower under the conditions \( C_F + p < 1 \) and \( 0 < (1 - p) + C_L < 1 \), the negotiation is offered to the follower who has options to maintain their arms, to transform into political party, or to transform into state organs. If the follower proposes policy deviated from the ideal policy of the leading faction \((0 < x \leq 1)\),

a-1) under the condition \( \delta = 1 \), the follower transforms into political party when \( 1 - q(1 - \theta_F(1 - x)) > (1 - xr) \), and the follower transforms into state organ when \( 1 - q(1 - \theta_F(1 - x)) \leq (1 - xr) \) is satisfied.

a-2) under the condition \( \theta_L = 0 \), the follower transforms into state organs when \( 1 - q(1 - \theta_F(1 - x)) \leq \delta(1 - xr) \) is satisfied.

Also, if the follower proposes the ideal policy of the leading faction \((x = 0)\),

b-1) the follower becomes political party when \( 1 - q(1 - \theta_F) > \delta \) is satisfied.

b-2) the follower becomes state organs when \( 1 - q(1 - \theta_F) \leq \delta \) is satisfied.

**Comparative Statics**

Comparative statics allows analyzing how the players’ action changes when one of parameters moves given that other parameters are constant. This section analyze how players’ action is determined by what parameter under assumptions that both players think the costs of using violence is enough small.
When the proposed policy is not the ideal point of the leading faction \((0 < x \leq 1)\), several parameter’s variability may avoid the violence. The proposition a-1) describes that the violence can be avoid under the condition \(\delta = 1\) while the violence may recur under the condition \(0 \leq \delta < 1\). Also, one of the conditions that the follower decides to transform into political party is \(1 - q(1 - \theta_F(1 - x)) > (1 - xr)\). This condition can be converted to

\[
q < \frac{xr}{(1 - \theta_F(1 - x))}
\]

(4-8-1)

A formula 4-8-1 estimates that given other parameters constant, the follower is more likely to transform into political party if the prior probability \(r\) increases, the prior probability \(q\) decreases, or \(\theta_F\) increases. Conversely, the follower is more likely to transform into state organs when the condition 4-8-1 is not satisfied. Given other parameters constant, the follower decides to become state organs when the prior probability \(q\) increases or \(\theta_F\) decreases.

The proposition a-2) describes that under \(\theta_L = 0\), \(1 - q(1 - \theta_F(1 - x)) \leq \delta(1 - xr)\) must be satisfied. This condition can be converted to

\[
q \geq \frac{1 - \delta(1 - xr)}{(1 - \theta_F(1 - x))}
\]

(4-8-2)

A formula 4-8-2 estimates that given other parameters constant, the follower is more likely to transform into state organs if the prior probability \(q\) increases, if \(\theta_F\) decreases, if \(\delta\) increases, or if the prior probability \(r\) decreases.

When the proposed policy is the ideal policy for the leading faction \((x = 0)\), several parameter’s fluctuation may avoid the violence. The proposition b-1) describes that the follower transforms into political party under the conditions \(r = 1\) and \(1 - q(1 - \theta_F) > \delta\). This latter condition can be converted to
\[ q < \frac{1 - \delta}{(1 - \theta_F)} \]  

(4.9-1)

A formula 4-9-1 estimates that given other parameters constant, the follower becomes political party if the prior probability \( q \) decreases, if \( \theta_F \) increases, or if \( \delta \) decreases. In contrast, the proposition b-2) describes that the follower decides to become state organs when \( 1 - q(1 - \theta_F) \leq \delta \) is satisfied (i.e., 4-9-1 is not satisfied). This implies that given other parameters constant, the follower is more likely to become state organs when the prior probability \( q \) increases, if \( \theta_F \) decreases, or if \( \delta \) increases. The following table summarizes the above discussion.

<table>
<thead>
<tr>
<th>Conditions to Avoid Violence</th>
<th>Outcome</th>
<th>Necessary Conditions to avoid Violence</th>
<th>Conditions to heighten the probability of</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>avoid violence</td>
<td></td>
</tr>
<tr>
<td></td>
<td>0 \leq x \leq 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a-1) ( 1 - q(1 - \theta_F(1 - x)) &gt; (1 - xr) )</td>
<td>Political party</td>
<td>( \delta = 1 )</td>
<td>( r \uparrow \quad q \downarrow \quad \theta_F \uparrow )</td>
<td></td>
</tr>
<tr>
<td>a-2) ( 1 - q(1 - \theta_F(1 - x)) \leq \delta(1 - xr) )</td>
<td>State organ</td>
<td>( \theta_L = 0 )</td>
<td>( r \downarrow \quad q \uparrow \quad \theta_F \downarrow \delta \uparrow )</td>
<td></td>
</tr>
<tr>
<td></td>
<td>x = 0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b-1) ( 1 - q(1 - \theta_F) &gt; \delta )</td>
<td>Political party</td>
<td>( r = 1 )</td>
<td>( q \downarrow \quad \theta_F \uparrow \delta \downarrow )</td>
<td></td>
</tr>
<tr>
<td>b-2) ( 1 - q(1 - \theta_F) \leq \delta )</td>
<td>State organ</td>
<td>( q \uparrow \quad \theta_F \downarrow \delta \uparrow )</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 2: Conditions to avoid Violence
3.2. Credible Threat and Commitment Problem: How to Avoid Violence?

This subsection discusses whether violence rises from the negotiation between the political actors in post-conflict societies, and if such violence could be mitigated based on a model analysis.

The equilibrium which falls into violence without giving the follower the opportunity of negotiation does not exist. This is because the follower’s resistance cost is very low and the leading faction also knows that she will definitely win in consequence of the violence. This implies that the threat by the follower is not credible. So we turned our discussion into the situation where credible threat exists when the follower is given the negotiation opportunity. The condition of the follower to select violence is \( C_F + p < 1 \), which implies that the threat is more credible when the resistance cost is enough small or the probability of winning by violence is enough large.

The leading faction who receives this credible threat either accepts or declines the proposed policy \( x \). Given any policy, there are possibilities to avoid violence. However, several conditions must be satisfied in order to let the follower to lay down their arms; transform into political party or state organs.

The conditions that followers transform into political party are that the leading faction has a dominant bargaining power in new democracy and the follower has a high probability of realizing proposed policy \( x \), which is a commitment made between two players. In case of the proposition a-1), for the follower who has no bargaining power, the realization of the commitment is a very important factor to decide their organizational transformation. Therefore enhancing prediction over realization of the commitment in this situation increase the likelihood that the follower transforms into political party. In case of the proposition b-1), the proposed policy fits to the ideal point of the leading faction, yet the bargaining powers of two players are comparable. Thus the leading faction also must be sure that the commitment is to be realized \( (r = 1) \). Therefore, when the prediction over realization of the commitment by the follower is low, an external factor can heighten the
probability to avoid violence and promote the transformation into a political party.

Another way to avoid violence is to conclude the negotiation prior to the first election. When the follower proposes a policy which is not the ideal policy for the leading faction, the proposition a-1 shows that the follower transforms into state organs as the leading faction completely acquires the bargaining power \( \delta = 1 \) and the follower prefers to end the negotiation with compromise (lower \( \theta_F \)). This is the situation where the follower does not prefer to continue the negotiation in new democracy as her participation cost is higher than exit cost. Also, the proposition a-2 shows that the leading faction strongly prefers to end the negotiation with compromise\( (\theta_L = 0) \). This is the situation where her tolerance cost is over negotiation cost. Also, the prediction over realization of commitment is maybe low. Thus an external factor could heighten this prediction, which allows the follower to select state organs.

If the follower proposes the ideal policy of the leading faction \( (x = 0) \), as stated in the proposition b-2, the follower selects to become state organs when she strongly expects to end the negotiation (lower \( \theta_F \)), and, the prediction over the realization of commitment \( q \) is higher\(^9\). The situation which the follower prefers to end the negotiation with compromise implies that her participation cost is higher than exit cost. Also, if the prediction over the realization of commitment \( q \) is low, then an external factor could increase this prediction and thus avoid violence.

**What new knowledge model describes?**

The result of analyzing model proposes several knowledges which are new comparing with previous studies. Firstly, commitment problems do rise in power-sharing negotiation in post-conflict societies. The follower selects violence when she thinks adopting violence is most efficient for her comparing with becoming political party or state organs, in consequence of democratization.

\(^9\) Exceptional case is as follows. The follower may avoid using violence even \( q = 0 \) yet the leading faction has a dominant bargaining power \( \delta = 1 \).
Secondly, the commitment problem could be solved; however, several conditions need to be satisfied. The follower becomes political party when she thinks the commitment is to be implemented under the condition with no bargaining power, or compromise her policy to the leading faction’s ideal point. The follower transforms herself into state organs when the leading faction welcomes her or the follower compromises her policy to the leading faction’s ideal policy. Thus, given such tough conditions the follower needs to accept, it is not surprising that followers often decide to keep their arms.

Nevertheless, it is worth noted that the analysis implies several new conditions to mitigate commitment problems. Under situation that the leading faction has a dominant bargaining power, usually the follower has no choice but to select violence. Thus previous literature discussed how to lower participation cost and promote the choice of becoming political party (e.g., Shugart 1992; Kovacs 2008). On the other hand, this paper indicates that the follower who has no bargaining power could become political party even though the proposed policy is not ideal one of the leading faction (proposition a-1). In order to realize this transformation, the follower must have a strong will to continue their negotiation in new democracy, and heighten the prediction over realization of commitment. This result indicates other than lowering participation cost may avoid violence.

The follower selects to become state organs when either the leading faction or the follower has a strong will to do so. The previous case studies mainly discuss the transformation into state organs is successful when the leading faction selects her preferable members who were loyal to her (Giustozzi 2009). On contrary, this paper finds that the leading faction may compromise in policy but chooses a group who is costless from a state-building point of view. Also, the follower proposes a policy more preferable to the leading faction when she strongly expects to join state organs.
4. Timor-Leste Case

To examine how political groups decide their fate, this section applies the model developed above to the case of Timor-Leste. The Timorese case is used to analyze the outcome of various groups when there existed third parties, especially UNPKO. Also, most of Timorese were looking for ending the prolonged conflict and establishing their own country with their own leader. These facts can control international factors as well as the consensus of opinion in the society which scholars pointed out as factors which could avoid violence. By controlling for common environments, we can analyze the decisions of several groups who either decided to incorporate themselves into political parties, security organs or decided to maintain their status as an anti-government group.

4.1. Background of Timor-Leste case

Timorese has sought independence since 1974 when the Carnation Revolution brought down the Caetano regime and triggered independence movements in countries that were colonies of Portugal. Some political parties that were launched in this period declared the independence of the Democratic Republic of Timor-Leste. Immediately following this event, the Indonesian Army invaded Timor-Leste and announced the annexation of Timor as the twenty-seventh province of Indonesia. In response, local Timorese began a resistance movement in the late 1970s by incorporating various political groups which also caused internal disputes among local groups. This resulted in a total of over 102,800 casualties during the period of 1976 to 1999 (CAVR 2005, 44).

Each local group held different views regarding the self-determination of Timor. Some favored integration into Indonesia while others demanded full independence. APODITI and UDT (Union of Democratic Timorese), together with KOTA and the Labor Party pursued integration. In particular, APODITI became one of Indonesia’s main collaborators (Matsuno 2002, 45-50). The core organization calling for independence was FRETILIN (Frente Revolucionária do Liberatação Nacional de Timor Leste), which split from the ASDT party (Associação Social Democratra Timorense). At the time, the core leaders of FRETILIN were Xanana Gusmão, Ramos-Horta, and Mari Alkatiri, and all three
individuals were rivals with one another following the independence of Timor-Leste in 1975.

Thus the history of Timor’s resistance movement can be understood by tracking the relationships of these individuals. FRETILIN had a military wing called FALINTIL (Forças Armanadas de Libertação Nacional de Timor Leste) headed by Gusmão, which were primarily responsible for guerilla activities against the Indonesian Army. As rivalries between hardliners such as Alkatri and Gusmão escalated, Alkatiri gradually lost influence while Gusmão and Ramos-Horta left FRETILIN and sought to expand its resistance movement and integrate the entire country. They formed a non-partisan organization CNRM (Counselho Nacional Resistência Maubere) in 1987 and renamed the CNRM to CNRT (Conselho Nacional de Resistência Timorense). The CNRT ultimately became a core delegate for international negotiation in the nineties when the UN accelerated the mediation between Portugal and Indonesia over the future status of Timor.

Up until the 1999 referendum, the CNRT successfully aggregated most Timorese political groups who were in favor of pro-independence, including FRETILIN. However, once independence was realized, political rivalries were revived. Without a common objective, the focus shifted to the attainment of political goals. The period between the 1999 referendum and Independence Day in May 2002 was the preparatory phase for Timor to set up state functions as an independent state under the auspices of the UN transitional Administration of East Timor (UNTAET). It was under UNTAET that important decisions took place, including the establishment of security organs, the DDR process of ex-FALINTIL combatants, and the formation of political parties.

4.2. Case Studies

Since 1999, interactions between political groups have resulted in a variety of outcomes. Based on the model presented above, this paper examines CPD-RDTL who continued to keep their arms, ex-FALINTIL combatants some of whom transformed into state security organs, and a young generation group who transformed into a political party called the Democratic Party (PD).
CNRT was the core organization of the independence movement which worked with international organizations to represent the Timorese voice. CNRT was formally dissolved in June 2001, and political factions began preparing to participate in the August 2001 constituent assembly election. From this period, the leading faction was FRETILIN, who gained the largest share of seats in the assembly. Afterwards, Xanana Gusmão was elected president in April 2002. However, despite the first elections in 2001 and 2002, Timor-Leste requested maintenance of external and internal security from the UN until May 2004. Since the building of security organs was completed with the withdrawal of UNPKF (Peacekeeping Force) and UNPOL (the United Nations Police), the analysis focuses on this time span.

Transformation into Anti-Government Groups

One of the political groups that remained as an anti-government group was the CPD-RDTL. Established in 1999, the membership of CPD-RDTL was composed of ex-FALINTIL fighters. Their policy was to oppose CNRT policy, and the two groups violently conflicted with each other in both eastern and western parts of Timor (Babo-Soares 2012). The CPD-RDTL declared Timor’s independence declaration in 1975 was still effective, and the UN should not be allowed. To show they were the legitimate rulers of Timor-Leste, the CPD-RDTL raised their own flags (Da Costa 2000; Shoesmith 2011, 24-5; Smith 2004). Under such political brief, they decided not to participate in the 2001 constituent assembly election (McCarthy 2002, 27). As a result, CPD-RDTL participated in the Dili riots in December 2002 with another anti-government group called Sagrada Familia (Hasegawa 2013, 93).

Such activities by CPD-RDTL were not accepted by Gusmão and FRETILIN. A National Dialogue between the parties was conducted in January 2003, and the talks included central figures of FRETILIN leaders, Prime Minister Alkatiri, UNTAET representative De Mello, President Gusmão, and 50 members of CPD-RDTL (Hasegawa 2013, 31). The highlight of the Dialogue was the rejection of the CPD-RDTL’s proposal to the state’s security organ by Alkatiri and Gusmão (Smith 2004). Cristiano da Costa, a spokesman of the group, waited for further dialogue but the leading faction did not
respond (Hasegawa 2013, 32-3). Sabre-rattling between the government and CPD-RDTL escalated throughout the year as CPD-RDTL coerced citizens to accept identification cards issued by CPD-RDTL. The leading faction was even discussing the possibility of taking legal measures against CPD-RDTL.

The result of these negotiations in Timor-Leste can be explained by the model. For both the leading faction and the follower, the cost for violence was much lower so that the threat of violence was credible. The resistance cost was enough small for CPD-RDTL that she has chosen to use violence since 1999. On the other hand, the leading faction has become confident that using force against CPD-RDTL is not costly. One of the goals of the Dialogue was to deprive CPD-RDTL of public support by showing the public how unreasonable their demands were (Hasegawa 2013, 32). In other words, the result of the National Dialogue brought self-assurance to Alkatiri and Gusmão that their suppression costs were reduced.

For the new government, the set of policies $x$ proposed by CPD-RDTL was far beyond the negotiable range. The set of policies that CPD-RDTL proposed as a follower was unbearable to Gusmão and Alkatiri, who are the leading factions as the new president and the government. This situation describes that the proposition b-2) is impracticable. Even though CPD-RDTL and Gusmão had worked together for independence under FALINTIL, CPD-RDTL continuously took a position against the leading factions by violent means. By 2002, the set-up of the Army was completed and there was no space for CPD-RDTL. In this situation, the leading faction has no choice but to continue the negotiation. This indicates that the proposition a-2) was also unworkable. For CPD-RDTL, on the other hand, participation cost was higher than exit cost, and thus looked for the chance of gaining concessions through violence. Based on the results of the 1999 referendum, over 78.5% of Timorese were calling for independence, CPD-RDTL was aware that their political proposal was against the will of the majority. Lastly, it is noted that there was no record that UNPKO or any other third party engaged in this negotiation.

Afterwards, CPD-RDTL became the target of the FRETILIN government, and police operations against CPD-RDTL were conducted in 2005 (Hasegawa 2013, 86).
Transformation to Security Organ

Among members of FALINTIL who contributed to the resistance, most of them were recognized as “ex-combatants”, except Gusmão and several leaders. Thus these ex-combatants are identified as followers in this analysis.

The primary concerned policy for ex-combatants was to ensure their social life and status to live in post-conflict situation. Specifically, core members of ex-FALINTIL expected to join security organs. On the other hand, CNRT did not plan on setting up an army for the new country. When Xanana Gusmão and Ramos-Horta were formulating policies for independence, they both noted that their vision of Timor would not have a standing army (CNRM -; Hood 2006) However, aggression from militia camps in West Timor, combined with the need to provide a role for FALINTIL ex-fighters, forced both Gusmão and Ramos-Horta to reconsider their positions (Walsh 2011). At the time, Gusmão noted how ex-FALINTIL fighters were “almost in a state of revolt” because they were dissatisfied by the inappropriate treatment in the cantonments and the lack of follow-ups to ex-fighters’ demands (King’s College 2003). Further, security threat by the militias who fled to West Timor has become a concern.

In the process of establishing an army, Gusmão, the first president of the Republic, was concerned about how the state would institutionalize civilian control of the army. “There is great need in the coming 6 months to establish the two presidential consultative bodies: the Council of State and the Superior Council for Defense and Security” (Gusmão 2003). As the supreme commander of the new army, Gusmão was prudent regarding the use of coercive action.

The initial policy of CNRT leaders to not maintain a standing army eventually changed by such threat by the followers. In consequence, the CNRT recruited 650 ex-combatants for the army who were core members of FALINTIL under the direction of Gusmão. Another 1,300 members were assigned to the DDR program called FRAP (Falintil Reinsertion Assistance Program). However, some were dissatisfied with their exclusion from army recruitment and requested pension and compensation for their
contributions during the resistance movement. Since many of their requests could not be fulfilled, some ex-combatants eventually joined anti-government groups (Rees 2002; King College 2003).

It is worth noting that ex-fighters took different paths depending on the decisions by the leading faction. All the core members of FALINTIL sought to either be converted as soldiers in the new army or receive appropriate after-care such as compensation. They had no specific requests on specific policy areas. For the core members of FALINTIL, safeguarding their own welfare was their primary concern. Thus they had no exit costs but their participation costs were much high that there were no options for transforming into political parties. Ex-combatants have worked under Gusmão’s leadership, so they had no capacity to build and sustain political parties.

Despite the requests by many ex-combatants to be included in the new army, the leading faction was able to provide a limited number of seats in the new army. Under such circumstances, while CNRT selected members who were loyal to CNRT at that time, many criticized CNRT for the vague standard with which individuals were selected for the new army (King’s College 2003). The only criterion that seemed to be required was that individuals had to be under 21 years of age (La’o Hamutuk 2005). From the viewpoint of the leading faction, excluding elder veterans was natural given the high costs of training elders, and it was much more efficient to provide training to youth who could serve in the security organs much longer. It can also be said that given the relatively few number of elder veterans, providing compensation would have been the best option if financial resource were available\(^\text{10}\). Thus the incorporation costs of dealing with veterans were high for the leading faction. In turn, the best response for the leading faction was to disregard elder veterans. This situation is represented by the proposition a-2).

FRAP program was seen as inadequate for the needs of ex-combatants. The FRAP program was eventually evaluated, and despite the fact that continuous efforts needed to

\(^{10}\) The number of veterans excluded from army recruitment and participated to anti-government groups are estimated up to 200-300 among 2,000 FRAP beneficiaries (McCarthy 2002). In fact the new government launched a pension system for veterans in 2006 (RDTL 2006).
fully integrate ex-fighters into society, it was determined that there was not enough time or budget for the program (McCarthy 2002). Furthermore, the evaluation of the FRAP program also revealed that there were ex-FALINTIL combatants who were left out of the program.

In response to dissatisfaction by ex-combatants, Gusmão decided to launch a compensation/pension system, yet the problem of financial provision remained unresolved. This decision can be a new commitment with ex-combatants. Gusmão has established the committee in order to start registering ex-combatants in August 2002, then the payment to ex-combatants were initiated in 2006 (King’s College 2003 para.53; RDTL 2006). This delay was due to a lack of financial resources. It is surprising that ex-combatants considered that it is international society to provide compensation to them (McCarthy 2002, 30), while there was no specific mandate for UNPKO or other entities to take care of them. FRAP program did not have sufficient funding, and no attention was made to support the committee established by Gusmão. Rather, international donors implicitly urged the Timorese government to provide the budget for compensation by self-effort (World Bank 2004). This must be a shocking message to the Government who sought financial support to donors, Embassies, and international organizations (Hasegawa 2013, 34). As observed, the third party’s support to ex-combatants was very limited. The leading faction tried to implement the commitment but it was delayed. This delay was seen as the breakdown of the commitment by some ex-combatants, which led to their decision to take violent actions.

Transformation to Political Party

The PD was established just two months before the 2001 election by intellectuals and former students based on clandestine activities during the resistance movement. The PD emerged against FRETILIN’s authoritative approach. In particular, Fernando “La Sama” de Araújo, former leader of the student association RENETIL (Resistensia Nacional dos Estudante de Timor Leste) had dissatisfaction that the contribution to the resistance by RENETIL was not enough acknowledged (e.g., Babo-Soares 2012). La Sama and their associates distinguished themselves from the leaders who involved in the resistance since
1970s, as they were young generation educated under Indonesian occupation (De Araujo 2003). Gusmão was an only person who had direct contact with RENETIL since Gusmão and La Sama were both imprisoned in Jakarta (e.g., Nixon 2012). When RENETIL launched door to door campaign to raise support for independence in 1999, it was also Gusmão who communicated with RENETIL (De Araujo 2003). Thus, PD members had some affiliation with Gusmão but had no relationship with FRETILIN.

The most contested issue between PD and FRETILIN was language policy. La Sama asserted that FRETILIN’s policy to adopt the Portuguese language would marginalize the younger generation who were educated in Indonesia (King 2003). In contrast, PD urged that Tetum, the local language of Timor, should be standardized, and this was the most natural approach for most citizens. The language controversy was most concerning for the Timorese given over 80% of Timorese spoke Tetum, 43% spoke Indonesian, and only 5% spoke Portuguese (RDTL 2002, para 1.8). In fact, Portuguese is only viable for elites who supported the resistance movement abroad in countries such as Portugal, Mozambique and Angola. Even anti-government groups like the CPD-RDTL suggested Tetum is adopted as the national language while maintaining Portuguese, together with Indonesian and English, as interim languages. A number of figures thought merits of adopting Portuguese were very limited. This was because many saw Timor as a small country could expect greater economic and social interactions with neighboring countries, and English or Indonesian would be much more important (Kingsbury 2009). However, in line with the CNRT decision in 2000, FRETILIN’s continued to seek Portuguese as the sole official language (Kingsbury 2009, 93).

FRETILIN was confident to gain enough political support between 80-85% of vote by its image that FRETILIN is the key player of the resistance (King 2003). Alkatiri further believed that FRETILIN should be the representative of the people of Timor and other political actors are not suitable to have same status with FRETILIN (Niner 2007, 122). Not only Alkatiri but other elites returned from Portuguese speaking countries took positions in a national council which represents the voice of Timorese during UNTAET
period. Therefore Timorese people noticed FRETILIN had significant influence at that time (Wallis 2014, 83).

However, the emergence of PD has become a threat for FRETILIN. Hohe (2002) explains that only two parties other than FRETILIN had capacity to conduct electoral campaign for 2001 Constituent Assembly election; PD and Partido Social Democratia (PSD). PD’s strategy of campaigning is similar to that of FRETILIN, emphasizing RENETIL’s contribution to the resistance movement by calling members by codename. La Sama was irritated by FRETILIN because of FRETILIN’s accusations when PD sought to expand its presence in rural districts where 70% of population resides (Ryan 2007). Thereafter, Alkatiri even asserted that PD would “plan a coup” (Hasegawa 2013, 78). Since the PD’s members were prominent figures during the resistance movement under FRETILIN, they had extensive networks in rural districts (Ryan 2007). In fact, many PD members who were young activists mainly disseminated information for referendum (De Araujo 2003). Such human networks indicate that they had the ability to mobilize people, and such threat by PD seemed to become credible by FRETILIN whether PD intended to do so or not.

Further, there was another factor that the threat by PD has become more credible for FRETILIN. PD had close links with youth security groups in Baucau, where the group leader Manual Pinto was a key figure who held various positions that allowed him to maintain security in this second largest city in Timor. Some examples of positions that Pinto held include former chief of security in the Baucau Frente Política Interna (FPI)\textsuperscript{11}, Baucau representative of National Council under UNTAET, and District Coordinator of PD (Hasegawa 2013, 39).

Ultimately, PD decided to become a political party. Several reasons can be named for the PD’s decision, albeit PD had no bargaining power. PD have gained 7 seats in the result of the Constituent Assembly election, while FRETILIN have gained 56 out of 88 seats. This indicates that bargaining power following democratization is for FRETILIN. With

\textsuperscript{11} FPI is the implementing organization under CPCC, which was an official body for pro-independence in 1999 referendum.
this power, FRETILIN was able to lead drafting constitution written in Portuguese. Since 60 votes were necessary to pass the constitution, FRETILIN set coalition with ASDT, KOTA, PST, which enabled FRETILIN to gain 72 votes (Cotton 2004; Wallis 2014, 107). As described above, PD selected to become political party without having bargaining power.

Yet, PD was able to success in the negotiation over language policy. There was not much space for discussion in the Constituent Assembly or public hearings (Wallis 2014, 305; Molner 2009, 76). However, one of a very few discussions made over the draft of constitution was language policy. In the result, the draft was corrected that both Tetum and Portuguese are to be official languages through concession with “young generations” (Wallis 2014, 105). Also, the constitution articulated that “Tetum and other national languages shall be valued and developed by the state” (RDTI Constitution 2002, section 13). This deal has become a compromised policy for the leading faction who raised that only Portuguese to be the official language. For PD, it was the most successful deal they achieved, without losing her ideal policy. This compromise was available partially due to the fact that two parties had no any major differences on policies related to the promotion of democratization, the priority on poverty reduction and economic development, together with enhancement of primary education and agriculture (e.g., Saldanha 2008).

PD may have maintained their prediction over realization of commitment through existence of UNPKO. As discussed above, their experience during RENETIL activities implies that their relationship with FRETILIN has been poor. Specifically, after the announcement of the result of the Constituent Assembly election, La Sama noted not one personnel should take multiple official posts, and “the UN still holds the mandate, for the moment, to run this country and not FRETILIN” (ETAN 2001). As Chopra (2000) discusses, Timorese were discontent against UNTAET’s authoritative power which degrade the will of Timorese in one hand, but they evaluated positively about UNTAET’s impartial position among political actors. Further, UNTAET explicitly publicized that their presence is confirmed before and after the independence (UN 2001). Specifically, this announcement indicates that the constitution is more likely to be endorsed with safety.
This prediction was important for PD to ensure that commitment with FRETILIN is most likely to have in effect.

According to the model analysis, the transformation of PD to political parties indicates that the proposition a-1) is satisfied. The PD’s political influence in districts was a credible threat for FRETILIN. Because of this threat, PD without bargaining power was able to succeed in the negotiation with FRETILIN by proposing the language policy which is deviated from the ideal policy of FRETILIN. Further, the presence of UNPKO seemed to enhance PD’s prediction over realization of the commitment.

4.3. Discussion

In this section, this paper discussed the organizational transformations of CPD-RDTL, ex-FALINTIL combatants, and a group of young generation. Although credible threat of violence exists, CPD-RDTL and a part of ex-FALINTIL combatants failed to conclude the negotiations with the leading faction and selected to keep their arms. Both parties had no bargaining power in a new parliament, thus they had to seek the power-sharing before democratization. CPD-RDTL decision to keep arms was due to the breakdown of the negotiation. While CPD-RDTL had suggested their compromised policy, which is to be a part of a security organ, the policy was not acceptable to the leading faction. Further, the leading faction had no option to continue the negotiation.

In case of ex-FALINTIL combatants, the core young group and the other group experienced different paths. The leading faction compromised in the negotiation as much as possible by the decision to establish an army, yet there was no capacity to include all ex-combatants. While the young groups’ will to become security organs matched to the leading factions’ willingness to select the group which bears the lowest incorporation cost. This outcome indicates that the leading faction seeks efficiency in establishing security organs, which can be compared with previous literature discussing that their incentives are mainly based on kinship or affiliation.

On the other hand, ex-combatants who were out of selection for state organs have expressed their dissatisfaction over the prematurity of reintegration program, or delay of
establishing compensation/pension system. It is notable that even though the leading faction and ex-combatants were team mates in the past and the leading faction tried their best to respond the request of ex-combatants at maximum, those efforts were not able to avoid violence. In other words, while the relationship had been cordial, in the result of negotiation, the prediction over realization of commitment became lowered, and thus the follower selected violence. This outcome indicates that the third party involvement such as financial support to programs could have been a key to heighten the follower’s prediction, ultimately to avoid violence.

A predecessor of PD, RENETIL was a group that their bargaining power is very limited and so had no influence to draft the constitution. In order to ensure Tetum to be an official language of the new country, only chance was to change the draft of constitution prepared by FRETILIN. In this situation, giving a credible threat to FRETILIN by their human network across the country, PD succeeded to make commitment that Tetum is to be one of official languages. Further, PD’s prediction over realization of commitment was likely enhanced by a continuous presence of UNPKO. Since the relationship between two parties was unfavorable, ensuring the promulgation of the constitution seems to be a role of third party expected by the follower.

5. Conclusion

This study has argued that violence in post-conflict situation can either emerge or be limited based on the negotiations between political groups before the first election. From a micro view of political groups, the study incorporated both issues of democratization and state-building which influence their decisions in organizational transformation.

The analysis showed that a commitment problem emerging from power-sharing negotiation can lead to violence. Violence could be chosen because both the leading faction and the follower incur the costs to avoid violence. In this sense, violence in post-conflict societies could be common phenomenon.
At the same time, the analysis further described avoiding violence is possible by mitigating commitment problem. Under situation where the follower gives credible threat of violence to the leading faction, there are two cases that the follower would select to become political parties. One case is that the follower proposes the leading faction’s ideal policy so that they can discuss other policies in a new assembly. Another case is the follower can gain the commitment which is close to her ideal policy but she has no bargaining power. In both cases, then, the leading faction need to ensure commitments to be in effect. This outcome brings new insights to previous literature discussing that the follower who has no bargaining power has only choice of violence.

There are also two main cases of selecting state organs where the follower holds credible threat. The leading faction may compromise in commitment when she strongly expects to end the negotiation before democratization. Also, when the follower strongly expects to complete the negotiation, she may compromise in commitment. However, the follower’s prediction over realization of commitment should be high enough to avoid violence.

The case analysis discovered a variety of the third party’s roles. Timor-Leste case showed that whether historical relationship between parties is pleasant or not, enhancing the prediction over realization of commitment is a key for the follower’s decision. While this paper is not able to discuss further, it also implies that more attention to support the realization of commitment may reduce violence. In this perspective, understanding what commitment are made and what drives the uncertainty of the follower is vital to provide feasible supports.

Some challenges to the analysis are as follows. First, the analysis was based on the assumption that the group unilaterally decides its transformation. However, cases like Hamas in Palestine, SPLA/M in Sudan, and Hezb-e Islami in Afghanistan were all based on the creation of both military and political wings. While the analysis presented here may not analyze those cases, the study highlights clear conditions under which violent or non-violent means are selected under cases where state building and elections are initiated.
We could extend the study of how political groups decide their organizational fate by discussing mix strategies between alternative choices.

Second, the analysis was limited to adopt a case from Timor-Leste. In order to strengthen the verification of model analysis, extending case studies could deepen the discussion to understand various means of avoiding violence, including the analysis of the third party roles.

While the prevention of violence is a priority in post-conflict situations, violence can still emerge, as was exemplified in the case of Timor-Leste. By analyzing what factors drive some political groups to keep arms in hand, this paper implied what measures could be taken to avoid such negative outcome. Further research could explore these measures, which may contribute to argument how to maintain peace in post-conflict societies.

Appendix

Appendix 1: Solutions

If the leading faction does not give the negotiation opportunity, the follower has two options at the last node. The follower selects to keep arms if she satisfies

\[ C_F + p < \delta \]  \hspace{1cm} (4.1)

Otherwise, the follower selects to become a political party.

If the leading faction declines the proposed policy, the follower has two options at the last node. The follower selects to keep arms if she satisfies

\[ C_F + p < 1 \]  \hspace{1cm} (4.2)

Otherwise, the follower selects status quo.

At the same time, the leading faction uses force when \( 0 \leq (1-p) + C_L < 1 \) and prefers the follower to become a political party or include to the state organ when \( (1-p) + C_L > 0 \). Thus, the overlapped condition of these three options is

\[ 0 < (1-p) + C_L < 1 \]  \hspace{1cm} (4.3)
Therefore, if 4-1, 4-2, and 4-3 are satisfied, the cost borne by the follower to use violence as well as the cost borne by the leading faction to use violence are enough small. In this occasion, the violence emerges.

The conditions that follower selects violence requires in addition to 4-2 and 4-3, the following conditions of the leading faction must be satisfied, \((1-p) + Cl < (1-\delta) \theta lxq, (1-p) + Cl < (1-\delta) (1-r(1-x)), \) and \((1-p) + Cl < (1-\delta).\) In order to satisfy the all above mentioned conditions, the following conditions must be fulfilled.

\[
0 \leq \delta < 1 \quad (4.4) \text{ and } \quad 0 < x \leq 1 \quad (4.5)
\]

Thus, the follower selects to keep arms when 4-2, 4-3, 4-4, and 4-5 are satisfied.

From 4-4 and 4-5, the follower selects to become political party or state organs when she satisfies

\[
0 \leq x \leq 1 \text{ and } \delta = 1 \quad (4.6) \text{ or, } \quad x=0 \text{ and } 0 \leq \delta \leq 1 \quad (4.7)
\]

At the last node, in addition, the follower becomes a political party when she satisfies

\[
1-q(1-\theta r(1-x)) > \delta (1-xr) \quad (4.8)
\]

If 4-8 is not satisfied, the follower alternatively selects to join a state organ.

At the same time, the leading faction prefers the follower’s transformation to political party when the following conditions are satisfied, which are \(E_l(r) > -(1-p) - Cl, E_l(r) \geq 0, E_l(r) \geq -(1-\delta),\) and \((1-p) + Cl \geq 0.\) These above mentioned conditions imply that the follower selects to become a political party as one of the following conditions are satisfied.

1) When 4-6 is satisfied, the follower selects to become a political party when \(0 \leq r \leq 1\) by inserting \(\delta = 1\) into 4-8, which can be converted to \(1-q(1-\theta r(1-x)) > (1-xr).\)

2) When 4-7 is satisfied, the follower selects to become a political party when
\[ 1-q(1-\theta F) \geq \delta \quad (4.9) \]

is fulfilled by inserting \( r=1, x=0 \) to 4.8.

If the follower’s condition at the last node 4-8 is not satisfied, the follower selects to transform into a state organ at the end of the negotiation. The leading faction’s conditions to prefer the follower’s to become a state organ are \( E_l(q) \geq -(1-p) - C_l, E_l(q) \geq 0, E_l(q) \geq -(1-\delta) \), and \((1-p) + C_l > 0\).

There are four equilibriums that the follower selects to become a state organ.

1) When \( 0 \leq x \leq 1 \) is fulfilled, the follower’s condition is \( 1-q(1-\theta r(1-x)) \leq \delta(1-xr) \).

2) When 4-7 is fulfilled, the conditions of the follower must satisfy \( 0 \leq \delta \leq 1 \) and \( 0 \leq r \leq 1 \). Then, by inserting \( x=0 \), the follower’s condition \( 1-q(1-\theta r) \leq \delta \) must be fulfilled.

3) When \( \theta L = 0 \) is fulfilled, the follower’s condition is \( 1-q(1-\theta r(1-x)) \leq \delta(1-xr) \).

4) When \( q=0 \) is fulfilled, \( \delta=1 \) and \( x=1 \) or \( r=0 \) must be satisfied. Then, the follower’s condition is \( 1 \leq (1-xr) \).

Appendix 2: The conditions of no negotiation offered and status quo

When the follower satisfies 4-1, and the leading faction satisfies \( -(1-p) - C_l \geq 0 \), \( -(1-p) - C_l > E_l(q) \), and \( -(1-p) - C_l > E_l(r) \), the follower selects to keep arms as she has no opportunity of negotiation.

Yet, if all conditions are met, because \( C_l=0 \) and \( p=1 \), these conditions can not satisfy \( 0 \leq \delta < 1 \). Thus there is no equilibrium in this situation.

The follower selects to become a political party without having negotiation is when 4-1 is not satisfied and the leading faction satisfies \( -(1-\delta) \geq -(1-p) - C_l \), \( -(1-\delta) \geq 0 \), \( -(1-\delta) \geq E_l(q) \), \( -(1-\delta) \geq E_l(r) \).

This implies that \( \delta=1 \) and \( x=1 \) must be fulfilled.

The follower selects status quo when 4-2 is fulfilled and the leading faction satisfies \( 0 > E_l(q) \), \( 0 > E_l(r) \), \( 0 > -(1-\delta) \). This implies that \( 0 < x \leq 1 \) and \( 0 \leq \delta < 1 \) must be fulfilled.

Appendix 4-3: The condition that the follower transforms into a state organ when \( q=0 \)
There is an equilibrium when \( q = 0 \) but the follower selects to transform into a state organ. This equilibrium exists under \( q = 0 \) as well as \( \delta = 1 \) and \( r = 1 \) or \( x = 1 \) are satisfied.

Reference


