

# **Crisis in Timor Leste: looking beyond the surface reality for solutions**

Richard Curtain<sup>1</sup>

[Richard@curtain-consulting.net.au](mailto:Richard@curtain-consulting.net.au)

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What caused the current upheaval in East Timor? The World Bank's President, Paul Wolfowitz, visited the country in early April, 2006 and hailed it as a model of post conflict recovery. He praised Timor-Leste's social and political harmony and stability, due to the 'country's sensible leadership and sound decision making which have helped put in place the building blocks for a stable peace and a growing economy'.<sup>2</sup> However, the World Bank did state in July 2005 in a major assessment of the state of country that: 'Despite considerable progress, the current stability in Timor-Leste is fragile, and the country remains vulnerable to conflict'.<sup>3</sup>

## **Unanswered questions**

A mere recounting of the recent events offers us little insight into its underlying causes. Nor does attributing the breakdown of civil order to a single factor such as the early departure of International Peacekeepers. A deeper understanding of the issues is needed to explain why the peaceful protests turned to mob violence? Why did a dispute localised to one institution, the Defence Force, escalate into widespread intimidation and violence? In particular, why did the dissident soldiers' alleged discrimination on regional grounds become a generalised belief provoking widespread communal conflict? Why did the mobs direct their anger at people from the east and not at the government?

Other questions not answered by a chronicle of the surface events are why have the outbursts of violence been largely limited to Dili and have involved mainly young men? Why have the social consequences for Dili been so devastating? – with an estimated (17 June) 148,000 residents fleeing their homes and refusing to return, despite the presence of large force of international peacekeepers. Why were the communal leaders in Dili so ineffective in stopping the rumours? Why were they unable to mediate the emerging conflicts? Why did they fail to bring strong enough pressure on the young men in their communities to stop the violence?

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<sup>1</sup> I would like to thank Balthasar Kehi, Chris Dureau, Geoff Donnelly and two anonymous correspondents in Dili for their helpful comments. However I alone as author am responsible for the opinions expressed in this paper.

<sup>2</sup> World Bank Statement on Security Crisis in Timor-Leste, 25 May, Washington.

<sup>3</sup> World Bank Country Assessment Strategy, p 4.

We need a deeper understanding of the factors at work if longer-term solutions are to be found. Restoring security through the use of foreign military and police will have little longer term impact unless key problems are addressed. A self-sustaining peace will only come if people believe the real issues have been identified and solutions proposed and implemented.

If the underlying causes are not tackled, the conflict could escalate to a new level. Simple gut feelings about imagined regional differences driving the mobs could turn into more explicit political demands for regional separatism. If regionally based antipathies take on a life of their own, many national institutions such as government departments and agencies will not be able to function.

The first part of this paper spells out the factors giving rise to the mob violence and complete breakdown of the social order in Dili. The second part of the paper proposes a set of principles to help determine what responses are appropriate and proposes a number ways these principles can be put in practice.

## **My perspective**

From September 2005 to early April 2006, I worked with Timorese colleagues in the Government to help develop a national youth policy on a short-term assignment from UNICEF. However, this was not my first contact with East Timor – I have had varying levels of involvement since 1975, making several visits to the country since 2002 in a volunteer capacity and have good friends who are Timorese.

Although I was more aware than others of the fragility of the social situation from survey and focus group results, I was shocked by what has happened: the mob violence and the extent of the collapse of Timorese society in Dili. It was, however, possible, sitting in Dili in late March and early April, to predict, if corrective action did not take place, that the emerging events could escalate into major protests and violence. The emerging pattern of events fitted a classic model of how disorganised collective outbursts develop.

### ***1. Six stages leading to mob violence***

According to a major sociological study, there are six key stages in explaining the outburst of mob behaviour, with each stage adding to the effect of the preceding stages.<sup>4</sup> The first necessary ingredient is structural conduciveness or the underlying factors that predispose people to mob outbursts. Added to this are the pressures that make the situation worse (structural strain). The third essential stage causing people to mobilise is the emergence of a generalised belief which identifies a cause of the problems and frustrations. Fourth, precipitating factors such as localised protests then serve to spread the belief leading to the fifth stage where people mobilise to act in an unorganised but collective way. The final stage determining the nature and extent of the collective outburst is how effective the social control mechanisms are.

The strong underlying conditions conducive to social protest were present in the form of a rapidly worsening economic situation, particularly in Dili. The Government's increased assertion of centralised controls and lack of response to the worsening

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<sup>4</sup> Smelser, N; 1962, *Theory of Collective Behavior*. Routledge and Kegan Paul, London.

economy added greatly to the growing frustrations. The lead up to and the holding of the Fretilin National Congress as a precursor to national elections in the first half of 2007 helped to focus attention on the what the Government's track record on non-responsiveness would mean if it was elected.

The emergence in late May 2006 of a set of beliefs about regional differences served to identify a scapegoat for the widely perceived problems. Claims of threats and conspiracies by people from one region served to deflect angry people away from confronting an all powerful force by identifying a scapegoat – 'a person or people blamed or punished for things done by others'.<sup>5</sup>

How the State and others such as community leaders apply social control determines whether small scale protests will diffuse or escalate.<sup>6</sup> The failure of the police to keep civil order was undoubtedly the final straw that caused people to flee their homes. However, what also contributed to the breakdown of the social order was the failure of community leaders initially to halt the rumours undermining social trust and the subsequent spread of the belief that east west differences were the cause of people's problems.

The following analysis discusses in more detail each of these stages in turn. This analysis is then used to identify what issues in the post conflict situation need to be tackled. Highlighted is the importance of the Government pursuing new strategies. These need to focus on both restoring social trust and providing more direct forms of assistance to the urban poor. A set of 11 principles are proposed to guide the emergency and development responses and six specific courses of action are recommended.

## **The internal fault lines**

Why did a dispute within the military spread to the wider society? Poverty is a large part of the answer. The World Bank noted in its background paper for the Donor Partners' meeting in April 2006 that 'income poverty and unemployment are growing with the slowdown in domestic demand and high population growth rates'.<sup>7</sup>

Why were the outbursts largely confined to Dili? The explanation can be found in the type of poverty many Dili residents are exposed to. In contrast to the serious but static poverty of the rural areas, the poor in Dili suffer from a more volatile form of poverty. This volatility causes a higher level of frustration than static poverty.

Initially, the urban poor benefited from the 'trickle down' effect of the large injection of funds to do with the UN presence. The concentration of resources in Dili has been a huge drawing card for many from the rural areas. This attraction to the capital has applied especially to young people who have come to seek out opportunities for further education and/or find a job.

However, with the withdrawal of the 8,500 or so international peacekeepers in late 2004 and the scaling back of the UN presence in other ways, Dili's economy has

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<sup>5</sup> <http://www.bl.uk/services/learning/curriculum/voices/refglos.html>

<sup>6</sup> Ibid, p 17.

<sup>7</sup> World Bank, 2006, Background Paper for the Timor=Leste Development Partners Meeting, 3-4 April, p 1.

deteriorated. The service sector that had grown up to respond to this artificial demand typified by the large number of taxis in Dili has been chasing fewer and fewer customers. On top of this fall-off in the demand for services, costs increased in the second half of 2005 due to the sharp rise in petrol prices. Increased costs have applied to most goods in Dili as they are imported. Those earning a living from driving a taxi were caught in a vice of rising costs and falling demand, making it impossible to raise fares. Drivers have had little or nothing left for themselves after paying for their fuel and the taxi owner.

This example for one group of low income earners in Dili can be repeated for others struggling to survive. The Government in its 2006-07 Budget has acknowledged the dramatic rise in the cost of living in Dili by making major cost of living adjustments of between 15 and 20 per cent to civil servants salaries to cover cost increases in fuel and food. However, apart from a subsidy to electricity consumers, no assistance for the urban poor has been proposed.<sup>8</sup>

### **The effects of a Youth bulge**

Dili's youth bulge is another important source of pressure on the social order. The presence of a youth bulge, backed by other economic and social conditions, is often linked with the emergence of civil conflict. A large youth share of the total adult population historically has been associated with political violence. Large youth populations are associated with the English Revolution of the seventeenth century and the French revolution of the eighteenth century.<sup>9</sup>

Research for the decade to 2000 shows that developing countries with a high share of youth in their population are more likely to experience new armed conflict.<sup>10</sup> In addition, an increased risk of political violence often comes from an expanding population of higher-educated youth who are facing limited opportunities to obtain elite political and economic positions.<sup>11</sup>

East Timor has a quarter of its total population aged 15 to 30 years. But in Dili this age group is even more concentrated, accounting for just over one third of the population. The number of 15 to 24 year olds in Dili's population was 32,399 in July 2004 which is nearly twice the share of this age group in the general population. About half of the country's senior high school students go to school in Dili.

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<sup>8</sup> Lusa, 2006, 'Bigger budget to fund state salary hikes, Dili rebuilding, FM says', 12 June.

<sup>9</sup> Goldstone, J; 2002, 'Population and security: how demographic change can lead to violent conflict', *Journal of International Affairs*, Fall 2002, vol. 56, no. 1, p 11.

<sup>10</sup> Cincotta, R;Engelman, R; and Anastasion, D, 2003, *The Security Demographic: Population and Civil Conflict After the Cold War*, p 48.

<sup>11</sup> Goldstone, J; 2002, 'Population and security: how demographic change can lead to violent conflict', *Journal of International Affairs*, Fall 2002, vol. 56, no. 1, p 14.

## **Personal security a major concern for most Timorese**

Another important predisposing factor making civil disorder more likely is psychological fragility of the population, due to the continuing effect of the 24 years of Indonesian occupation. A 1999 national representative survey showed that virtually all (97 per cent) Timorese had experienced at least one traumatic event during this time. As many as three out of five respondents had experienced some form of torture and one in three respondents could be classified as suffering from post-traumatic stress disorder. One in five respondents thought they would never recover from their experiences, and a further two in five believed they would only recover with some help.<sup>12</sup>

Concern about personal security is a major issue for many Timorese. A national survey of young people 15 to 35 years in late 2005 found that young people's need for increased sense of security, civil order and well-being underpinned other attitudes about their view of whether they could play a positive role in the community or not. Fear of violence has caused many Timorese to change their place of residence in recent years. The 2004 Census reports that close to three out of four Dili residents lived elsewhere in July 2002. The most mobile age group are those aged 15 to 24 years of both genders. For those who gave a reason for moving, nearly half had done so due to violence or to feel more secure.

## **Structural strain caused by an unresponsive Government**

Adding to the pressure many Dili residents felt from their deteriorating economic situation was the frustration due to Government's failure to respond with any form of assistance. As the economy in Dili got worse in the latter half of 2005, the urban poor had nowhere to turn for help. The World Bank in July 2005 highlighted the Government's 'poor outreach' to the wider community: 'communication between the Government and the population is inadequate and often ineffective, resulting in limited mutual understanding'.<sup>13</sup> The World Bank noted that the Government is reluctant to collaborate with civil society and 'has not yet succeeded in engaging constructive critics or in maintaining an effective dialogue with communities'.<sup>14</sup>

Elections for village (suco) level leadership positions in mid 2005 raised political tensions because candidates campaigned as representatives of political parties rather than as individuals. This tension was further heightened by Fretilin's regional congresses leading up to the Fretilin National Congress in Dili in May. The decision of the Congress to vote for the position of Secretary General on a show of hands also sent a clear signal that the Fretilin Party leadership were strongly in control. It further fuelled concerns among the opposition parties that Fretilin would not allow a level playing-field for free and fair elections in 2007.<sup>15</sup>

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<sup>12</sup> Modvig, J et al; 2000, 'Torture and trauma in post-conflict East Timor', The Lancet Vol 356, p1763

<sup>13</sup> Ibid, para 3. executive summary.

<sup>14</sup> World Bank, 2005, Country Assistance Strategy for the Democratic Republic Of Timor-Leste for the Period FY06-FY08. June 22. Report No. 32700-TO, p 5.

<sup>15</sup> Ian Martin, Special Envoy of the Secretary-General to Timor-Leste, Briefing to the Security Council on Timor-Leste, 13 June 2006, para 11.

However, the Government's unresponsiveness was not merely due to its poor public relations skills and political activities. The Government's failure to spend a quarter of its allocated budget in 2004-05 and ongoing budget surpluses also sent out signals that it was more concerned about maintaining tight centralised controls than in getting services to the people. At the same time, government ministers managed to spend the allocation for overseas travel early in the 2005-06 budget cycle.

Another indication of the Government's remoteness was its approach to the legislative process. According to the World Bank, many of the laws enacted fail to reflect the cultural and administrative realities of the country because they have been 'more or less copied from other jurisdictions and were not subjected to consultation'.<sup>16</sup>

### **The Government's narrow approach to development**

However, the biggest failure of the Government to respond to the needs of its citizens has been its narrow development strategy. The Government's focus, supported by the World Bank, has been on getting the institutions of state established first and foremost, followed by the provision of basic services in education and health.<sup>17</sup>

The effect of this approach has been that the economy, including the agriculture sector, has been left to fend for itself. Nor has the government set up processes to allow decision-making over the allocation of resources for development to be decentralised to rural areas where the mass of the population lives.<sup>18</sup>

The Government's narrow approach to development was criticised in a major UN report, originally completed in the first half of 2004 but only released in March 2006. The UN Development Program's (UNDP) *Human Development Report on East Timor* called for a more forthright pro poor growth strategy focused on the needs of the rural population. The report rejected the Government's (and the World Bank's) heavy reliance on the private sector as the engine of growth: noting that 'although ultimately private investment should play an increasingly important part in stimulating economic development, for the next ten years at least the predominant source of funds will be public expenditure'.

The UNDP report further criticised the Government's lack of focus in its expenditure priorities on the rural population: 'only one-third of the total public expenditure and

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<sup>16</sup> World Bank, 2005, Country Assistance Strategy for The Democratic Republic Of Timor-Leste For the Period FY06-FY08, p5-6.

<sup>17</sup> The approach of the Government is captured well in this quote from Mari Alkatiri in the foreword to a Strategy Document presented to the April 2006 Donor Partners Meeting in Dili: 'First it was necessary to build up the State, as a structure where the Rule of Law prevails. The Public Administration was created...& the respect for the law was institutionalised. This was no small feat. In three years we have managed what other States have taken decades to achieve, and only in a shy way: we have a functional structure of State and we are aware that the respect for the law is a reality. We have a State!'

<sup>18</sup> The approach of the World Bank is captured in the following quote from its background document presented to the Donor Partners Meeting, April 2006: 'Long-term poverty reduction and job creation will depend on vigorous action to enable private enterprise. ... free up cumbersome business registration processes, secure property rights, streamline customs procedures, reduce transportation and energy costs, & strengthen recourse to the justice system. A focus on improving roads and reducing the cost of power and telecommunications services is critical to enabling businesses and agricultural markets to flourish.'

one-fifth of goods and services are going to the districts' [outside of Dili]. The UNDP called on the Government to pursue a pro poor growth strategy 'that is equitable and creates sufficient employment for Timor-Leste's growing labour force'. It proposed that this be done by directing more resources and decision-making authority to the rural areas.

### **Government failed to see and address human security issues**

A major gap in the Government's development strategy has been a lack of concern about security in all its forms. This refers to not only people's concerns about personal safety but also to insecurities about reliable food supplies in many rural areas and fear of a sudden loss of meagre incomes in urban areas.

The World Bank in March 2006 could only say that the Government is merely piloting targeted poverty reduction initiatives to increase income and food security among poor people.<sup>19</sup> Existing efforts by the Government to provide forms of social protection have been small scale and have been largely limited to the following initiatives: improving seed and other agricultural inputs; providing support for veterans, and small programs for some vulnerable groups such as orphans and the disabled.<sup>20</sup> Only \$40m has been spent over a five year period on 23 community and rural development programs.<sup>21</sup> In the first half of Financial Year 2006, the community-based road maintenance program had created only 128 annualized jobs.<sup>22</sup>

Although enormous strides were made in many areas to rebuild social trust through cooperation, much more needs to be done. However, national youth survey results showed that much work still needed to be done to foster stronger ties. People's fears of economic and social volatility are not only a legacy of the 1999 conflict. They are also the product of the extreme poverty that most people live in, including many urban dwellers.

Addressing human security concerns requires recognising the conditions that threaten survival and putting in place policies to reduce the effects on poor people of exposure to adverse economic and social circumstances.<sup>23</sup> These policies include support for a range of livelihood options; accessible financial services, savings vehicles, and insurance and credit support to allow the smoothing of consumption despite fluctuations in income.<sup>24</sup> These forms of support enable poor people to recover and resume their normal patterns of work.<sup>25</sup> Public works programs which offer a low wage so that only the poorest in the community are likely to seek the work is another vehicle.

What a pro poor growth strategy might involve is discussed further in the final recommendation of this paper.

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<sup>19</sup> Ibid, p2.

<sup>20</sup> Democratic Republic of Timor Leste, 2006, Combating Poverty as a National Cause: Promoting Balanced Development and Poverty Reduction, p 20.

<sup>21</sup> Ibid, p49-50.

<sup>22</sup> World Bank, 2006, Background Paper for the Timor-Leste Development Partners Meeting, p 7.

<sup>23</sup> DFID, 2004, How to accelerate pro-poor growth: a basic framework for policy analysis, Pro Poor Briefing Note 2, September, Department for International Development, UK, p4.

<sup>24</sup> Ibid

<sup>25</sup> Ibid

## ***Precipitating events***

The main precipitating events were the growing scale of the protests by the dissident soldiers and their supporters in response to the failure of the Government to respond to their petition. The Government treated the problem treated as a legal issue – the soldiers had deserted their posts - and not a political one for the Government to solve. The first protest of the soldiers took place on 6 February when about 400 protested outside President's Office & were told by the President to return to barracks. On 23 March, the President returned from overseas and issued a press release, criticising the Government for failing to address the causes of the soldiers' protests. This statement gave rise to further, unorganised protests.

These protests in late March and April also served to mobilise larger groups in the population, using the rallying cry of East versus West. The Dili newspaper *Diario Nacional* quotes one protester as saying on 28 April that they:

*'also protest against the people who are from Lorosae (East) who dominate the selling of goods in the three [Dili] markets of Becora, Taibessi and Comoro. If a solution is not reached, then people from the West will boycott all goods imported into Timor-Leste.'*

The final stage which tipped the protests into mob violence was the response of the police. These protests would have remained small scale if the police had not overreacted to the burning of a vehicle outside the Prime Minister's Office on 28 April by firing on the crowd and shooting five of the protesters.

## ***Failure of social control mechanisms***

### **Failure of police**

The overreaction of the police and military to the protests outside the Prime Minister's office on Friday 28 April caused a small protest to spread rapidly. The shooting of unarmed police on 26 May and the collapse of the police command resulted in a complete absence of social control, provoking widespread mob violence. The evidence presented on Four Corners on 19 June suggests that the actions of provocateurs also greatly contributed to this rapid escalation in violence.

### **Failure of community leaders**

The failure of the police to keep civil order was undoubtedly the final straw that caused people to flee their homes. However, it is important to note that the breakdown of the social order was also due to the failure of community leaders initially to halt the rumours undermining social trust and the subsequent spread of the belief that east west differences were the cause of people's problems.

Why were the newly elected leaders in urban communities not able to step in and maintain social control by resolving localised conflicts where they initially emerged? The national youth survey showed that where violent outbursts by young people did take place, this was often due to the failure of community leaders to resolve conflict in their areas.

## **Wholesale breakdown of social order**

A key starting point for devising longer term solutions to the current crisis needs to be an acknowledgement that there has been a wholesale breakdown of society in Dili. This was due not only to the failure of the police to maintain security. The widespread collapse of social trust has also been due to the failure of community leaders in Dili to maintain basic levels of social control. It is clear that local elected leaders failed to squash baseless rumours. Furthermore, they were unable to halt the spread of the false claims of East West threats and conspiracies which were used to justify attacks on neighbours.

The causes of the collapse of social control will differ from community to community but are likely to include weak leaders with little authority or personal capacity as mediators to resolve conflicts and leaders who have actively manipulated the situation to derive some political benefit.

### ***3. Devising solutions that get below the surface reality***

A number of principles flow from the above analysis to ensure that the causes of the crisis are addressed. In many cases, meeting these principles requires new policies on the part of the government and donors.

#### **Key principles**

1. **More than one type of assistance is needed.** At least three types of assistance can be suggested: emergency relief, measures to ensure public safety and forms of development assistance to create jobs.
2. **Initially emergency assistance is needed to help people survive in the here and now.** The urgency of helping people as quickly as possible makes it difficult to offer other forms of assistance as well.
3. **However, after initial relief efforts, development activities need to work in parallel, with relief gradually phasing out.** This requires the quick mobilization of reconstruction and development resources and implementation of activities. Where possible, repatriation, reintegration, rehabilitation and reconstruction activities should be combined as soon as practicable.
4. **Internally displaced persons need to be viewed as resources needed to revive the urban economy, and not as victims.** Activities need to be funded which enable displaced persons to participate in reconstructing, reconciling and governing their country.
5. **Government involvement in emergency relief is crucial.** The community need to see Government Ministers and officials playing key roles in coordinating and dispensing forms of assistance.

6. **The Government and international agencies need also to work as much as possible through local elected officials** - the chefe de suco, chefe aldeia and the youth and women's representatives on the suco council.
7. **Work out whether local elected leaders can deliver.** If these elected leaders are not able to take on leadership roles in their communities, reasons for this have to worked out as this will affect the longer term prospects of re-establishing social order and harmony.
8. Where possible, **young people should be involved** in the distribution of emergency relief and certainly involved in subsequent public safety and community development efforts.
9. **The public safety vacuum needs to be addressed and reconciliation processes within communities started.**
10. The national police in collaboration with the community needs to **investigate who were the instigators of the violence.** But how to punish those who have committed violent acts needs to be addressed carefully. Rather than using a punitive justice approach, communal restorative justice offers a number of substantial benefits.
11. **Post emergency assistance is needed which meets several objectives** – funds for the destitute, activities of benefit to the community and engage young people.
12. Funded activities should, where possible, be **carried out through local community organisations.**
13. Funding dispersed through local community organisations should **emphasise transparency and accountability.**

## ***5 Specific initiatives***

### ***5.1. Setting up integrated multi actor programs***

The UN Commission on Human Security (2003) recommends that where possible 'multi-actor' programs should be established in the immediate aftermath of conflict.<sup>26</sup> These actors include not only different UN agencies and international NGOs but also the relevant ministries of the government. This involves integrating repatriation, reintegration, rehabilitation and reconstruction activities. It requires working arrangements which do not compartmentalise activities into humanitarian or development responses. It also requires setting up processes to ensure that the locus of control changes from the relief and development actors to national authorities and communities.

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<sup>26</sup> Ibid, p64.

## **5.2. *Engaging young people in emergency relief***

Young men have been prominent as protagonists in the crisis. Youth gangs figure frequently in media reports as the perpetrators of the fighting, looting and burning of buildings. However, young people also appear in media reports as political actors. The previously unknown National Youth Forum has been active in organising political protests outside the main government building.

Young people need to be mobilised as a force for good. Opportunities for both young men and young women need to be provided through initiatives set up by relevant Ministries such as Labour and Community Reinsertion, Health and Education. The volunteer network of the Red Cross of East Timor, established with the specific purpose of dealing with crises, is another vehicle. The local government structure in Dili should also be involved in identifying the opportunities for young people.

Young people should be approached through their own sporting, religious or cultural associations and asked to help to play a major role in the emergency relief process. This involvement should be as volunteers, with funding made available in a transparent and accountable way to cover basic transport and food costs.

Important focal points are the pre-secondary and senior high schools in Dili. If these are functioning, they can provide the platform for organising young people. If they are not functioning, the students can be encouraged to return to participate actively in the emergency relief process.

## **5.3. *Reconciling urban communities***

As noted above, the collapse of social trust in Dili has affected most residents. The vast majority of Dili residents have fled their homes, and despite living in extremely harsh conditions in makeshift camps are refusing to return home despite the presence of international peacekeepers. The surrender of weapons and changes in the political leadership are not likely to be enough in themselves to restore social harmony.

Rebuilding social trust in local neighbourhoods and in workplaces, based on the principles of reconciliation and restorative justice, will require a concerted effort. The combined efforts of UN agencies, international and local NGOs and local government as well as the leadership of the communities themselves need to be mobilised to assist the community come back together.

As the social trust has been undermined by particular groups of people, these need to be identified and actions taken to involve them and the community in restoring social peace. Processes need to be set up at urban community level to do three things: to:

- acknowledge and come to terms with what has happened;
- promote healing and restore the dignity of communities and victims; and
- punish perpetrators for their crimes through confession of guilt, public shame or prosecution.<sup>27</sup>

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<sup>27</sup> Ibid, p 66.

Restorative justice refers to processes that seek to repair the harm caused by criminal behaviour. It is best accomplished through cooperative processes that include all stakeholders and focus on reparation, which has been defined as 'action by the offender to make good the loss suffered by the victim'.

The traditional way to identify the perpetrators of the violence and other protagonists is to have them arrested, brought to court and punished with imprisonment. However, this punitive process is likely to have little impact on restoring social trust in Dili for three reasons. First, the numbers involved will cause major delays in a justice system that has already failed to perform effectively. This will result in the perception in the community that justice delayed is justice denied. Second, pursuing punitive justice will do little to help rebuild community trust as it involves processes external to the community. Third, it will not help to reintegrate the perpetrators back into their communities.

### **How it could work?**

Members of the communities affected need to be the drivers of a process to address the wrongs. This requires working out appropriate forms of reconciliation, including restitution for the damage caused to property, and how to accept back wrongdoers after they complete the reconciliation process. However, the reconciliation process will need to focus on more than just the young men involved. Community leaders and others in the community need to acknowledge their failure to stop the conflicts and to seek forgiveness as a basis for communal healing.

One way for communal restorative justice could work is for the community to devise ways for offenders to undertake community service to repair the damage caused. This could take the form of helping with rebuilding houses or market stalls, or otherwise helping to make restitution for property stolen or destroyed. Other possible forms of reparation are to undertake activities on a regular basis to benefit the community such as repairing roads, cleaning water channels, collecting and disposing of rubbish or doing small jobs for widows and the elderly.

The benefits of performing these activities flow not only to the community but also help to increase the offender's self worth. The purpose of the community service is not to punish offenders as an end in itself. It is to make individuals accountable for their actions, focusing on their capacity to choose to take responsibility for the offence committed.

Research in post conflict situations shows, and indeed common sense suggests, that the level of violence involved in a particular community will determine the extent to which community reconciliation will work. In other words, the greater the violence inflicted on the community, the harder it will be for the members of that community to accept the perpetrators back into their midst. This means that it will be necessary first to find out for each community the extent and nature of the violence and their attitudes towards reconciliation. This will make it easier to work out whether communal restorative justice methods are likely to be effective in that community and the extent to which outside facilitation of a process to re-establish community trust and restore social cohesion is required.

There is clearly the need for a national buy-back of weapons. This initiative should be designed in such a way that the money paid for the weapon goes partly to the community and partly to the individual. The buy-back should also be conducted, where possible, as part of a communal reconciliation process.

#### ***5.4. Need to link emergency aid with longer term initiatives***

Reconciliation will have little longer-term effect on all those affected by the civil disorder unless they are also given help to improve their economic situation. Young men are of major concern in post-conflict situations because of the role many have played in the conflict. It is not only necessary to disarm those directly involved, it also essential to work through ways they can be reintegrated socially and economically into the communities they come from. This will involve more than merely focusing on the young men themselves.

#### **Use of conditional cash transfers**

One particular initiative which could be used to improve the economic security of the poor are relief payments in cash and kind to help to cushion the immediate adverse effects of shocks. The recent large scale implementation of the 'unconditional cash transfer' (UCT) program in Indonesia is a good example of this form of assistance. The purpose of the cash transfers was to compensate the poor for the large increase in the price of petrol due to the removal of government petrol subsidies. Under this plan, over one in four households received quarterly payments of R300,000 distributed through post offices. This method worked efficiently and was largely corruption free.<sup>28</sup> It is planned to extend the program by tying future payments to achieving education and health outcomes. Examples of these are sending every child to school, ensuring children are vaccinated and attending antenatal services

#### ***5.5 Lifting youth policy to a national priority***

The peace process does not only depend on meeting the needs of the disaffected youth. Policy must also include measures to assist all young people. Highlighting the needs of the disaffected runs the risk of other young people seeing bad behaviour rewarded.

Government policy relating to young people in terms of reconciliation and employment opportunities go beyond the remit of the Secretary of State for Youth and Sport. The existing government department is junior to the mainstream departments, shown by the limited funding it has access to. A senior minister needs to have responsibility for implementing a youth policy targeted on combining justice with employment and skills opportunities.

#### **Cross sector approach needed**

A cross-sectoral working party, led by a senior minister, needs to work out how best to implement a comprehensive national youth policy which engages young people in the development and poverty reduction strategies of the government. The working

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<sup>28</sup> Morgan Mellish, 2006, 'Welfare cash an unconditional success', The Australian Financial Review, 21 June, p15.

party needs to pay particular attention to implementing relevant policies in the Ministries of Health, Education, Labour, Agriculture and Justice. These include policies to improve health, including reproductive health and child nutrition, plans to increase the coverage and quality of education, and otherwise reduce illiteracy among out-of-school young people. The working party should also address the needs of the most disadvantaged young people such as those with disabilities.

### **A National Youth Employment Action Plan**

A National Youth Employment Action Plan is needed to help young people to make the most of the available opportunities or to create their own. These plans have been developed for over 45 countries under the auspices of the ILO's Youth Employment Network.

A big increase in the investment in physical infrastructure is proposed in the new strategy document 'Combating Poverty as a National Cause' (see below in Section 5.6).

Considerable effort, however, needs to be made to ensure that as many Timorese as possible have the maximum opportunity to gain the jobs created. This requires early identification of the skills required and the facilities available in East Timor to train people to the required standards.

Attachment 1 outlines what issues would need to be addressed in a National Youth Employment Action Plan.

### **National skills strategy linked to infrastructure investment**

A staged skills formation regime needs also to be developed. This regime has to be based on people demonstrating they have acquired the required competencies to a designated standard. The skills acquisition process could combine a short period of upfront training with on-the-job skills acquisition and subsequent opportunities to return to classroom-based training for high level skills. Opportunities to acquire the required skills over a short duration in other countries such as Indonesia, Malaysia, and Singapore need also be explored.

The relevant elements of this skills formation regime should be incorporated into the tender specifications for any infrastructure project. The tender specification should include the requirement to not only employ Timorese but also a requirement to implement a skills strategy for these workers.

The required skills strategy should include at least four key elements. First, the successful tenderers should agree to hire Timorese workers who have acquired a designated competency standard of basic skills. Second, successful tenderers should provide on-the-job training and mentoring for all Timorese hired with the basic skills. Third, tenderers need to also agree to provide opportunities for further skills acquisition after a minimum period and once competency and capacity has been demonstrated. This skills acquisition should be available through on and off-the-job training and will require the use of supervising staff as mentors and advisers.

Fourth, the successful tenderer should provide incentives for Timorese workers to acquire further skills by basing their workforce wages system on attaining designated

levels of skills (known as a 'pay for skills' job structure). The Government will need to fund the front end skills training separately. This will allow national competency standards to be used and will make it possible to coordinate with other skills training to form a national skills strategy.

### **Using a staged approach**

As part of a national plan, a staged approach to offering assistance to young people could be usefully deployed. A staged approach would have several advantages. It could offer immediate assistance, give valuable work experience and give young people a chance to show their capacity and desire to work to required standards of punctuality and responsibility.

The first stage could consist of projects offering temporary work aimed at producing a community benefit. A low wage rate for this work should be set to encourage self-selection by only the poorest young people. The next stage of assistance to young people could be to offer places for high quality training in basic skills needed to undertake construction work. Eligibility for Stage Two should be restricted to only those who can demonstrate an aptitude for the skills training, have completed a Stage 1 project with a good record of attendance and have a good reference from their Stage 1 supervisor.

Stage Three could be access by young people to credit to start a new business. This access should be made available on the basis of a young person's education level, type and extent of work experience, level of demonstrated support from family and friends and his or her past record of savings.

### ***5.6 Developing and implementing a pro poor growth strategy***

The above initiatives need to be placed within a broader framework of a pro poor growth strategy appropriate for a post conflict society. A pro poor growth strategy involves promoting a pace and pattern of growth that enhances the ability of the poor to participate in, contribute to and benefit from growth.<sup>29</sup> This means policies and resources need to help expand the economic activities of the poor. Ensuring the poor have the capacity to participate in the opportunities created is an essential feature of the strategy.

As noted above, a major failure of the approach to development followed to date in Timor Leste has been the lack of recognition of the needs of the population in a post conflict situation. The widespread perception among the ordinary people of their high level of vulnerability to economic shocks and lack of social trust need to be addressed as a first priority. Policies are needed to tackle the risks and vulnerabilities of the poor through prevention, mitigation and coping mechanisms.<sup>30</sup>

### **Proposed new national strategy to combat poverty**

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<sup>29</sup> OECD, 2006, Promoting Pro Poor Growth: Policy Guidance for Donors. DAC Reference Document, DAC Guidelines and Reference Series, Organisation for Economic Cooperation and Development, Paris, p 7.

<sup>30</sup> Ibid, p8.

The Government has acknowledged belatedly its lack of focus on poverty reduction. But this belated response is also seriously deficient in terms of its lack of a pro poor focus. A document from the Finance Department entitled 'Combating Poverty as a National Cause: Promoting Balanced Development and Poverty Reduction' (dated 17 March, 2006) was distributed at the Donor Partners' Meeting in early April.

*Despite ... impressive gains, the fact is that far too many people remain in poverty, or remain vulnerable to poverty and food insecurity. With the prospect of substantially larger financial resources from oil and gas revenues, the Government believes that the Nation must now be mobilized to combat persistent widespread poverty.*<sup>31</sup>

The Government's proposed new direction is to: maintain macroeconomic stability as a necessary condition for strong growth; pursue key structural reforms to facilitate private investment; invest in infrastructure to lower the cost of doing business and build up the skills of the work force. These pro growth policies are to be complemented by a continued commitment to improving access to basic services, including education, health, safe water and adequate sanitation. The proposed strategy notes that 'close attention to the distributional impact of growth will also be required to ensure that the benefits are widely shared'.<sup>32</sup>

The two main initiatives are planned. The first is for the Government to substantially increase in the level of public investment in roads, hospitals, schools and other basic infrastructure facilities.<sup>33</sup> The second is to improve the climate for private investment and to encourage international investors to invest in Timor-Leste.

In relation to the first initiative, it is planned to use large international contractors to perform the work. This is to enable large-scale projects to be undertaken. It is also planned to contract international companies to monitor that the work has been performed as specified and to authorise contract payments. The third feature of the planned new infrastructure investment is to make 'temporary heavy use of skilled labour from other parts of East Asia and elsewhere' to be accompanied by 'an aggressive program of training for Timorese who can gradually replace these imported workers'.<sup>34</sup> The World Bank estimates that at least 10,000 jobs will be created by an increase of \$US79 million in capital expenditure for 2006-07.<sup>35</sup>

More recently, Jose Ramos Horta in his relayed speech to the Security Council of the UN on 13 June 2006 stated that the Government's 2006-2007 Budget would allocate \$110 million for Capital and Development and \$50 million for Public Works. It is not known how much of this expenditure will have a pro poor focus. In relation to young people, for example, the only funding in the budget announced which is directed to them is for five youth and sports centres!

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<sup>31</sup> Democratic Republic of Timor Leste, 2006, Combating Poverty as a National Cause: Promoting Balanced Development and Poverty Reduction, p vi.

<sup>32</sup> Ibid, p 21.

<sup>33</sup> Ibid p21-22.

<sup>34</sup> Ibid, p 23-24.

<sup>35</sup> World Bank, 2006, Background Paper for the Timor-Leste Development Partners Meeting, p 2.

### ***Need for a focus on social protection***

Provision of a safety net through social protection mechanisms need to be much more prominent in the Government's development strategy. These measures should include, for example, public works programs aimed at the poorest in the community in both urban and rural areas. These programs should be designed to meet a clear community need and employ only the most destitute.

Another social protection mechanism to help families cope with the current disruption could be a payment to families for the number of children who return to school and maintain a good attendance record. Help for the most vulnerable in the community could take the form of payments to new mothers to participate in activities to improve their nutrition and that of their babies.

### **Rights-based focus aimed at meeting the Millennium Development Goals**

A pro poor growth strategy geared to addressing post conflict needs should be based on a strong recognition of the human rights of everyone to a life free as much as possible of the debilitating effects of poverty. Developing implementable strategies to meet the Millennium Development Goals is one way to ensure that a pro poor growth strategy has measurable indicators and targets.

### **Expansion of services needed to reduce poverty**

The UNDP report on Human Development in Timor Leste has recommended an expansion of government funded services aimed at poverty reduction. The report proposes four ways of delivering these expanded services and suggests that some combination of all four modes of service delivery are needed. The four options for the Government to expand the delivery of services to the poor are:

1. The Government itself could deliver the expanded services until other actors such as the private sector is sufficiently developed to take over.
2. Rural organizations such as cooperatives, farmers' associations and user groups could deliver the services.
3. Strengthened NGOs and other organizations of civil society could also provide services.
4. Private sector could deliver services, supported by the Government through tax breaks and access to credit.

### **More emphasis on regular consultation and community level accountability needed**

Mobilising the population and young people in particular around an explicit pro poor strategy would also be an important change from the past approach of the Government. Consultations need to be more than a one-way imparting of information. The consultative process needs to be regular, use a variety of methods including opinion surveys, be based on random selection so everyone has an equal

chance of being selected to participate, be two-way exchanges involving debate and feedback, and produce records of the main findings that are publicly available.<sup>36</sup> Participatory poverty assessments at the suco level could be a key element of new forms of consultation.

The capacity building of existing institutions of government is a necessary condition for implementing a new strategy. However, the capacity building should be based around devising ways to reach the poorest in the population and showing how the needs of the poorest in the community have been met. Operational areas should set their own short-term targets to be achieved over, say, a 100-day period and explain in a public document why they have been able to or not able to meet the targets.

Detailed budgets down to district level for government departments should be posted publicly and regular reports posted on expenditures made. The district assemblies piloted in Bobonaro over the last two years and Lautem over the last year should be extended to all districts or the planned smaller entities called municipalities. These pilots, conducted under the auspices of the UNDP, have been successful in giving elected representatives at district level the opportunity to set priorities for funds to be spent on development. Methods of recording the effectiveness of Government programs on the poorest groups in society need also to be established. Assessments of the extent to which government services in education, health and agriculture are reaching the poorest need to be made based on survey data. Established methodologies exist for doing this in relation to access to health services, using a poverty index based on assets and ranking the population by asset quintiles.<sup>37</sup>

## Conclusion

Responses to the current crisis should not repeat the mistakes of the past. The World Bank President has stated (22 June) that: 'healing the wounds of this crisis will be a substantial challenge'. One of these challenges is for the international community to tailor their assistance programs to the new situation.

*We cannot go back to business as usual. A new understanding between Timor-Leste and the international community is needed to address the causes of the conflict and support long-term peace-building.*

The current crisis is a result of the misreading by all principal actors of the significance of key factors that have caused the breakdown of the social order in Dili. These factors are the extent of the poverty experienced by the poor in Dili, the frustrations of young people in particular, and the lack of response by the Government to the plight of the poor under extreme pressure from increasing costs and declining incomes. These issues will need to be addressed but in a way that also restores the widespread loss of social trust. Building the basis for human security and sustaining it in all its forms needs to be primary focus of government policy.

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<sup>36</sup> Humpries, M & Richards, P; 2005, 'Prospects and Opportunities for Achieving the MDGs in Post-conflict Countries: A Case Study of Sierra Leone and Liberia', Department of Political Science Columbia University, pp 29-32.

<sup>37</sup> Davidson R. Gwatkin, Adam Wagstaff, Abdo S. Yazbeck (eds) Reaching the Poor: What Works, What Doesn't, and Why. <http://www.wpro.who.int/NR/rdonlyres/E424FE3F-39C0-437E-9458-E3430FF6D2FB/0/16ReachingthepoorwithhealthnutritionandpopulationservicesDGwatkinWB.pdf>

## **Attachment 1: National Youth Employment Action Plan**

### ***Key principles for developing the national action plan***

- ☑ adopt an integrated approach, focusing not merely on problems of the availability of skills (the supply side) but also on ways to improve access to jobs and to create new jobs (the demand side).
- ☑ ensure that planned initiatives are linked with each other with good ‘feedback loops’ about what is working and what is not working.
- ☑ develop options related to four aspects of youth employment:
  - ☞ identify and expand measures to enhance young people’s employability,
  - ☞ identify and increase opportunities for young people to become self employed and to operate their own businesses as entrepreneurs,
  - ☞ work out ways for government and the private sector to give access to jobs and create additional jobs for young people, and
  - ☞ ensure that equal opportunities are addressed within the plan related to gender, level of education, regional origin and disability.

### ***Outline***

- I) Present available evidence, quantitative and qualitative, about the nature and extent of employment-related issues in relation to young people
- II) Outline current initiatives related to youth employment and offer an assessment of their strengths and weaknesses;
- III) Review existing and planned poverty reduction strategies, national youth policies and national employment policies, and other related reports and work out how the national youth employment action plan can be integrated into national policymaking processes and funding mechanisms;
- IV) Consult with key government ministries, employers and civil society to draft some concrete proposals as a prelude to holding wider consultations;
- V) Consult with young people’s associations and hold public meetings to get feedback on specific proposals for action;
- VI) Propose mechanisms, baseline indicators and statistical data collection that will be put in place to monitor progress and provide regular reports on how well the plan is being implemented.
- VII) Outline an evaluation strategy that provides early feedback about what is working and what is not based on agreed criteria for assessing successful outcomes.

## **Attachment 2: Background on National Youth Employment Action Plans**

### **United Nations Economic and Social Council Commission for Social Development**

#### **Forty-fourth session**

8-17 February 2006

Agenda item 3 (b) (ii)

The Commission for Social Development recommends to the Economic and Social Council the adoption of the following draft resolution:

#### **Promoting youth employment**

*The Economic and Social Council,*

*1. Reaffirming* the resolve of Heads of State and Government, as contained in the United Nations Millennium Declaration,<sup>1</sup> to develop and implement strategies that give young people everywhere a real chance to find decent and productive work, and, as contained in the 2005 World Summit Outcome, to make the goals of full and productive employment and decent work for all, including women and young people, a central objective of their relevant national and international policies as well as their national development strategies, including poverty reduction strategies, as part of their efforts to achieve the Millennium Development Goals,

*Recalling and reaffirming* the commitments relating to youth employment made at the major United Nations conferences and summits since 1990 and their follow-up processes,

*Recalling* General Assembly resolution 54/120 of 17 December 1999, in which the Assembly took note with appreciation of the Lisbon Declaration on Youth Policies and Programmes adopted at the World Conference of Ministers Responsible for Youth in 1998, which set forth important commitments regarding youth employment, and recalling also Assembly resolutions 56/117 of 19 December 2001 and 57/165 of 18 December 2002,

*Recognizing* that young people are an asset for sustainable economic growth and social development, and expressing deep concern about the magnitude and disproportionate effect upon youth of unemployment and underemployment throughout the world and its profound implications for the future of our societies,

*Recognizing also* that Governments have a primary responsibility to educate young people, to encourage them to seek training so as to increase their employability and to create an enabling environment that will promote youth employment,

***Recognizing the need to promote, protect and fully respect the basic rights of young workers as defined by relevant International Labour Organization and other international instruments,***

*Takes note* of the report of the Secretary-General on the global analysis and evaluation of national action plans on youth employment;

*Also takes note* of the report of the Economic Commission for Africa entitled *Economic Report on Africa, 2005: Meeting the Challenges of Unemployment and Poverty in Africa*;

***Further takes note of the relevant provisions on employment of the***

*Declaration of Mar del Plata of 5 November 2005 at the Fourth Summit of the Americas, and the presidency conclusions of the European Council of 23 March 2005 which agreed on the European Pact for youth as an integrated part of the Lisbon strategy;*

**2. Encourages the international community to provide technical and capacity building support to developing countries as appropriate in supporting the national development strategies, including poverty reduction strategy papers where they exist which mainstream youth employment;**

3. Encourages Governments that have prepared national reviews and action plans on youth employment to move forward to implementation, and Governments that have not yet prepared their reviews, national action plans, or progress reports to do so as soon as possible;

4. Also encourages Governments to develop their national action plans through collaboration among government, representative youth organizations, employers' and workers' organizations and civil society, and to promote partnerships among public authorities, the private sector, educational institutions and civil society, and to integrate these action plans into their broader national development programmes, including poverty reduction strategy documents where they exist, to create methodology to evaluate these plans and strategies and to prioritize therein the necessary resources for implementation of these plans;

**5. Further encourages Governments to contribute to the possible development by the appropriate intergovernmental UN bodies of new policy-oriented indicators to better monitor and evaluate progress in implementing their national action plans, and invites the Youth Employment Network to contribute to this process, taking into account young people who are unemployed, are in education, are underemployed, those who are working in the informal economy or those who may have dropped out of the labour market altogether;**

6. Urges Governments to consider youth employment as integral to their overall strategies for development and collective security, and within this context to give renewed attention to the United Nations Millennium Declaration<sup>1</sup> commitment concerning decent and productive work for young people as key to achieving the Millennium Development Goals;

7. Renews the invitation contained in General Assembly resolutions 57/165 of 18 December 2002 and 58/133 of 22 December 2003 to the International Labour Organization, in collaboration with the Secretariat and the World Bank and other relevant specialized agencies, and within the framework of the Youth Employment Network, to assist and support, upon request, the efforts of Governments in the elaboration and implementation of national reviews and action plans;

**Encourages Governments to improve the education, training, mobility, vocational integration, and social inclusion of young people, and where appropriate, to promote entrepreneurship and facilitate the reconciliation of family life and working life, in order to support the integration of young people into the labour market;**

8. Encourages Governments to facilitate interaction among educational institutions, and the public and private sectors to prevent unemployment and the low returns on investment in training that result from a skills mismatch, and in this regard, calls for technical support from relevant United Nations organizations and the international community for national and regional programmes such as the New Partnership in Africa's Development<sup>6</sup> and other regional economic groups so as to facilitate public-private integration;

***Underlines that non formal and informal learning are complementary elements to the formal educational process and are useful instruments to facilitate the transition from education to employment;***

9. *Invites* new countries and partner organizations to join the Youth Employment Network and encourages the lead countries to strengthen the work of the Network as a peer exchange, support and review mechanism, and in support of the further development of this mechanism, invites the International Labour Organization in close cooperation with the World Bank and the Secretariat, within the framework of the Youth Employment Network, to undertake regular updates of the global analysis and evaluation of progress made in the development and implementation of national reviews and action plans on youth employment;

10. *Recommends* that the Youth Consultative Group of the Youth Employment Network be strengthened so that, in addition to its overall advisory role, there can be a more active role played at the country level by its constituent youth organizations in supporting the development and implementation of national action plans;

11. *Encourages* Governments to promote the participation of their national youth organizations in supporting the development and implementation of their national action plans on youth employment;

12. *Notes with appreciation* the provision by some Member States of expertise and financial resources to support the activities of the Youth Employment Network, and invites all Member States and intergovernmental and nongovernmental organizations to contribute to the Network in support of action taken at the country level within the framework of the Network;

13. ***Requests the Secretary-General to include in his comprehensive report on the implementation of the cluster entitled “youth in the global economy” of the World Programme of Action for Youth, to be provided to the General Assembly at its 62<sup>nd</sup> session, and the substantive session of ECOSOC in 2007 through the Commission for Social Development at its 45<sup>th</sup> session, information on the implementation of the present resolution, including progress achieved by the Youth Employment Network.***