



## HUMANITARIAN REFORM AND CLUSTER APPROACH: NON-MARKET ORIENTED ACTIONS OF RESOURCE ALLOCATION TO MANAGE TIMOR-LESTE'S HUMANITARIAN CRISIS

### REFORMA HUMANITÁRIA E SISTEMA DE CLUSTER: AÇÕES DE ALOCAÇÃO DE RECURSOS DE UM MERCADO NÃO ESTRUTURADO NA TENTATIVA DE ARRECADAR RECURSOS PARA O GERENCIAMENTO DA CRISE HUMANITÁRIA NO TIMOR-LESTE

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#### ABSTRACT

There are multiple issues which are relevant to both market and non-market means of resource allocation. When it comes to the former, the lack of precision in general market situations as well as the call for precise relationships between the key concepts: public goods, externalities, accountability and exclusion are highlighted. Indeed, the absence of conditions to assure a Pareto efficient competitive equilibrium situation usually results in resorting to non-market channels of resource allocation, such as government expenditures, taxes, and subsidies, in this case, externalities ought to be studied in terms of criteria, specifically, benefit cost and second-best analyses. For instance, previous international responses to humanitarian emergencies suffered from a lack of accountability, predictability and long-standing gaps in service, especially in the camp management and water and sanitation sectors. In this paper we analyze the case study of two UN agencies and how they used the Humanitarian Reform and the Cluster Approach to allocate resources during and in the aftermath of 2006 crisis in Timor Leste. We carried out a two-year long field research, in Dili, reviewing documents, observing and running questionnaires in order to pinpoint the gaps between the theory and the practice of the non-market actions undertaken by the UN agencies.

**Key Words:** Humanitarian Reform; Cluster Approach; Resources allocation.

#### RESUMO

Há diversos assuntos relevantes para meios de alocação de recursos, sigam estes ou não as estruturas de mercado. Em geral, estruturas de mercado carecem de precisão quanto à forma como os recursos são alocados, bem como falta de definição sobre a relação entre alguns de seus conceitos-chave: bens públicos, externalidades, responsabilização e exclusão. Com efeito, a ausência de condições que assegurem um equilíbrio competitivo com eficiência de Pareto geralmente resulta em canais de alocação de recursos que não seguem as estruturas de mercado, tais como gastos governamentais, taxas, e subsídios. Neste caso, as externalidades devem ser estudadas por meio de critérios específicos, tais como análises de custo benefício ou de segunda melhor escolha. Por exemplo, tradicionalmente respostas internacionais a emergências

humanitárias sofreram falta de responsabilização, previsibilidade e permanentes falhas na prestação de serviços, especialmente nos setores de gestão de campos e serviços de água e saneamento. Este artigo apresenta um estudo de caso sobre dois setores da resposta internacional durante e na continuação da crise de 2006 no Timor-Leste, e como eles utilizaram a Reforma Humanitária e o Sistema de Clusters para alocar os recursos disponíveis. Ao longo de dois anos, a pesquisa de campo em Dili conduziu à revisão de documentos e observações, circulando questionários para indentificar as falhas entre a teoria e a prática das ações de ajuda humanitária da ONU que não seguem as estruturas de mercado.

**Palavras-chave:** Reforma Humanitária; Sistema de Clusters; Alocação de Recursos.

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## INTRODUCTION

In 2000, the United Nations collectively signed up to the Millennium Development Goals (UNITED NATIONS, 2007). These goals focus on the reduction of poverty by the year 2015. They encompass a range of integral human freedoms, from the right to health and education, to gender equity, a clean environment, and fair trade. They are inherently inter-disciplinary. Interdisciplinarity creates an opportunity for disciplines and professions, who have to-date been relatively silent on poverty, to step up and make a contribution. Among them we can find the multiple fields of Management: Organizational Studies, Finance, and Strategy. to fight poverty.

There are literally millions of organizations worldwide that are focused on reducing poverty, from international aid agencies like the UN and World Health Organization, to Government civil services and national aid agencies, object of this study, to non-government organizations. In this paper we will focus on how the United Nations and its agencies resort to non-market actions, specifically the Humanitarian Reform.

In 2005, the Inter-Agency Standing Committee (IASC) launched a program of Humanitarian Reform, in an attempt to better respond to worldwide humanitarian crises. The IASC is a consortium composed of

several non-governmental organizations (NGO), the Red Cross and Red Crescent, the International Organization for Migration (IOM), the World Bank and the United Nations (UN).

This Humanitarian Reform was based upon a UN document called Humanitarian Response Review (HRR), which focus on assessing humanitarian emergency response capacities to man-made emergencies, complex emergencies and major natural disasters. The HRR was formulated by key humanitarian actors and it identifies critical gaps in emergency responses, as well as it formulates recommendations to address existing weaknesses and backlog. In addition to the long-standing gaps in humanitarian response, the major finding of the Review was the lack of coordination and clear divisions of labor and responsibilities between humanitarian actors, described as “erratic and dependent on personalities. Such conclusions resulted in the development of the Humanitarian Reform, comprised of three pillars: Humanitarian Financing, the Cluster Approach and Humanitarian Coordinators (HC).

Humanitarian Financing reform focused on the idea that well-coordinated, timely and comprehensive presentations of humanitarian funding needs constitutes the most efficient and effective method of raising funds for emergency humanitarian responses (HRR, 2005) called the Cluster Approach. As

a matter of fact, this is a method for organizing the work of humanitarian organizations.

The Cluster Approach focuses on the creation of a set of worldwide standards and procedures to improve the predictability and accountability of emergency responses across eleven technical sectors, or 'Clusters', ranging from emergency shelter to nutrition. Moreover, the HRR established the position and roles of HC, which, generally, are high-level UN officials, designated to lead and coordinate humanitarian responses to emergencies. Specifically, in the case of Timor-Leste's political crisis, which lasted from April to May 2006, the international humanitarian community responded to the local government's request for support. Much of the aforementioned support has been - and still is - directed to Internally Displaced persons (IDPs), who live inside 51 IDP camps scattered throughout the country (IOM, 2009). In fact, different actors and organizations offered humanitarian aid and support to IDPs, including the UN, NGOs, and Civil Society Organizations (CSOs).

At the outset of the international humanitarian response to the IDP situation, the humanitarian actors working in Timor-Leste organized themselves in a system similar to the Cluster Approach, albeit with several crucial differences, such as the lack of clear divisions of labor, as well as of a reliable information management system and a designated and reliable provider of last resort. Furthermore, the humanitarian community in Timor-Leste also benefited from the appointment of an HC and coordinated humanitarian financing. Nevertheless, approximately 18 months after the Crisis, the HC, due to the urging from the IASC, it has been decided to implement the

Cluster Approach in two of the most relevant and important technical sectors in Timor-Leste: Camp Coordination and Camp Management (CCCM) and Water, Sanitation and Hygiene (WASH). The object of this paper is to respond the following investigative question: how effective were these non-market oriented actions in managing Timor Leste's humanitarian crisis? Or in a broader meaning, can the market logic and tools be used to handle humanitarian issues, usually regarded as non-market problems?

This article is structured in four parts, besides this introduction. The second one refers to the theoretical framework, the third to the methodological procedures, the fourth presents our findings and, finally, the last one is composed of our conclusions and references.

As a case study, this paper is relevant for the findings may be applied to other humanitarian responses elsewhere and the number of humanitarian emergencies worldwide has increased dramatically. Besides, academic researches have devoted little effort to study governments and non-market oriented practices.

## CONTEXTUALIZING TIMOR LESTE AND THE CRISIS

The island of Timor is divided between Indonesian West Timor and the now-independent Democratic Republic of Timor-Leste, which lies on the eastern half of the island. This country had been a Portuguese colony for over 450 years until 1974, when independence was declared by Frente Revolucionária de Timor-Leste (FRETILIN). However, just nine days after the declaration, Indonesia invaded Timor-Leste with a large-

scale military operation launched from Indonesian West Timor. The Timorese, vastly outnumbered, fiercely resisted the invaders through a surprisingly-effective guerrilla campaign. The occupation forces used Dili as a base, whilst the resistance, led by *Forças Armadas da Libertação Nacional de Timor-Leste* (FALINTIL) was based primarily in the mountains. Underwhelming international scrutiny of the invasion and inaction by the UN and major international actors allowed the Indonesians to undertake a brutal and oppressive occupation, engaging in what some commentators regard as an ethnical massacre. As a matter of fact, 10% of the eastern Timorese population was killed as a result of the 24-year occupation (INTERNATIONAL ORGANIZATION FOR MIGRATION, 2007).

In 1999, changes in the Indonesian domestic political scenario, combined with increased international pressure, resulted in the UN-supported popular consultation concerning the status of Timor-Leste. The ballots indicated that 78% the Timorese population supported independence, whilst only 22 per cent supported integration with Indonesia, albeit on a more autonomous basis. Several factions in favor of continued integration with Indonesia violently opposed independence, and organized with the Indonesian military, a bloody and destructive end to the occupation. The withdrawing Indonesian military and its client militias engaged in a scorched-earth campaign of mass violence and destruction, ending in the destruction of over 70 per cent of the country's infrastructure and the displacement of 300,000 people, many of which fled across the border to West Timor.

In October 1999, the UN Security Council approved Resolution 1272,

established the United Nations Transitional Administration in East Timor (UNTAET). In an unprecedented decision by the Security Council, the Resolution called for the administration of the new country under the auspices of a UN Mission. As a result, UNTAET maintained sovereignty over the country, exercising legislative and executive powers, and maintaining security through international peacekeepers and civilian police. However, this arrangement was only temporary, as UNTAET was also charged with the establishment and strengthening of governing institutions until sovereignty was officially transferred in May 2002.

UNTAET, with local urging, chose Portuguese as the national language, as it was recognized as the language of the resistance, and made the US dollar the official and exclusive currency. UNTAET administration lasted through the presidential election of 2002, when the former resistance leader and national hero José Alexandre Gusmão was elected president. Nevertheless, the country still faced enormous obstacles, including the need to rebuild much of its infrastructure, and to rectify the considerable social inequalities and extreme poverty rampant throughout the country. This unstable economic and social environment resulted in strikes, riots, violent outbursts, and more human displacement in early 2006. Indeed, a large number of Dili residents fled their houses, eventually seeking refuge in a total of 51 IDP camps. The IDPs used tarpaulins, tents and any other available material to provide shelter for their families. As is common in situations of spontaneous and widespread displacement, IDP sites lacked the minimum infrastructure required to shelter so many people. For instance, some of the camps were relatively

small, with less than a dozen families, located around small government institutions such as health clinics, schools, the fire station, the police academy, small churches and CSOs; other camps, housing more than 1000 families, were established around bigger churches, the airport and beside a base of the national army.

The needs of the camp populations varied from site to site. The related physical obstacles to satisfying such needs also differed from camp to camp. At the outset, the organizations working in Timor-Leste tried to manage their resources to help as many people as possible, though their emergency stocks quickly ran out. That was the challenge the UN had to face and elaborate a strategy to overcome.

### **HUMANITARIAN REFORM: Actions for Accountability of Humanitarian Organizations**

The IASC launched in August 2005 the HRR. After years of discussions amongst organizations related to emergency humanitarian response, it became clear that it was necessary to execute the Humanitarian Reform following the conclusions of the HRR. The participants agreed on a commitment that the levels of accountability and predictability of humanitarian responses should first be clarified, and then adjusted appropriately.

There is a general perception that the environment of humanitarian operations has changed in recent years. Both the macro- and micro-environment on the field level have seen significant modifications, together with the proliferation of humanitarian actors and changes in their roles. CSOs have experienced rapid growth in terms of

funding, projects and activities. This is a result of flexible organizational structures, which in general require less funds, have better costs/benefits relations and a higher level of accountability. In parallel, the UN and its Agencies are increasingly working less in actual project implementation and operations. The new role is likely to be linked to political relationships and the facilitation of partnerships.

In fact, from an organization studies viewpoint, a humanitarian response can be seen as an industry. All the necessary actors exist, including clients, customers, suppliers and a production chain, each of which can be identified within the organizational macro-environment. Briefly analyzing emergency operations as an industry, the donors are the clients whilst the assisted populations and serviced beneficiaries are the customers. In this scenario, and also reported by the HRR, there is a very competitive funding race amongst Governments, CSOs, UN Agencies and any other local or international organization working in the field. All firms compete to grow as any enterprise, trying to put in place new projects seeking to best develop each organization's role.

Through the establishment of the three pillars, the Humanitarian Reform is striving for the development of a better approach to humanitarian emergencies, primarily through the development and implementation of a new set of standardized responses.

The Humanitarian Reform arrived in Timor-Leste just after the crisis in April/May 2006. The Humanitarian Coordinator officially started its work in May 2006, leading the Humanitarian Coordination Committee. Whilst Clusters were not immediately activated, each sector organized

itself along similar lines. However, 18 months after the Crisis, CCCM and WASH sectors implemented the Cluster Approach.

## HUMANITARIAN COORDINATORS AND THE CLUSTER APPROACH

The HC are leaders who, in cases of humanitarian emergencies, have the responsibility of coordination and leadership during the period of emergency. Such position was already a component in past emergencies before the HR. However, the implementation of the Cluster Approach delineates a whole set of specific responsibilities related to accountability, coordination and impartiality.

The HC holds the key coordination position in situations of emergency response, and as such, require specialized skills of diplomacy, impartiality and management, as HCs must represent a diverse group comprised of several types of organizations from a neutral position. They manage a top-down coordination structure, which relies on a bottom-up information flow, including funding information to donors and several issues regarding the assisted populations. As the model of the UN Integrated Mission does not sufficiently take into account humanitarian concerns and represents a challenge for a more inclusive humanitarian system, HRR opted to use the Cluster Approach to fill up the gaps and strengthen the effectiveness of humanitarian response.

The Cluster Approach is a standardized set of procedures to emergencies. It divides needs and resources into clusters in order to provide a responsive and well-coordinated response to new emergencies. The objective of ordering organizations is to ensure a more predictable

and accountable response to humanitarian emergencies, by clarifying the division of labor among the participants and better defining their roles and responsibilities within different sectors of response. Currently there are eleven clusters controlled by the following agencies: Agriculture (FAO), Camp Coordination / Camp Management (UNHCR and IOM), Early Recovery (UNDP), Education (UNICEF), Emergency Shelter (UNHCR and IFRC), Emergency Telecoms (OCHA), Health (WHO), Logistics (WFP), Nutrition (UNICEF), Protection (UNHCR), and Water Sanitation and Hygiene (UNICEF).

In Timor-Leste, only a few Clusters were in fact “activated”, which has created confusion and misunderstanding within the international community. Timor-Leste is seen as one of the pilot countries where the cluster system has been implemented and tested. Where limitations on action are not well delineated, conflicts appear, primarily as a result of organizations trying to survive in the new situation.

As a matter of fact, the existence of an HC and the activation of some Clusters in the emergency response in Timor-Leste, especially CCCM and WASH, illustrates how the Cluster Approach takes into account humanitarian needs on the whole. This is especially true in the critical period at the outset of a crisis, during which shortcomings in the response can have fundamental and long-lasting impacts on the affected populations.

The WASH Cluster is responsible for direct implementation and service delivery of emergency water and sanitation needs, including the creation and maintenance of latrines and toilet facilities, drinking water infrastructure, hygiene promotion and the

like. On the other hand, CCCM is not responsible for direct service provision per se; but to serve as an advocate to the Government, WASH organizations and other direct service providers, as well as to provide day-to-day liaison support inside the camps.

Whilst a coordinated response to humanitarian crises seems beneficial, and Humanitarian Reform is structured with the growth of CSOs in mind, upon implementation of the Cluster Approach in Timor-Leste, a glaring weakness emerged: the situation on the ground did not fit nicely with the pre-defined normative strictures of the Cluster Approach, thereby foreclosing a system more amenable to country-specific variables (OCHA, 2007). Employing the concepts of processes and organizational structures developed (HALL, 1984) which subsequently have served as a basis for several other concepts (TACHIZAWA; SCAICO, 2006), this paper, in the following sections, will present the analyses of the relationship between CCCM and WASH Clusters, including space and time considerations.

## METHODOLOGY

This is a field research since one of the authors has been working for a UN agency, in Timor Leste for the past three years. Therefore, we have been granted full access to all meetings, documentations and access to run the questionnaires among the employees. For this paper data was collected having in mind two dimensions of the Cluster Approach: space and time. The former regards the resources administration and it was evaluated by a five-point-Likert-scale questionnaire. The questions replicated the validated scale of IASC Guidance Note on

Using the Cluster Approach to Strengthen Humanitarian Response. The same questionnaire was submitted to the leaders of both clusters (currently there are only two in operation). The object of these questionnaires was to evaluate the perception of each Cluster leader vis-à-vis its own Cluster, as well as the other. In order to cross check these attributes (categories), the data collected was submitted to factorial analysis. In the Bartlett's test, the chi-squared statistics approached 2621,463 and 171 degrees of freedom, at a significance level of 0,005. The KMO statistic value was 0,748. We used the Varimax rotation.

In addition to the aforementioned survey, we also conducted several informal interviews with water and sanitation technical teams employed by CCCM organisations. The purpose of these interviews was to attempt to gain a better understanding of existing field-level gaps. Afterwards, issues of concern were grouped and reported, leading to the identification of the gaps in the key processes of the delivery of water, sanitation and hygiene services to the IDP camps. We submitted this data to the discourse analysis methodology.

Discourse analysis proved to be a valuable tool in this research, since it allows us to apprehend not only what is said, but also what is left unsaid. Each interview lasted an average of 45 minutes. Thereafter, they were transcribed and, along with the field notes, we elaborate a 37-page report, typed in A-4 paper, Times New Roman 12, single-spaced between characters and lines.

The time dimension was analyzed by reviewing the content of several different reports related to the issues within the scope of this paper, as well as a discussion of the differences between the two Clusters before

and after implementation of the Cluster Approach. The papers, prepared by the IASC and the UN Office for the Coordination of Humanitarian Affairs (OCHA), were the results of reviews of the implementation of the Cluster Approach in pilot countries. These documents were treated by the content analysis method, which included, in this case, a lexicometric study, as well; i.e., the categories of words that are used in the documents, as well as how many times they are repeated along the text.

## FINDINGS AND DISCUSSION

There are multiple issues which are relevant to both market and non-market means of resource allocation. When it comes to the former, we must highlight the lack of precision in general market situations as well as the call for precise relationships between the key concepts: public goods, externalities, accountability and exclusion. As a matter of fact, we can affirm that the absence of conditions to assure a Pareto efficient competitive equilibrium situation usually results in resorting to non-market channels of resource allocation, such as government expenditures, taxes, and subsidies. Furthermore, externalities ought to be studied in terms of criteria, specifically, benefit cost and second-best analyses.

The import of transaction costs on market failure is also discussed in some detail, particularly in relationship to monetary theory and the identification of such costs in different contexts and under different systems of resource allocation (ARROW, 2006).

In this research we found out that, although the Humanitarian Reform proposed and implemented in the UN agencies,

basically, follow a non-market oriented logic, the way it has been implemented merely reproduces the prevailed market tactics and managerial tools. As a matter of fact, the Cluster Approach is a means to fragment the problem to be handled and, furthermore, it uses the same metrics that the market values so deeply.

The first evidence that we ferreted out on the field, and by interviewing the employees of the UN agencies' in Timor Leste, was that the market itself does not produce the tools to handle emergency crisis. We must make clear that the point of this paper is not to pinpoint the roots of such reality or argue that this is not done because humanitarian actions do not revert in profit to the shareholders, but what really matters is that when natural and man-made disasters take place, governments resort to non-market oriented actions and organizations to relocate the available resources.

Nevertheless, as aforementioned, although these organizations are non-profit oriented, the means they find to administer humanitarian crisis resemble the fundamentals of the orthodox strategic planning: the definition of goals, work division, and the establishment of clusters and metrics.

Can the market logic and tools be used to handle humanitarian issues, usually regarded as non-market problems?

In this case study, examining the dimension of space in relation to the implementation of the Cluster Approach in Timor-Leste (theory) and the actual provision of humanitarian services to the displaced population living in the camps (practice), we identified six gaps and contradictions that indicate that NGOs and governmental



agencies must research for original ways to handle their problems.

We found out some gaps and contradictions in the implementation of the Humanitarian Reform at CCCM and WASH.

The theory prescribes that both WASH and CCCM should:

1. “be a general resource centre for other agencies, working within the same sector on all levels”. Our research revealed that WASH’s and CCCM’s leaders have different perspectives regarding their respective agencies. The former sees it as an information focal point responsible to access the local government; the latter does not even address this issue and totally ignores this evaluation. Moreover, nobody at CCCM is certain of its role, mission, responsibilities or duties.

2. “work on the mobilization of financial resources for the different operational elements”. At WASH, the recommendations made by the group yield respect from the donors, given the good reputation that the participant organizations have acquired in-country, and such advice has been used by the stakeholders when finalizing funding routes. Whereas, the funds acquired with CCCM’s projects have the necessary flexibility to be extended to all different levels of operational elements required. The funding mechanisms, whenever possible, are centralized and undertaken with the assistance of OCHA, through the Consolidated Appeals Process (CAP), Transitional Strategic Appeal (TSA) and the HC and HCC.

3. “ensure that mobilized resources for an international operation are managed in a sound efficient manner with its partners”. In both cases, the clusters are not always informed on – or even aware of – the

Government policies and their changes. No one at WASH and CCCM is responsible to gather this information and pass it on to the rest of the group.

4. “establish appropriate mechanisms for coordination and consultations with its partners”. Neither WASH nor CCCM has implemented an agenda or even a fixed schedule of meetings and reports.

5. “act as spokesman on behalf of its partners towards authorities, donors, and other stakeholders”. Both agencies achieve this target in a regular basis; notwithstanding, this is done informally; i.e. on account of friendship ties that their employees have and not because business connections or agenda.

On the other hand, the Cluster Approach has been put into practice in what regards the facilitating of contracts with partners and the overseeing of an appropriate overall level of readiness for the sector. Although these two targets have been accomplished, they have yet to be improved, since the agencies do not have their own budget – or even authority – to award contracts. Besides, the decision process is not formalized, at the moment, it follows the consensus-based logic.

The interviews also inferred that the UN employees stationed in Timor Leste prevail the maintenance of their jobs over the Humanitarian Reform itself. Indeed, some of them create difficulties, which result in gaps and contradictions, just to justify their presence in the area and, consequently, extending the project.

At the bottom line, this research highlighted the importance of the UN, NGOs and non-market practices in countries like Timor Leste, which has undergone severe

crisis. If those people were left for the market logic, there would be no hope for them.

Thus, we propose that a large score of social institutions need to exist in order to serve as a drawback for the failure or limitation of the market. Despite many of them involve transaction costs of their own economic analysis of these different contexts of choice is prerequisite to contemporary resource allocation.

## CONCLUSION

Over the past century the main economic foundations and logic of the traditional market orientation have been also applied to obscure areas such as crime, punishment, family planning, and drug abuse. The same logic has been applied to resource allocation. Indeed, the logic of efficient resource allocation has emerged from the economic theory alongside with empirical techniques resulted in the construction of methods to evaluate and measure to what extent resources are being allocated efficiently.

Nevertheless, markets cannot allocate efficiently public goods or resources with pervasive externalities, or for which property rights cannot be clearly specified. In fact, any attempt to do so will result in failure. The basic examples are the lack of accountability to drivers for the negative effects of auto emissions when making driving decisions, commercial harvesting, and even the health economics deciding who shall live.

The principle that public goods and goods with externalities are not efficiently allocated by the market reveals a gap that indicates the possibility of improvement by public and governmental actions.

In this paper we focused on a man-made disaster (civil war) that has devastated an Asian country (Timor Leste) and resulted in thousands of internal displaced people. The logic of the market cannot deal with this kind of problem, especially when it comes to resource allocation – be it either physical or pecuniary.

The Timorese government, opting for a non-market oriented solution, summoned the UN, its agencies, and NGOs for help in order to soothe the suffering of the locals. The UN has undertaken the Humanitarian Reform to its agenda and it has been implemented by the so-called Cluster Approach.

The Cluster Approach is a standardized set of procedures to emergencies, which divides needs and resources into clusters in order to provide a responsive and well-coordinated response to new emergencies. The aim of such organization of organizations is to ensure a more predictable and accountable response to humanitarian emergencies, by clarifying the division of labor among the participants and better defining their roles and responsibilities within different sectors of response. Currently there are eleven clusters controlled by the following agencies: Agriculture (FAO), Camp Coordination / Camp Management (UNHCR and IOM), Early Recovery (UNDP), Education (UNICEF), Emergency Shelter (UNHCR and IFRC), Emergency Telecoms (OCHA), Health (WHO), Logistics (WFP), Nutrition (UNICEF), Protection (UNHCR), and Water Sanitation and Hygiene (UNICEF).

But how effective is the use of market tools to tackle non-market issues?

In this paper we argue that, given the current discussions on effective humanitarian

responses, the UN and its agencies have learnt as organizations on the macro level from their past responses, specifically by undertaking a program of humanitarian reform and the creation of the Cluster Approach. Nevertheless, they have failed in reproducing market techniques to handle humanitarian problems; besides, they neglected that their employees have been hired with a market-oriented mind, which has proved to be inappropriate under certain circumstances.

From a more pragmatic perspective, the main relevance of this paper was to pinpoint the crucial gaps and contradictions that exist in the Cluster Approach. We concluded that the Cluster Approach is effective in specific areas, such as predictability and coordination. Notwithstanding, it suffers from several crucial weaknesses, including accountability, especially of UN Agencies; and the ability of organizations to fill gaps left by other

organizations in the Cluster. Whilst the Cluster Approach was designed to fill gaps in humanitarian responses, thereby creating a more perfect and complete system for humanitarian emergencies, its stringent normative structure does not leave sufficient opportunity and flexibility to adjust to the particularities and vastly different situations encountered on the ground.

As an agenda for future researches, we suggest that the Cluster Approach be studied in other projects and other countries, in order to verify if the gaps and contradictions that we detected did not result from Timor Leste's reality and the people allocated to these projects.

We do believe that academic researches must advance in the study of non-market practices: their causes and roots, results, impact in resource allocation and practice, as well as the proposal of metrics - if considered to be needed - for these projects, practices, and policies.

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## NOTAS

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