Timor-Leste

For Timor-Leste, 2014 began with looming political uncertainty. In November 2013, Prime Minister José Alexandre “Xanana” Gusmão announced that he intended to resign from office in the coming year, with September floated as a possible date, ostensibly in order to promote generational renewal of national leadership. According to some accounts, Gusmão’s plan was to establish a small council of senior advisors (of which he would be a member) drawn from across the political spectrum that would provide direction to his hand-selected replacement and new government. But September 2014 passed with Gusmão still in office and continuing to trumpet the benefits of major development projects while dismissing criticism of corruption within his government and passage of new restrictions curtailing basic rights. After a flurry of new rumors in early
In 2015, Prime Minister Gusmão did in fact tender his resignation to President Taur Matan Ruak on 5 February. A week later, the president approved the appointment of former Minister of Health Dr Rui Maria Araújo, from the opposition party Fretilin, as prime minister, and a slimmed-down new cabinet was announced.

The state budget is the fulcrum around which almost all aspects of politics, development, and social debate in Timor-Leste now revolve, so it is with an overview of the budget that any review of the previous year’s events must begin. The proposed 2014 state budget totaled $1.5 billion—representing a slight decrease from the budget proposed for 2013 ($1.67 billion) but an increase over the amount actually executed the previous year. When the budget was ratified in early 2014, the breakdown by major category was as follows: salaries and wages $167 million (11.1%); goods and services $476 million (31.7%); public transfers $292 million (19.4%); minor capital $40 million (2.6%); and development capital $526 million (35%) (all budget figures are from La'o Hamutuk 2015).

Development capital, which includes the infrastructure fund, accounted for one-third of the total budget. Within this category the largest allocation was for repair or construction of roads and bridges ($90 million), including a Japanese-supported project to improve the main road from Liquiçá District to the Indonesian border and a World Bank-assisted project to rebuild the major north-south road through Ainaro District to the south coast. Plans for the development of a so-called Petroleum Corridor along the south coast, once promoted through flashy public presentations, wisely has been curtailed, with only $52 million budgeted (out of a total projection of $291 million) for the Tasi Mane supply base near Suai. The proposed new national airport in Dili and the new port facility in Tibar are still in the planning stages so received relatively modest allocations.

The most dramatic—and indeed fantastical—addition to the long-term national development plans was passage of Law 3/2014 making Oecusse District a special administrative region and the announcement that the enclave would be the recipient of a huge makeover, including the development of a new port and airport, an industrial zone, and an entirely new planned city called the Special Zones of the Social Market Economy of Timor-Leste (known by the Tetum-acronym ZEESM). This project has been handed to former Fretilin Prime Minister Mari Alkatiri, effectively buying off the only serious political opposition. While the long-term planning is for a joint public-private investment of $4.1 billion, the immediate focus is on preparation of infrastructure for the five-hundred-year anniversary of the first arrival of Portuguese explorers later this year and the hope of attracting a visit by Pope Francis in the near future (Yoder 2015).

While much of the discussion by both the government and its critics has focused on the feasibility and utility of these major infrastructure projects, another line under “public transfers” in the national budget has quickly emerged as a mega-project of its own: payments to veterans. Over
the past several years the government passed legislation for veterans’ pensions and cash transfers for widows and children of fallen veterans, at staggered rates depending on the number of years of service. The enacted 2014 budget included $88 million for veterans, representing nearly as much as the already bloated expenditure on security. Even more revealing are the negotiations that took place late in the year over the proposed 2015 budget, during which it was agreed that while most other forms of public transfers (social security, housing, etc) would be decreased, veterans’ payments would be raised by 56 percent to $137 million. This constitutes 9 percent of the total national budget, a figure that at the end of the year will inevitably be even higher as a percentage of the total executed budget. Reflecting their consolidation as a political bloc, veterans have emerged as the most “mega” of the current mega-projects.

Timor-Leste is one of the most petroleum-dependent countries in the world. In 2014, an estimated 95 percent of state revenue was derived from this sector, and 89 percent of the state budget was drawn from the Petroleum Fund. The availability of and dependence on revenue from a single natural resource brought three issues to the fore in public discussions and media reporting during 2014.

First, despite verbal commitments to abide by the Estimated Sustainable Income (ESI) of the Petroleum Fund, the second Gusmão-led government has consistently violated this core principle. In 2014, new concerns about the ESI emerged on two different fronts. Timor-Leste’s oil and gas reserves may not be as large as previously estimated. In 2013, ConocoPhillips, which operates Timor-Leste’s most important oil and gas field (Bayu-Undan), revised its production projections downward, estimating that Timor-Leste would receive nearly 50 percent less revenue than in previous forecasts. Production from the Kitan field is due to end in 2016 and that from Bayu-Undan in 2020. Of equal concern, in 2014 global oil prices fell by over 40 percent, with the decline continuing into early 2015. Taken together, these two factors indicate that current withdrawals from the Petroleum Fund and financial planning are even less sustainable than the government originally predicted or has cared to admit (Scheiner 2015).

A second issue relating to the government’s major infrastructure projects concerns the geographic distribution of the benefits and local oversight. The bulk of this spending is seen to benefit Dili (new airport and port facilities as well as construction of government buildings); Suai district (the Supply Base and whatever comes of the petroleum corridor); and Oecusse (ZEEFSM). Recognizing the need for greater local involvement in the development process, the government has made the first tentative steps to initiate decentralization. In October 2009, the government published Ministry Diploma 7 to establish a Commission for the Preparation of Municipalities. But it was not until early 2014 that the Council of Ministers approved Decree Law 4/2014 on the Organic Statute of Administrative Pre-Decentralization. In contrast to the plan formulated by the Fretilin government in 2003–04, which called for decentralization at
the subdistrict level, the new decree law stipulates replacing the current system of districts with municipalities, each of which will be headed by an appointed manager and an elected municipal assembly (Ximenes 2010). The new law authorizes the municipalities to produce an annual budget, an annual report, and a municipal development plan. However, it is not clear whether or when this interim experiment with administrative deconcentration under appointed heads will be followed by direct elections or the granting of political authority to raise revenue.

Third, corruption cases proliferated in 2014. At least eight members of Gusmão’s cabinet were under investigation by the independent Anti-Corruption Commission. Minister of Education João Câncio Freitas was convicted of corruption, while the trial of Minister of Finance Emília Pires, originally scheduled to begin in October, was postponed indefinitely because of political interference. Beyond high-ranking officials, foreigners working for the Timor-Leste government and in the private sector also have been involved in corruption cases. In June 2014, an American lawyer named Bobby Boye, who worked as an advisor in the Timor-Leste Ministry of Finance from 2010 until 2013, was arrested by US agents and charged with wire fraud and using his influence to have the ministry pay $3.5 million into an account of a fictitious company. In another case, a Portuguese businessman from Macau who worked in the telecommunications sector was imprisoned without trial on charges of transferring $800,000 to his wife’s account in Macau, and his family’s passports were confiscated.

While charges of corruption are not new in Timor-Leste, the proliferation of such cases in 2014 led opposition figures, journalists, and civil society organizations to charge that Prime Minister Gusmão was actively protecting corrupt officials within his government (Allard 2014). On 22 October, Gusmão submitted an official request to the National Parliament asking that members of government remain immune from prosecution until after the 2017 election, but Parliament turned down the request. On the anniversary of the 1999 Popular Consultation on independence from Indonesian rule, President Taur Matan Ruak granted a pardon to five prisoners, among whom was former Minister of Justice Lúcia Maria Lobato, who had been convicted of corruption and sentenced to a five-year prison term. (This was not the first instance of a controversial pardon. In 2008 President José Ramos Horta granted a pardon to former Minister of the Interior Rogerio Lobato, who had been found guilty of manslaughter and the distribution of weapons to civilians.)

The ballooning of the state budget over the past several years has enabled the government to effectively buy off most parliamentary opposition. The centerpiece of this strategy in 2014 was the accommodation reached between Prime Minister Gusmão and his onetime foe, Fretilin leader Mari Alkatiri, and the agreement to hand management of the Oecusse Special Administrative and Economic Zone to Alkatiri. This political accommodation was sealed in late 2014 when Gusmão
publicly stated that he had been wrong to rely on Australian sources with regard to then-Prime Minister Alkatiri’s involvement in the arms scandal that provided the immediate trigger for the outbreak of violence in 2006—which had paved the way for Gusmão’s own ascension to the position of prime minister. Meanwhile, the generous veterans’ benefits initiated over the past few years have made former members of the resistance, regardless of party affiliation, an increasingly confident pro-Gusmão bloc within Parliament and one that is backed by a wide and influential constituency throughout all thirteen districts.

In the absence of meaningful democratic opposition in Parliament, the locus of opposition has shifted outward to the districts. The longest-standing focal point for criticism now resides with the Popular Democratic Council of the People’s Democratic Republic of Timor-Leste (CPD-RDTL), an organization that in 1999 claimed to stand for the 1975 constitution and therefore opposed the United Nations interim administration and the continued international presence in the country. Although the behavior and statements made by CPD-RDTL leaders are often erratic, grassroots support for the group’s ideals has not only persisted but spread during the past year. The organization appears to have greatest support in Baucau and Bobonaro districts but has also been active in Manufahi, Covalima, and elsewhere.

Expressions of opposition to the government intensified in late 2013 when a former resistance commander named Paulino “Mauk Moruk” Gama returned to Timor-Leste from the Netherlands, where he had lived for nearly thirty years. In 1984, Mauk Moruk had been involved in a struggle over leadership of the resistance but came out on the losing end and surrendered, eventually making his way into exile. Soon after his return to Timor-Leste, Mauk Moruk declared the establishment of the Maubere Revolutionary Council (CRM) and called for the resignation of the government and a return to the 1975 constitution. Supporters in his home region of Laga, wearing military uniforms, carried out public demonstrations. In response to the perceived threat, on 3 March 2014 Parliament issued Resolution 15/2014, stating that Mauk Moruk’s CRM and CPD-RDTL violated the constitution, the penal code, and Decree Law 7/2014. Both organizations were thereby declared illegal. Leaders of CRM and CPD-RDTL quickly rejected the parliamentary resolution and the accusations that they were armed and had misused military uniforms (Marisa Gonçalves 2014).

The March parliamentary resolution provided legal grounds for the National Police of Timor-Leste (PNTL) to begin conducting operations against both CRM and CPD-RDTL. Arrests commenced at the CPD-RDTL head office in Balide, Dili, where nineteen members were detained. In Laga, PNTL personnel lowered the flags at the CRM base at Lalulai and detained two people, but other supporters evaded arrest. (National police had also arrested members of the Bua Malus group, which is led by Labarik Maia, in Buruma, Baucau, in December 2013.) On 13 March, the PNTL...
arrested Mauk Moruk at the CRM headquarters in Fatuhada, Dili. Mauk Moruk, his brother Cornélio “L-7” Gama, and the Bua Malus leader Labarik Maia were then brought to court for pretrial proceedings. All three were detained in Becora prison while awaiting trial. In response to a police order for all CRM and CPD-RDTL members to report to the security forces, some supporters of these groups are reported to have gone into hiding.

The most important issue regarding rights in 2014 involved a new Media Law significantly curtailing the freedom of journalists (including fines for violating the law), regulating media ownership, and requiring foreign journalists who wish to operate within the country to obtain official permits. During the first half of 2014, Parliament debated a draft of the law, which, despite widespread objections from civil society, was approved on 6 May 2014 and then submitted to the president of the republic. Rather than using his prerogative right to approve or veto the law, President Taur Matan Ruak asked the Court of Appeal to examine it. After deliberation, the Court of Appeal returned the draft law to the National Parliament for improvement and advised that the draft law must be compatible with the constitution. On 16 December, the Court of Appeal declared the Media Law to be unconstitutional. In response, Vice President of Parliament Adriano Nascimento rejected the court decision on grounds that it was issued by an international judge who was subsequently expelled from the country.

Passage of the new Media Law stimulated widespread outcry from human rights organizations, journalists, and civil society in the country and received considerable international media coverage. Human Rights Watch expressed concern about the requirement that all journalists must obtain licenses, the establishment of a five-member press council, and the unclear definitions of “national culture” and “public interest.” Civil society groups argued that the stipulation that all journalists must obtain a license and the definition of journalistic activities would adversely affect civil society, freelance writers, bloggers, and other commentators. Others agreed that the law would prevent the media from reporting on corruption and other cases involving public officials. In an interview with The Economist, José Antonio Belo, the president of the Timor-Leste Press Union, publicly stated that he would not register as a journalist and was ready to pay any fines imposed and even go to prison (Economist 11 Sept 2014).

A second critical issue relating to the law emerged in October 2014 when Parliament, acting at the request of Prime Minister Gusmão, secretly passed a resolution calling for an audit of the judicial system and the immediate dismissal of all foreigners working in the judicial sector, including foreign judges, prosecutors, public defenders, and judicial advisors. On the same day, the government issued a resolution terminating the contracts of foreign judicial workers on grounds of national interest. In late October, the president of the Court of Appeal stated that the resolution violated the principle of separation of powers and
called on all foreign judicial workers to return to their functions. Nevertheless, the government ordered the Immigration Department to immediately revoke the working visas of eight foreign judges and prosecutors and insisted that they leave the country within two days (Leach 2014). Several of the judges whose contracts were terminated were due to hear corruption cases involving government officials, the current Speaker of the National Parliament, and police personnel, reinforcing the perception that the prime minister was acting to protect cabinet members charged with corrupt practices.

This government decision prompted outrage domestically and sharp condemnation from international human rights organizations. Amnesty International issued a statement expressing concern that the sudden departure of the foreign judicial workers would delay access to justice for victims, particularly women and children who have experienced domestic violence, and would adversely affect trial dates for those in prison (Amnesty International 2014). What impact this decision will have on access to the law and judicial independence is one of the great unknowns going into 2015.

Government officials have taken great pride in the fact that economic growth has exceeded 7 percent for the last few years and continue to promise that investment in major development projects will bring long-term benefits. While there is a desperate need to improve basic infrastructure, the much-heralded South Coast Petroleum Corridor is now on hold and the projected spending on the Oecusse Special Zone is unlikely to succeed. These mega-projects and profligate budgeting for veterans are diverting resources and attention from the pressing issues of domestic food security, accessible health care, and job creation. For these reasons, in the coming year the newly installed government led by Prime Minister Rui Maria Araújo is likely to face increased friction around questions of budgeting, corruption, and internal security, as well as difficulties holding the patchwork cross-party government together.

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Vanuatu

In many ways, 2014 in Vanuatu was much like any other year: periods of political instability with rumored votes of no confidence, one leading to a change of government; accusations of fraud and corruption; and court challenges. At the same time, there were periods of relative calm and moments of proud achievement with the introduction of a new system to elect municipal councils that guarantees women a third of the seats and the smooth election of Vanuatu’s eighth president, and celebration when Vanuatu was finally connected to the Southern Cross undersea cable, providing a new level of communication to the rest of the world.

Compared to previous years, the population of Port Vila woke up a bit earlier in 2014 after the usual quiet Christmas/New Year holiday period, due to the election of a new Municipal Council, scheduled for 7 January. The vote was significant, since it was to be based on an amendment to the Municipalities Act (Municipalities [Amendment] Act 11 of 2013), approved by Parliament the previous year, which guaranteed that 30 to 34 percent of municipal council seats were to be reserved for women (Van Trease 2014, 545). The new law applies to the two existing municipal councils in Vanuatu—Port Vila and Luganville—and any future municipal councils that might be established. The procedure subsequently approved by the Council of Ministers allows voters in each municipal ward (five in Port Vila, for a total of seventeen seats) two votes—one for a general list consisting of both male and female candidates and a second for a list reserved for female candidates only.

While interest seemed high, voter turnout was low, common for municipal elections in Vanuatu, with only 35 percent of the 28,691 registered voters casting their ballots. The counting of votes for the general seats is based on a system of proportional representation reflecting the number of candidates fielded by the different parties, while the seats reserved for women are determined by first past the post—one seat for each of the five wards. The results reflected those of the Port Vila constituency in the 2012 general election, when the parties then in Opposition—now the current government—dominated. The Vanua’aku Pati (VP) won 5 seats, Green Confederation 5, Union of Moderate Parties (UMP) 4, Graon mo Jastis Pati (GJP) 2,