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## **CRISIS IN TIMOR LESTE: LOOKING BEYOND THE SURFACE REALITY FOR CAUSES AND SOLUTIONS**

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

*This paper is being prepared for the SSGM Discussion Paper Series*

by Richard Curtain

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>1</sup> However, the World Bank did state in July 2005 in a major assessment of the state of the country that: 'Despite considerable progress, the current stability in Timor-Leste is fragile, and the country remains vulnerable to conflict'.<sup>2</sup>

### **Unanswered questions**

A mere recounting of the recent events offers us little insight into its underlying causes. Nor does it help to attribute 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 mere chronicle of the surface events relate to the large-scale collapse of society in Dili. Why have the outbursts of violence been largely limited to Dili? Why have they have involved mainly young men? Why have the social consequences for Dili residents been so devastating – with an estimated 148,000 people fleeing their homes (as of 17 June 2006)? Why have so few people returned to their homes after peace has been restored despite the presence of large force of international peacekeepers (27 July 2006)? 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?

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.

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<sup>1</sup> World Bank Statement on Security Crisis in Timor-Leste, 25 May, Washington.

<sup>2</sup> World Bank Country Assessment Strategy, p 4.

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.

### **Signs of emerging problems**

I could foresee the potential for conflict emerging but could not predict how far it would deteriorate. Residing in Dili in late March and early April, 2006, I observed clear signs that the Government was turning its back on a problem that could easily escalate, particularly if the size of the protests grew and the authorities applied force in an excessive way.

My insights came from a national youth survey I helped to design and administer in late 2005 and early 2006. On an assignment from UNICEF to help develop a national youth policy, we interviewed a random sample of over a 1,000 young people aged 15 to 35 years.

#### *Key results of a national youth survey*

Three of the national survey findings stood out. First, concerns about security dominated the responses of most respondents. Young people's need for increased sense of security, civil order and well-being was fundamental to how they viewed their situation. This need underpinned, for example, their attitudes to whether they believed they could play a positive role in the community or not.

Young people's concern about security reflects the deep trauma most of the population had suffered during the Indonesian occupation. However, the survey responses also refer to widespread fears among young people about a lack of economic insecurity due to unreliable sources of income. In many cases, food insecurity was a major concern, stemming from drought and low yielding subsistence crops.

A second key finding of the survey was the endorsement of violence by a significant minority of young people. One in five young people agreed with the statement that 'violence should be met with violence'. This response was stronger among 15 to 24 year olds.

Most young men in Timor Leste are involved in martial arts groups. However for many this involvement is more a matter of self-identity in a society where there are few other ways of acknowledging the place of young people. The survey found that violence by young men was more likely to occur where the community leadership was weak. In the

areas where young people were more predisposed to violence, survey respondents were twice as likely to agree that their community leaders had failed to resolve local conflicts.

### **Stages leading to mob violence**

According to a classic 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>3</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 simple 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 on a large scale to act in an unorganised but collective way. The final stage, which determines the nature and extent of the collective outburst, is the effectiveness of the available social control mechanisms.

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 economy added greatly to the growing frustrations among Dili residents. The lead up to and the holding of the Fretilin National Congress as a precursor to national elections in the first half of 2007 created a political pressure cooker atmosphere, heightening fears about the behaviour of the government in how these elections would be managed.

The emergence in late March 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>4</sup>

The final factor that caused people to flee their homes was the failure of the police to keep civil order. However, 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.

The following section of the paper discusses in more detail each of these stages in turn. These analyses are then used to identify what issues in the post conflict situation need to be tackled first. Highlighted is the need to focus on both restoring social trust and providing more direct forms of assistance to the urban poor. Also important is the need for the new Government to pursue different development strategies. A set of thirteen principles are proposed to guide the emergency and development responses and six specific courses of action are recommended.

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<sup>3</sup> Smelser, N; 1962, Theory of Collective Behaviour. Routledge and Kegan Paul, London.

<sup>4</sup> <http://www.bl.uk/services/learning/curriculum/voices/refglos.html>

## 1. Structural conduciveness: 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 early April 2006 that 'income poverty and unemployment are growing with the slowdown in domestic demand and high population growth rates'.<sup>5</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.

### *Worsening economy in Dili*

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 deteriorated. The service sector that had grown up to respond to this artificial demand is typified by the large number of taxis in Dili has been chasing fewer and fewer customers. On top of the fall-off in the demand for their services, costs increased in the second half of 2005 due to the sharp rise in petrol prices. Those earning a living from driving a taxi, for example, 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. Increased costs have applied to most goods in Dili as they are all imported. The Alkatiri Government, in its 2006-07 Budget announced in early June 2006, acknowledged belatedly the dramatic rise in the cost of living in Dili. It did this 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 was proposed.<sup>6</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

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<sup>5</sup> World Bank, 2006, Background Paper for the Timor=Leste Development Partners Meeting, 3-4 April, p 1.

<sup>6</sup> Lusa, 2006, 'Bigger budget to fund state salary hikes, Dili rebuilding, FM says', 12 June.

populations were important pressure points for the English and French Revolutions of the seventeenth and eighteenth centuries.<sup>7</sup> The same demographic pressure resulting in political upheavals applies in many countries today as well.

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>8</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>9</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.

### *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 Timorese (97 per cent) 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>10</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.

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

The pressures many Dili residents felt from their deteriorating economic situation were worsened by Government's failure to respond with any form of assistance. As the

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<sup>7</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>8</sup> Cincotta, R;Engelman, R; and Anastasion, D, 2003, *The Security Demographic: Population and Civil Conflict After the Cold War*, p 48.

<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 14.

<sup>10</sup> Modvig, J et al; 2000, 'Torture and trauma in post-conflict East Timor', *The Lancet* Vol 356, p1763

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>11</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>12</sup>

However, the Government's unresponsiveness was not merely due to its poor public relations skills. 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>13</sup>

#### *Unresolved governance issues*

Popular perceptions that corruption was growing and that the Government's mechanisms for accountability were weak have been confirmed by a UNDP/World Bank sponsored report: 'Strengthening Accountability and Transparency in Timor-Leste'. The report was ready for release in April, 2006 but only released a day after swearing in of the second constitutional government, 11 July, 2006.<sup>14</sup>

Altogether 13 governance issues are highlighted by the team of five experts, ranging from the need for better mechanisms and funding to investigate corruption, the need for training of civil servants on code of conduct and ethics and delegation of authority, and giving parliament a more active role in the legislative process. The report also criticises the criminal nature of the defamation law, recommends that a freedom of information law be put in place and that government should publicise its plans and programs more vigorously.

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<sup>11</sup> Ibid, para 3. executive summary.

<sup>12</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>13</sup> World Bank, 2005, Country Assistance Strategy for The Democratic Republic Of Timor-Leste For the Period FY06-FY08, p5-6.

<sup>14</sup> SRSF Hasegawa Delivers Accountability and Transparency Report to New Prime Minister Ramos-Horta, Press Release, United Nations Office in Timor-Leste Public Information Office, 11 July.

### *Political control of the police*

However, in relation to the nature of the Government's control of the police force, the UNDP/World Bank report is scathing in its criticism. The following quote is presented in full because it highlights a fundamental flaw in governance that may go a long way to explain the breakdown in police command after 28 April:

According to the police discipline regulations, the disciplinary authority of the Commissioner of Police is not paramount but is subject in line of command to the Minister of the Interior. The organic law of the Minister of the Interior states that the Ministry's own Office of Inspection "is the organ with disciplinary competence" over the police. As head of a disciplined service, the Commissioner of Police should be solely accountable for the conduct of his officers and should be their final disciplinary authority. As regards operational authority, the organic law of the Ministry of the Interior seems to give to the Ministry operational authority over the police in normal policing activities. In no circumstances should civilians exercise any operational authority over police officers in their normal policing activities.<sup>15</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>16</sup>

The effect of this approach has been that the economy, especially the agriculture sector, has been left to fend for itself. The Government had been slow 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>17</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.

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<sup>15</sup> Strengthening Accountability and Transparency in Timor-Leste: Report of the Alkatiri Initiative. Review Mission of Experts: Shabbir Cheema (Team Leader), Bertrand de Speville, Terhi Nieminen-Mäkynen, David Mattiske, Peter Blunt; 27 January 2006, United Nations Office in Timor-Leste, Dili, Timor-Leste, para 8, p10.

<sup>16</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>17</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.'

The report rejected the heavy reliance of the Government (and the World Bank) 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’.<sup>18</sup>

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 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.

### **3. 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 their concerns about reliable food supplies in many rural areas and fear of a sudden loss of meagre incomes in urban areas.

The World Bank, in its report to the Donor Parties meeting in early April 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: 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 the 2006 financial year, 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

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<sup>18</sup> UNDP, 2004, *Human Development Report on East Timor: The Path out of Poverty United Nations Development Programme Integrated rural development*. p4

<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.

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 recommendations of this paper.

#### **4. Precipitating events and emergence of a generalised belief about a scapegoat**

##### *Village elections politicised*

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 was strongly in control. It further fuelled concerns among the opposition parties that Fretilin would not adhere to a level playing field for free and fair elections in 2007.<sup>26</sup>

##### *Strike by a third of the army*

The main precipitating events, however, 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 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 2006 in Dili when about 400 protested outside the President's Office and were told by the President to return to barracks. Their specific complaint was that soldiers from the ten districts in the west of the country were being discriminated against by the military leadership who are from the three eastern districts and who commanded the main guerrilla resistance to the Indonesian army.

On 23 March 2006, 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.

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<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, p 4.

<sup>24</sup> Ibid

<sup>25</sup> Ibid

<sup>26</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.

### *Growing size of the protests*

The petitioners declared that the week beginning Monday 24 April 2006 would be a week of protests. On that Monday, according to media reports, at about 9:30 am an estimated 1,000 to 3,000 protesters marched from Tasi-Tolu to the President's Office in the centre of Dili. The protesters carried various banners, saying: 'We want to seek justice and truth'. Other banners were said to include 'Brig. Gen Ruak should declare 'westerners' were also involved in the independence struggle' and 'Viva President'.<sup>27</sup>

On Wednesday 26 April 2006, a protest in support of the dissident soldiers through the East Timorese capital yesterday turned ugly when demonstrators attacked market traders from the eastern Lospalos region. At least five houses and a market in Dili were vandalised.

These protests by the so-called 'petitioners' in late April also served to mobilise larger groups in the population, using the rallying cry of 'East versus West'. The Dili newspaper *Diario Nacional* quoted one protester on 26 April 2006 as saying 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.<sup>28</sup>

On Thursday 27 April 2006, the Prime Minister announced that the Government would establish a top-level commission of inquiry to investigate allegations of regional discrimination in the Army. The Government's announcement followed intense negotiations on Tuesday 25 April 2006 which were brokered by the Foreign Minister Jose Ramos Horta.<sup>29</sup> However, this initiative was rejected by the leader of the protest leader, Lt. Gastão Salsinha, who said the demonstrations would continue beyond the original Friday 25 April 2006 cut-off date.<sup>30</sup>

### **5. Mob violence results from the failure of social control mechanisms**

The final stage, which tipped the protests into mob violence, was the response of the police. These protests may 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 2006 by firing on the crowd and shooting five of the protesters.

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<sup>27</sup> Daily Media Review Tuesday 25 April 2006 Compiled by the Public Information Office from national and international sources, UN Office in Timor Leste from national and international sources.

<sup>28</sup> Daily Media Review Thursday 27 April 2006, Public Information Office from national and international sources, UNOTIL.

<sup>29</sup> 'East Timor: Protesting soldiers dismiss Govt's inquiry initiative' LUSA, 27 April, Agencia Lusa.

<sup>30</sup> Ibidem.

On Friday 28 April 2006, protesters marched to the Prime Minister's Office in the main government building on the waterfront. The ABC reported that:

Riots broke out when police used tear gas to disperse a crowd of thousands who were demonstrating against the dismissal of nearly 600 East Timorese soldiers. Initial reports suggested a policeman had been killed by the mob, but the director of Dili's state run hospital says two civilians were killed in the violence. The policeman in question remains in a critically injured condition.<sup>31</sup>

### *Failure of police command*

The overreaction of the police and military to the protests outside the Prime Minister's office on Friday 28 April 2006 caused a small protest to spread rapidly in the following weeks. By 24 May 2006, security had collapsed so completely that Foreign Minister José Ramos-Horta went on Australian television, asking for troops 'to prevent the country sliding into further chaos'. The shooting of unarmed police on 26 May 2006 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 2006 suggests that the actions of provocateurs also greatly contributed to this rapid escalation in violence.<sup>32</sup>

### *Failure of community leaders*

The failure of the police to keep civil order was undoubtedly the breaking point that caused people to flee their homes. However, the collapse 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 peoples' 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? As noted above, 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

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<sup>31</sup> ABC News 'E Timor riots prompt DFAT travel warning increase' Friday, April 28, 2006. 8:15pm

<sup>32</sup> The UN's Office of Public Information media summary for 15 and 17 July notes: In a separate article, Andre L4, representing 300 former Falintil members asked Prime Minister and Minister of Defence Jose Ramos-Horta whether they would be classified as rebel or not since they assist the armed forces at the request of Brigadier General Taur Matan Ruak and F-FDTL Chief of Staff, Lieutenant Colonel Lere Anan to provide security and stability for the nation.

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 between local communities within Dili. But an important factor is likely to have been weak leaders with little authority or personal capacity as mediators to resolve conflicts. Community leaders who have actively manipulated the situation to derive some political benefit may also have been a major cause of the collapse of the social trust in Dili.

### **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 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** through the use of simple reporting mechanisms such as public signs.

## **Specific initiatives**

### **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>33</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.

### **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. A group called the National Youth Forum has been active in organising political protests outside the main government building.

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<sup>33</sup> Ibid, p64.

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.

#### *Make use of associations of 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.

### **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.

#### *Need to use restorative justice*

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 to come back together.

As the social trust has been undermined by particular groups of people, these groups 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>34</sup>

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<sup>34</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’.

#### *Advantages of a different approach to punishment*

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?*

The drivers of a process to address the wrongs need to be the members of the communities affected. 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. Outside mediators may be needed in many situations to facilitate this process.

#### *Community service as punishment*

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 community service 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.

#### *Multifaceted benefits of restorative justice*

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.

#### *Possible role for outside mediators*

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. Alternatively, outside facilitation of a process may be required to re-establish community trust and restore social cohesion is required.

#### *Buy-back of weapons*

There is clearly the need for a national buy-back of weapons. It is reported that some 4,000 firearms from the Police armoury remain unaccounted for, with only 1,000 weapons handed in.<sup>35</sup> A buy-back 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.

#### **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 is also essential to work through ways they can be reintegrated socially and economically into the communities from which they come. This will involve more than merely focusing on the young men themselves.

#### *Use of direct cash transfers*

One particular initiative which could be used to improve the economic security of the poor is relief payments in cash and kind to help to cushion the immediate adverse effects of shocks. The recent large-scale implementation of the direct cash transfer 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 free of corruption.<sup>36</sup>

There is also considerable scope to extend such a program of cash transfers to provide funding to support the achievement of education and health outcomes. Cash could be

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<sup>35</sup> The Age (Melbourne) 'Missing Guns Key to Crisis', Sunday, June 18, 2006. The same articles reports that the police armoury consisted of 3,500 Glock pistols, 88 FNC assault rifles, 180 Steyr assault rifles, 200 Heckler and Koch assault rifles, about 20 F2000 submachine-guns; and about 40 shotguns.

<sup>36</sup> Morgan Mellish, 2006, 'Welfare cash an unconditional success', The Australian Financial Review, 21 June, p15.

given to mothers to enable them to send every child to school, or have their children vaccinated. These concepts of conditional cash transfers are discussed further below.

## **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 can access. 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 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). 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.

### *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 proposed large-scale 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.

#### *Requirements for tenderers for large scale infrastructure projects*

The required skills strategy should include at least four key elements. First, applicants for the tender should agree to hire Timorese workers who have acquired a designated competency standard of basic skills. Second, 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.

## 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>37</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 first priority is to address the widespread perception among the ordinary people of their high level of vulnerability to economic shocks and lack of social trust. Policies are needed to tackle the risks and vulnerabilities of the poor through prevention, mitigation and coping mechanisms.<sup>38</sup>

### *Proposed national strategy to combat poverty*

The Alkatiri Government 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>39</sup>

The Alkatiri 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>40</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

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<sup>37</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>38</sup> Ibid, p8.

<sup>39</sup> Democratic Republic of Timor Leste, 2006, Combating Poverty as a National Cause: Promoting Balanced Development and Poverty Reduction, p vi.

<sup>40</sup> Ibid, p 21.

infrastructure facilities.<sup>41</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>42</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>43</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 centres for youth and sports!

### **Expanding services to reduce poverty**

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.

#### *Conditional cash transfers*

As mentioned above, help in the form of cash transfers could be given to poor families to cope with the current disruption in the form of a payment 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.

The model for these conditional cash transfer programs is Mexico’s Progres, later called the Opportunides Program. The program started in August 1997 with the aim of reducing malnutrition, morbidity, high infant mortality rates, high fertility, school dropout rates and unhealthy living conditions. The idea is to pay families to send children to school and visit health care providers. At the end of 1999, Program covered approximately 2.6 million families or about 40 per cent of all rural families and one-ninth of all families in Mexico. At that time, the program operated in almost 50,000 localities, in more than 2,000 municipalities and 31 states in Mexico. Progres’s budget of approximately

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<sup>41</sup> Ibid p21-22.

<sup>42</sup> Ibid, p 23-24.

<sup>43</sup> World Bank, 2006, Background Paper for the Timor-Leste Development Partners Meeting, p 2.

US\$777 million in 1999 was equivalent to 0.2 per cent of Mexico's GDP. The program has served as a model for similar programs in Honduras, Nicaragua, and Argentina.<sup>44</sup>

#### *How to expand service delivery*

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 is 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, needs to use a variety of methods including opinion surveys, needs to be based on random selection so everyone has an equal chance of being selected to participate, and needs to be two-way exchanges involving debate and feedback, and produce records of the main findings that are publicly available.<sup>45</sup> Participatory poverty assessments at the *suco* level could be a key element of new forms of consultation.

#### *New approach to capacity building needed*

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-

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<sup>44</sup> Targeted Interventions to Reduce and Prevent Poverty, International Food Policy Research Institute - <http://www.ifpri.org/>

<sup>45</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.

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.

*Make more use of district assemblies to set priorities for expenditure*

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.

A UNDP project entitled 'Local Development Programme: Decentralisation and poverty reduction' has piloted mechanisms for dispersing funds at district level based on priorities set by elected representatives.<sup>46</sup> Block grants have disbursed in the two pilot districts through a 'Local Development Fund'. In Bobonaro District initially and more recently in Lautem District, the Government has set up District and sub district assemblies to oversee a process for deciding on how to disburse funds for local development.

The funds are allocated 'according to development plans that have been elaborated by those districts through a participative and inclusive planning process'. The funding amounts available are made known to district and sub-district assemblies at the beginning of their yearly planning cycle. So the assemblies are aware of the resource limitations so that they can prioritise development needs accordingly.

The District Assembly is the budget owner. Each village (*suco*) is asked to identify its needs and these are prioritised at the subdistrict level and then passed to the district assembly. The District Assembly allocates 70 per cent of the funds to subdistricts and 30 per cent at the district level. Detailed budgets down to district level for government departments should be posted publicly and regular reports posted on expenditures made.

*Ways to direct funds to the communities that are most in need*

Methods of recording the effectiveness of Government programs in meeting the needs of 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>47</sup>

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<sup>46</sup> UNDP Local Development Program Project fact sheet, [http://www.undp.east-timor.org/undp/focus\\_areas/poverty\\_reduction.html](http://www.undp.east-timor.org/undp/focus_areas/poverty_reduction.html)

<sup>47</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>

## **Conclusion**

Responses to the current crisis should not repeat the mistakes of the past. The World Bank President has stated (22 June 2006) 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.