

TIMOR-LESTE - WATCHLIST

OVERVIEW OF CURRENT SITUATION¹

The former Portuguese colony of Timor-Leste gained independence in 2002, after a period of transitional UN administration following the end of Indonesian occupation. Its brief history since independence has been dominated by efforts to rebuild the country after the devastating violence of 1999. Multi-party elections for the parliament and presidency were organized under UN administration, in August 2001 and May 2002, respectively, and consolidated the leadership of FRETILIN, the historic independence party. Nevertheless, independence and democratic elections served to bring to light divisions within the pro-independence camp. President Xanana Gusmao, who during the independence struggle had disassociated himself from FRETILIN, found himself facing a FRETILIN-dominated parliament and government. These divisions surfaced again during the crisis and violence of 2006. FRETILIN's ongoing dominance of the government have led some to express concerns that the line between party and state has begun to blur under FRETILIN rule, and that state institutions have become politicized

In 2004 and 2005, after some delays and administrative problems, local elections were held. They were generally considered to have been free and fair. The position of ombudsman (*provedor*) was instituted in March 2005, but there are concerns over the resources available to the ombudsman, as well as his capacity to enforce decisions.

The continued impunity for some of those responsible for atrocities during both the Indonesian occupation as well as during the 1999 violence remains a challenge for the country. The UN tribunal mandated with the investigation and prosecution of these atrocities shut down in May 2005, after the expiry of its mandate, despite a widespread perception that its work was not complete. While the governments of Timor-Leste and Indonesia have created a joint Commission for Truth and Friendship, this institution has been accused of being a way to deflect calls for accountability. There exists also serious concern regarding the capacity of Timor-Leste's judiciary to deal with the accountability for serious crimes; only two courthouses are known to be fully functioning.

The weakness and fragility of post-independence Timor-Leste was revealed by the events of 2006. In January 2006, a group of soldiers complained to President Gusmao about discrimination by easterners (*lorosae*) against recruits from the western districts (the *loromunu*) within the Timorese armed forces, the F-FDTL. In March 2006, Brig. Gen. Taur Matan Ruak, the head of the F-FDTL, decided to dismiss the petitioners, with the support of Prime Minister Mari Alkatiri, after the petitioners had refused to return to their barracks, and without a decision from President Gusmao. Divisions burst out into the open as President Gusmao publicly criticized Matan Ruak's decision, legitimizing the *loromunu* grievances. Immediately afterwards, a wave of violence engulfed Dili, and *lorosae* families began to leave the city.

By April 2006, the issue of the petitioners and East-West divisions was swept up into a larger political struggle between Gusmao's camp and adherents of Prime Minister Alkatiri. After demonstrations against Alkatiri in Dili turned violent, Alkatiri called in the

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F-FDTL. However, inexperience in crowd control, as well as a perception that the F-FDTL was *pro-Ilorosae*, inflamed the divisions. After further clashes between F-FDTL forces and the police, including an attack on Matan Ruak's home, it became clear that a significant rift had opened up between the F-FDTL and the police. This may have been a result of political manipulation by, among others, Interior Minister Lobato, since allegations were made by a soldier involved in the events that Lobato, with Prime Minister Alkatiri's knowledge, had armed a secret security group to eliminate FRETILIN opponents. As gangs started to roam the streets of Dili, the number of internally displaced people grew - by April 2006, according to UN estimates, 120, 000 people had left their homes.

As the chaos spread, President Xanana Gusmao called in international military assistance from Australia, Portugal and other countries, and foreign troops soon began to patrol the streets of Dili. The prosecutor-general issued an arrest warrant against Lobato, citing his involvement in distributing arms to rebel soldiers. President Gusmao threatened to resign if Prime Minister Alkatiri did not resign, but Alkatiri gave in and Jose Ramos-Horta, the former Foreign Minister and Nobel Prize winner, took over as Prime Minister and Minister of Defence.

In August, the UN Security Council approved a new UN Integrated Mission in Timor (UNMIT) to replace the Australian-led rapid reaction force. The new UN mission had a police component, UNPol, to provide support to Timorese security forces. UNMIT would also aid in rule of law reforms, and in preparing the country for the May 2007 elections. The UN Secretary-General, upon the request of the Timorese government, appointed a three-member Independent Commission of Inquiry to examine responsibility for the events of April and May 2006, and the report was published in October 2006. The report found that Prime Minister Alkatiri, as well as the defense and interior ministers, failed to stop the transfer of weapons to civilians during the violence, and should face criminal investigations.

MOST RECENT TRENDS

In January 2007, the former interior minister, Rogerio Lobato, went on trial for having authorized the distribution of arms to rebels. At the same time, former F-FDTL Major Reinado was being sought on murder charges after the UN Commission of Inquiry highlighted his role in the violence of 2006. Former Prime Minister Alkatiri was under investigation for failing to prevent weapons from coming into the hands of civilians and rebels, but charges were dropped in February 2007.

The effects of the violence in 2006 are still notable. In January 2007, the UN and the Timorese government estimated that about 10% of Timor's population, or 100 000 people, were still internally displaced and living in emergency accommodation following the incidents of 2006.

Nevertheless, there have been some improvements. Despite some violence in early December 2006, in January 2007 UNMIT declared that the security situation had become "relatively stable". President Gusmao, in a public address in November 2006, has

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apologized to the people for the violence and the suffering the crisis had caused, and called for reconciliation, and former Prime Minister Alkatiri has asked for national unity. The police and F-FDTL have held a joint reconciliation parade. A National Dialogue, in which all major political actors have taken part, was initiated in November 2006 with European Union funding and facilitation by former Latvian Prime Minister Valdis Birkavs on behalf of the Club of Madrid. Prime Minister Ramos-Horta has declared that the restructuring of Timor's problematic police force would be complete in early 2007. Presidential elections, President Gusmao has announced, will be held on April 9, 2007, and a date for parliamentary elections will be announced soon after the presidential poll.

ASSESSMENT

Regardless of the responsibilities of individual politicians, it is clear that the serious violence and political crisis of 2006 revealed a problem at the heart of the new East Timorese state and political system. Intervention by the international community may have saved Timor-Leste from the abyss of civil strife. As the UN commission of inquiry report states, "failures of the rule of law and accountability were at the heart of the events of April and May." The inability to deal with grievances within the armed forces, the manipulation of these grievances by politicians as part of power struggles, and the desertion of a significant part of the armed forces point to a deep inability to ensure a unified civilian chain of command over the armed and security forces. The deep divisions and polarization that emerged between different sectors of Timorese society will be hard to heal, especially if politicians decide to exploit these divisions in future struggles.

Timor-Leste participated in the 2002 and 2005 Community of Democracies ministerials. Participation in the Community of Democracies ministerial of 2007 should be decided based on the criteria for participation of the Community of Democracies as well as progress on the following key indicators:

- Accountability and responsibility for the events of 2006: politicians should take responsibility and act on the recommendations of the UN Special Commission of Inquiry report, and set out to improve governance and rule of law structures.
- Security sector reform: the government of Timor-Leste must achieve internal consensus and agreement with all parties on creating a regionally balanced and politically neutral army and police service. The chain of command needs to be clarified and placed firmly under unified civilian control.
- Reconciliation: the significant fissures that have opened up between sectors of the political elite, and between eastern and western districts, must be tackled through pro-active efforts at reconciliation, especially among leading political actors. Only by restoring a basic level of trust at the heart of Timorese decision-making can democracy be expected to take root. All parties, not just FRETILIN, need to be drawn in to efforts to establish a basic consensus at the heart of the Timorese state.
- The upcoming presidential and parliamentary elections: These should be peaceful, free and fair, and verified by international observers. The campaign should be civil and in keeping with standards of democratic behavior. Violence should not be used by any faction or party to influence the elections.

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- Rule of law and accountability: Measures must be taken that will satisfy the need for justice among the victims of the atrocities of 1999 and Indonesian occupation, as well as international human rights standards. If accountability for these crimes cannot be ensured, then the rule of law in Timor-Leste is open to question.

STATISTICS AND INDICATORS

World Bank Institute Governance Indicators 2005	Score	Key
Voice and Accountability	51.2	Range 0-100 (Lower value indicates weak voice and accountability; higher value indicates strong voice and account)
Political Stability and Absence of Violence	26.9	Range 0-100 (Lower value indicates weak political stability and high violence; higher value indicates opposite)
Government Effectiveness	14.8	Range 0-100 (Lower value indicates weak government effectiveness; higher value indicates strong govt. effectiveness)
Regulatory Quality	14.4	Range 0-100 (Lower value indicates weak regulatory quality; higher value indicates strong regulatory quality)
Rule of Law	36.7	Range 0-100 (Lower value indicates weak rule of law; higher value indicates strong rule of law)
Control of Corruption	25.6	Range 0-100 (Lower value indicates weak control of corruption; higher value indicates strong control of corruption)

Freedom House: Freedom in the World 2007	Score	Key
Political Rights	3	Range 1-7 (Lower value indicates good system of political rights; higher value indicates bad system political rights)
Civil Liberties	4	Range 1-7 (Lower value indicates good system of civil liberties; higher value indicates bad system civil liberties)
Status	PF	3 Categories: F (Free); PF (Partly Free); NF (Not Free)